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THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas

Honorable Brooks P. Goldsmith, Circuit Court Judge

Appellate Case No. 2020-001500

Case No. 2020-CP-07-00768

Dana Advocaat, both individually and as Trustee of the Advocaat Living Trust dated March 7, 2019, ... Respondent,

v.

Community Services Associates, Inc.,..... Appellant.

RECORD ON APPEAL VOL 1 of 2

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STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	COURT OF COMMON PLEAS CIVIL ACTION NO.: 2020-CP-07-00768
Dana Advocaat, both individually and as Trustee of the Advocaat Living Trust, dated March 7, 2019 Plaintiff, v. Community Services Associates, Inc., Defendant.	**ORDER GRANTING PLAINTIFF'S MOTION TO INSPECT CORPORATE RECORDS**

This matter came before this Court on August 4, 2020, upon Plaintiff's Motion and Application for Inspection of Corporate Records, pursuant to the South Carolina Nonprofit Corporation Act, South Carolina Code § 33-31-1604, the South Carolina Homeowners' Association Act, and the common law. Upon thorough consideration of the arguments of counsel, together with the memoranda of law, exhibits, pleadings, affidavits, and other filings, this Court grants the Plaintiff's Motion and makes the following factual determinations and judgments of law.

FACTUAL BACKGROUND

Sea Pines Plantation ("Sea Pines") is a private, 5,000-acre resort community in Hilton Head, South Carolina. The Sea Pines development includes residential homes, a resort hotel, commercial establishments, and various recreational facilities. Defendant Community Services Associates, Inc. ("CSA") is a nonprofit corporation, organized pursuant to the South Carolina Nonprofit Corporation Act, organized for the purpose of (*inter alia*) managing and maintaining the common areas within Sea Pines. The common areas include roads, as well as gates for entrance and exit into the development. Plaintiff

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is a member of CSA by virtue of her ownership of property encumbered by various declarations imposed upon the property.[1]

CSA is governed by its governing documents, including its covenants, declarations, articles of incorporation, and bylaws. One of CSA's responsibilities is to run and control the gates into the community, pursuant to the Sea Pines Plantation Gate Policy. Outside visitors are charged fees at the gate. Gate fees are a significant source of revenue for the community. The administration of the Gate Policy, and the use of gate fees, is governed by the CSA governing documents. The governing documents expressly state that "[a]ll gate fees collected by [CSA] shall be contributed to and used for community services." 1974 Declaration, Art. II, § B(11).

The Gate Policy hinges upon a Gate Pass Agreement (sometimes referred to as a Gate Fee Agreement) ("Gate Agreement"), which controls the amount of the fees and dictates the manner in which those fees are to be spent. The Gate Agreement is an agreement between CSA and two of its commercial members, the Sea Pines Resort, LLC, and the Sea Pines Center Associates, LLC; the agreement is referenced and incorporated into the 1988 Declaration for Sea Pines. The Gate Agreement, as amended, had previously been disclosed by CSA to its members. However, in 2018, CSA entered into an Amendment to the Gate Agreement. The 2018 Amendment pertains to the prices of

[1] Recorded instruments affecting the property include, but are not limited to the 1974 *Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.*, recorded with the Beaufort County Register of Deeds, in Book 224, Page 1036, as well as the *Declaration of Covenants and Agreement of 1988 for the Transfer of Properties, Reserved Rights and Obligations of Hilton Head Liquidation Corp. to Community Services Associates, Inc.*, recorded with the Beaufort County Register of Deeds in Book 519, Page 1161 (the "1988 Declaration"), as amended from time to time.

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gate entry fees from 2018 through 2021, and Plaintiff believes that it may impose new items on which those fees may be spent, in violation of the covenants.

CSA has refused to allow its members to inspect the 2018 Amendment to the Gate Agreement. However, it has expended a significant amount of corporate energy in describing to its members limited portions of the 2018 Amendment, and its financial ramifications for the community.

PROCEDURAL BACKGROUND

On several occasions, Plaintiff gave to CSA written notice that she wished to inspect certain corporate records of CSA. Specifically, she asked to inspect and copy the Gate Agreement, as well as any amendments thereto (the "Requested Records").

Plaintiff first asked to inspect the Requested Records by herself sending correspondence to CSA's president. This request was denied by CSA.

Plaintiff then hired an attorney to pursue the matter. By letter from her attorney, Plaintiff again requested to inspect the Gate Agreement and any amendments thereto. CSA again denied Plaintiff's request.

Plaintiff then filed this lawsuit, and she further demanded within her Complaint to inspect the Requested Records. In its Answer, CSA continued to deny Plaintiff's right to inspect the Requested Records.

Plaintiff further requested to see the Requested Records within her discovery requests to CSA. CSA objected to the request, claiming "Executive Privilege" within a privilege log attached to its discovery responses.

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Plaintiff filed an Application with the Court for Inspection of Corporate Records, which is the motion that is the subject of this Order. In support of her application, in addition to the pleadings on file, the Plaintiff filed the Affidavit of Dana Advocaat, which delineated the numerous times Plaintiff had demanded—and been denied—the right to inspect the Requested Records.

CSA filed a Memorandum in Opposition to Plaintiff's Application for Inspection. Plaintiff filed a Reply to Defendant's Memorandum in Opposition. CSA then filed a Reply to Plaintiff's Reply to Defendant's Memorandum in Opposition.

On August 4, 2020, the parties appeared before the Honorable Brooks P. Goldsmith for a hearing on Plaintiff's motion.

CONCLUSIONS OF LAW

This Court finds that Plaintiff is entitled to inspect the Requested Records, specifically the Gate Agreement and its amendments and attachments, for any one—and all—of the reasons set forth below.

I. Plaintiff is entitled to inspect the Requested Records pursuant to the South Carolina Nonprofit Corporation Act.

This Court finds that the Nonprofit Corporation Act operates to permit Plaintiff to inspect the Gate Agreement and its amendments.

A. Plaintiff is entitled to inspect the Requested Records because they are bylaws.

The South Carolina Nonprofit Corporation Act defines "Bylaws" of a nonprofit corporation as "the code or codes of rules, other than the articles, adopted pursuant to this chapter for the regulation or management of the affairs of the corporation irrespective

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of the name or names by which the rules are designated." S.C. Code § 33-31-140(b)(4). The Nonprofit Corporation Act permits members to inspect the corporation's bylaws: ". . . a member is entitled to inspect and copy, at a reasonable time and location specified by the corporation, any of the records of the corporation described in Section 33-31-1601(e)[2]if the member gives the corporation written notice or a written demand at least five business days before the date on which the member wishes to inspect and copy." S.C. Code § 33-31-1602(a).

Because the Requested Records were adopted by CSA to regulate and manage the affairs of the corporation (namely the regulation and management of the gates to the community, and the fees associated therewith), the requested records are corporate bylaws. The Gate Agreement binds and regulates the corporation and its resources—indeed, *millions of dollars* of resources that the Declarations mandate may only be used for "community services." Further, the Requested Records govern the (contractual) relationship between CSA and several of its own members (i.e., the Resort and the Sea Pines Center), pertaining to those members' special rights. The Gate Agreement has its provenance in the 1988 Declaration, which is the covenant from which CSA derives its purpose, power, and direction.

Plaintiff presented the Court with numerous exhibits which indicate that CSA itself views the Requested Records as governing the rights of the corporation and its

[2] "(e) A corporation shall keep a copy of the following records at its principal office: . . . (2) its bylaws or restated bylaws and all amendments to them currently in effect." S.C. Code § 33-31-1601.

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members. Plaintiff has every right, as a member of CSA, to inspect the documents (including contracts) that govern CSA's affairs and thus constitute bylaws under a plain reading of the Nonprofit Corporation Act's definition of the term.

Plaintiff brings this application pursuant to S.C. Code § 33-31-1604, which states:

> [i]f a corporation does not allow a member who complies with Section 33-31-1602(a) to inspect and copy any records required by that subsection to be available for inspection, the circuit court in the county where the corporation's principal office in this State, or, if none in this State, its registered office, is located may summarily order inspection and copying of the records demanded at the corporation's expense upon application of the member.

S.C. Code § 33-31-1604(a). Accordingly, this Court orders CSA to permit the inspection of the Requested Records, which constitute bylaws of CSA.

B. Plaintiff is further entitled to inspect the Requested Records because they are accounting records for which she has made a statutorily sufficient demand.

The Nonprofit Corporation Act requires a nonprofit corporation to "maintain appropriate accounting records." S.C. Code § 33-31-1601. A member of the corporation is entitled to inspect those accounting records if the member makes a written demand, in good faith, for a proper purpose, and the accounting records are directly connected to that purpose. S.C. Code § 33-31-1602.

The Requested Records are accounting records, in that they are documents that underly the finances of CSA and/or they are materials used to prepare CSA's financial and accounting statements. CSA's President made it clear that the agreement underlies the corporation's finances:

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> Many of you may already be aware that on July 5th, 2018 the Sea Pines Community Services Associates, (CSA), Board of Directors passed a resolution to enter into an agreement to increase the Sea Pines "daily visitor gate fee" from $6 to $8 . . . **Today, gate fees now far outpace the growth of any other major revenue sources to CSA**. These gate fee increases and the new agreement, updates and confirms all prior gate fee agreements and current policies, and **comprise the largest ongoing revenue increase to any CSA revenue source ever made!** The agreement also provides for the first time, a specified opportunity for additional defined future gate fee increases. These daily gate fee increases will help us **address critical projects for the Sea Pines community**, including funding improvements to increase efficiencies and flow at our gate entrances, repairing and improving our roadways and help to provide for other vital community needs.
>
> (emphasis added)

CSA has also told its members—without allowing them to inspect the agreement—that the document is "critical" to important projects at Sea Pines:

> Without the agreement we would not have been able to collect the additional funds to help us address critical projects for the Sea Pines community, including funding improvements to increase efficiencies and flow at our gate entrances, repairing and improving our roadways and to help provide for other vital community needs.

Further CSA has provided its members with a history of the 2018 Amendment, including a detailed "description of the various assigned rights, CSA history and financial impacts of Sea Pines gate fee changes over the years." It is clear from CSA's own communications to its members that the documents Plaintiff seeks to inspect are very much accounting records of the corporation, profoundly affecting its finances.

Although not binding, this Court finds the opinion of the South Carolina Attorney General to be persuasive on the topic of which accounting records a corporate member may inspect. *See*, *e.g.*, Op. S.C. Atty. Gen., January 26, 2016, p. 12, ¶ 2 ("Legislative intent

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was for any and all underlying documents or materials used to prepare the non-profit corporation's accounting statements to be inspected by a member as long as the member provides written notice, the member's demand is made in good faith and for a proper purpose, the member specifically describes the purpose and the records he wants to inspect, and the records are directly connected to that purpose.") (emphasis in original).

This Court finds that, in good faith, Plaintiff made a demand of CSA to inspect the accounting records related to the gates, including the Gate Policy, Gate Agreement, and any amendments and attachments thereto. Plaintiff described the purpose of the inspection as being to discern whether the gate fees collected by CSA are being used by CSA in accordance with the requirements of the governing documents, including the declarations and covenants, which expressly require that CSA use all gate for community services. This Court finds that because the Requested Records control the gate fees collected by CSA, as well as the manner in which those fees are used by CSA, they are directly related to Plaintiff's purpose for inspecting them.

Following her good faith demands, CSA refused to provide Plaintiff with a final, complete copy of that Gate Agreement, with amendments, and the underlying accounting documents. Plaintiff therefore brought this application pursuant to the Nonprofit Corporation Act, which states:

> [i]f a corporation does not within a reasonable time allow a member to inspect and copy any other record, the member who complies with Section 33-31-1602(b) and (c) may apply to the circuit court in the county where the corporation's principal office in this State, or if none in this State, its registered office, is located for an order to permit inspection and copying of the records demanded. The court shall dispose of an application under this

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subsection on an expedited basis.

S.C. Code § 33-31-1604(b). Accordingly, this Court hereby orders CSA to permit the inspection of the Requested Records, which constitute accounting records of CSA.

II. Plaintiff is entitled to inspect the 2018 Amendment because it seeks to bind her property.

In addition to the statutory rights that it delineates, the Nonprofit Corporation Act expressly references and does not exclude a member's common law right to inspect corporate records, and the power of the Court to order production of corporate records for inspection. S.C. Code § 33-31-1602(d)(2).

In this instance, Plaintiff's right to inspect the 2018 Amendment is compounded by the fact that the nonprofit corporation of which she is a member is not just any corporation: it is a homeowner's association. Plaintiff's membership in CSA is tied to her property, which is bound by various declarations of covenants and restrictions that run with the land. When she purchased property within Sea Pines Plantation, Plaintiff acquired a vested interest in the common areas of the development (including the gate), as well as the obligation to pay assessments to maintain them. CSA is the entity charged with managing the assessments paid by its members and maintaining the common areas.

The Gate Agreement and the 2018 Amendment materially affect Plaintiff's property interest. The Gate Agreement itself is a creature of the 1988 Declaration, which incorporates its early terms into the covenants running with Plaintiff's property. The agreement directly pertains to CSA's ability to maintain community infrastructure; the agreement dictates in part the amount of assessments that must be paid by CSA's

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members for the maintenance of common areas; the agreement governs certain amenities of the community; ultimately, the agreement directly affects Plaintiff's property value. In other words, Plaintiff has asked to inspect a contract which binds her property and vests it with rights and obligations. This Court finds that she is entitled to do so.

III. Plaintiff has a right as a litigant to inspect the Requested Records.

Finally, the Nonprofit Corporation Act expressly does not exclude a member's right to inspect corporate records "if the member is in litigation with the corporation, to the same extent as any other litigant." S.C. Code § 33-31-1602(d)(1). In the course of discovery in this lawsuit, Plaintiff served requests for production on CSA, pursuant to Rule 34, SCRCP. CSA objected to the production of the Gate Agreement and its amendments, citing "Executive Privilege." This Court finds that the Requested Records are not covered by any privilege which would permit CSA to withhold them, and it orders CSA to produce them to the Plaintiff.

CONCLUSION

For the reasons set forth above, this Court grants Plaintiff's Motion and Application to Inspect Corporate Records, and it hereby orders CSA to permit Plaintiff to inspect the Requested Records. Based on this Court's above-findings and the applicable law, this Court further finds that Plaintiff is entitled to an award of fees and costs in an amount to be determined in another hearing. The undersigned does not retain jurisdiction over this case.

IT IS SO ORDERED!

_____

The Honorable Brooks Goldsmith

September ____ , 2020

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Beaufort Common Pleas

Case Caption: Dana Kindel Advocaat , plaintiff, et al VS Community Services Associates Inc

Case Number: 2020CP0700768

Type: Order/Other

It is so Ordered

Brooks P. Goldsmith, Circuit Court Judge

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STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	COURT OF COMMON PLEAS CIVIL ACTION NO.: 2020-CP-07-00768
Dana Advocaat, both individually and as Trustee of the Advocaat Living Trust dated March 7, 2019, Plaintiff, v. Community Services Associates, Inc., Defendant.	**ORDER DENYING DEFENDANT'S MOTION TO ALTER OR AMEND**

This matter comes before the court upon Defendant's Motion To Alter Or Amend dated September 14, 2020. Both parties submitted Memorandum. After considering the issues before the court I conclude there is no substantial reason to alter or amend the prior order of this court.

ACCORDINGLY, Defendant's Motion is hereby DENIED.

IT IS SO ORDERED!

_____
Honorable Brooks Goldsmith

_____, 2020

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Beaufort Common Pleas

Case Caption: Dana Kindel Advocaat , plaintiff, et al VS Community Services Associates Inc

Case Number: 2020CP0700768

Type: Order/Other

It is so Ordered

Brooks P. Goldsmith, Circuit Court Judge

ELECTRONICALLY FILED - 2020 Mar 25 11:04 AM - BEAUFORT - COMMON PLEAS - CASE#2020CP0700768

STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	COURT OF COMMON PLEAS CIVIL ACTION NO.: ___
Dana Advocaat, Plaintiff, v. Community Services Associates, Inc., Defendant.	**SUMMONS**

TO THE DEFENDANT ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint herein, a copy of which is herewith served upon you, and to serve a copy of your answer to this Complaint upon the subscriber, at the address shown below, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the Complaint, judgment by default will be rendered against you for the relief demanded in the Complaint.

FORD WALLACE THOMSON LLC

s/ Ainsley F. Tillman
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March 25, 2020
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STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	COURT OF COMMON PLEAS CIVIL ACTION NO.: ___
Dana Advocaat, Plaintiff, v. Community Services Associates, Inc., Defendant.	**COMPLAINT** **(Expedited Hearing Requested)**

Plaintiff Dana Advocaat, by and through the undersigned attorneys, submits this Complaint and alleges as set forth below.

PARTIES

1. Plaintiff Dana Advocaat ("Advocaat") is an individual citizen and resident of Beaufort County, South Carolina.
   A. Advocaat is a resident of Sea Pines Plantation on Hilton Head Island, Beaufort County, South Carolina, and she owns real property in that community.
   B. Advocaat is a member in good standing of Community Services Associates, Inc., and has been so at the times of the events at issue.
2. Defendant Community Services Associates, Inc. ("CSA") is a nonprofit corporation organized under the laws of South Carolina, with its principal place of business in Beaufort County.

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JURISDICTION AND VENUE

3. This Court has subject-matter jurisdiction over the claims in this lawsuit under Article V § 11 of the South Carolina Constitution and, *inter alia*, South Carolina Code §§ 14-5-350 *et seq*. and 15-7-10 *et seq*.

4. This Court has personal jurisdiction over the parties because they reside and do business in Beaufort County.

5. Venue is proper in this circuit under, *inter alia*, South Carolina Code § 15-7-30 *et seq*. because a substantial part of the events or omissions giving rise to the claim occurred in this Court's division.

BACKGROUND

6. Sea Pines is a gated community in Beaufort County.

7. CSA is a member organization within Sea Pines.

   A. CSA is governed by its governing documents, including its covenants, declarations, articles of incorporation, and bylaws.

   B. CSA is bound by the declarations, restrictions, and covenants that touch and concern the land within Sea Pines.

   C. CSA also is subject to South Carolina law, including the South Carolina Nonprofit Corporation Act, S.C. Code § 33-31-101 *et seq*. and the South Carolina Homeowners' Association Act, S.C. Code § 27-30-110 *et seq*.

8. One of CSA's responsibilities is to run and control the gate into the community, pursuant to the Sea Pines Plantation Gate Policy.

9. Outside visitors are charged fees at the gate.

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A. Gate fees are a significant source of revenue for the community.

B. The administration of the Gate Policy, and the use of gate fees, is governed by the CSA governing documents, including the covenants, restrictions, and declarations.

10. The Gate Policy hinges upon a Gate Pass Agreement, which controls the amount of the fees and dictates the manner in which those fees are to be spent.

11. The Gate Policy and the Gate Pass Agreement are creatures of the 1974 *Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.*, recorded with the Beaufort County Register of Deeds, in Book 224, Page 1036 (the "1974 Declaration).

A. The 1974 Declaration incorporates the gate policy by reference.

B. The gate entry policy for Sea Pines Plantation is a part of and subject to the 1974 Declaration, which sets forth the plan for its proper administration.

12. The Gate Policy and Gate Pass Agreement are also creatures of the *Declaration of Covenants and Agreement of 1988 for the Transfer of Properties, Reserved Rights and Obligations of Hilton Head Liquidation Corp. to Community Services Associates, Inc.*, recorded with the Beaufort County Register of Deeds in Book 519, Page 1161 (the "1988 Declaration").

A. The 1988 Declaration incorporates the gate policy, attaches it as an exhibit, references the rights and obligations pertaining to it, and governs its administration.

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13. The Gate Policy and Gate Pass Agreement, and any amendments thereto, are governing documents of CSA.
14. The Gate Policy and Gate Pass Agreement, and any amendments thereto, are bylaws of CSA, as defined by the South Carolina Nonprofit Corporation Act.
15. The Gate Policy and Gate Pass Agreement, and any amendments thereto, are financial and accounting records of the corporation.
16. CSA has entered into an Amendment to its Gate Pass Agreement.
17. CSA refuses to provide the CSA members, including Advocaat, with a final, complete copy of that Gate Pass Agreement, with attachments, and the underlying accounting documents.

FIRST CAUSE OF ACTION
(For Inspection of Corporate Records)

18. The allegations above and below are incorporated into this cause of action as if set forth fully herein.
19. As set forth above, the Gate Pass Agreement and Gate Policy (and any amendments thereto) are "bylaws," as defined by the South Carolina Nonprofit Corporation Act, S.C. Code § 33-31-140(b)(4).
20. Additionally, as set forth above, the Gate Pass Agreement and Gate Policy (and any amendments thereto) constitute financial and accounting records of the corporation.
21. Advocaat has given written notice to CSA, in compliance with the South Carolina Nonprofit Corporation Act, that she wishes to inspect and copy the full and final Gate Pass Agreement, as amended, and any attachments thereto.

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22. Although not required since the document she wishes to inspect is a "bylaw," Advocaat's written notice of her demand to inspect and copy the Gate Pass Agreement, as amended, was made in good faith and for the proper and particular purpose of determining whether CSA is administering funds as required by the 1974 Declaration and the 1988 Declaration.

23. The Gate Pass Agreement is directly connected to Advocaat's proper purpose for inspection.

24. CSA wrongfully failed to allow inspection of the governing documents—including the Gate Pass Agreement and related materials—by Advocaat, in violation of (*inter alia*) S.C. Code § 33-31-1602, -1603, -1604.

25. Advocaat seeks an order from this Court that compels CSA to allow her to inspect the Gate Pass Agreement, and its amendments and other related materials.

26. Advocaat is entitled to the costs and attorney's fees of this action, pursuant to S.C. Code § 33-31-1604(c).

SECOND CAUSE OF ACTION
(Violation of South Carolina Homeowners Association Act)

27. The allegations above and below are incorporated into this cause of action as if set forth fully herein.

28. The Gate Pass Agreement constitutes a governing document at Sea Pines.

29. CSA has violated the South Carolina Homeowners Association Act, S.C. Code § 27-30-110 *et seq.*, including by failing to record the Gate Pass Agreement and

amendments with the Register of Mesne Conveyance, or register of deeds office, as required by S.C. Code § 27-30-130.

WHEREFORE, Plaintiff requests that judgment be entered against Defendant on all causes of action, that Defendant be ordered to allow Plaintiff to inspect the complete, final, fully-executed Gate Pass Agreement and its amendments, and all other governing documents, rules, and bylaws, including their attachments, and that Plaintiff be awarded the costs and attorney's fees associated with this action, and such other relief as the Court deems just and appropriate.

Respectfully submitted,

FORD WALLACE THOMSON LLC

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March 25, 2020

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ELECTRONICALLY FILED - 2020 Apr 28 2:36 PM - BEAUFORT - COMMON PLEAS - CASE#2020CP0700768

STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	COURT OF COMMON PLEAS CIVIL ACTION NO.: 2020-CP-07-00768
Dana Kindel Advocaat, both individually and as Trustee of the Advocaat Living Trust Dated March 7, 2019, Plaintiff, v. Community Services Associates, Inc., Defendant.	**AMENDED COMPLAINT** **(Expedited Hearing Requested)**

Plaintiff Dana Kindel Advocaat, both individually and as Trustee of the Advocaat Living Trust Dated March 7, 2019, by and through the undersigned attorneys, submits this Amended Complaint and alleges as set forth below.

PARTIES

1. Dana Kindel Advocaat, both individually and as Trustee of the Advocaat Living Trust Dated March 7, 2019, (collectively "Advocaat" or "Plaintiff") owns property in Beaufort County, South Carolina.
   A. Dana Advocaat is a resident of Sea Pines Plantation on Hilton Head Island, Beaufort County, South Carolina, and at relevant times she has owned real property in that community.
   B. The Advocaat Living Trust Dated March 7, 2019 is a trust that owns real property in the community.

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C. Advocaat is a member in good standing of Community Services Associates, Inc., and has been so at the times of the events at issue.

2. Defendant Community Services Associates, Inc. ("CSA") is a nonprofit corporation organized under the laws of South Carolina, with its principal place of business in Beaufort County.

JURISDICTION AND VENUE

3. This Court has subject-matter jurisdiction over the claims in this lawsuit under Article V § 11 of the South Carolina Constitution and, *inter alia*, South Carolina Code §§ 14-5-350 *et seq*. and 15-7-10 *et seq*.

4. This Court has personal jurisdiction over the parties because they reside and do business in Beaufort County.

5. Venue is proper in this circuit under, *inter alia*, South Carolina Code § 15-7-30 *et seq*. because a substantial part of the events or omissions giving rise to the claim occurred in this Court's division.

BACKGROUND

6. Sea Pines is a gated community in Beaufort County.

7. CSA is a member organization within Sea Pines.

A. CSA is governed by its governing documents, including its covenants, declarations, articles of incorporation, and bylaws.

B. CSA is bound by the declarations, restrictions, and covenants that touch and concern the land within Sea Pines.

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C. CSA also is subject to South Carolina law, including the South Carolina Nonprofit Corporation Act, S.C. Code § 33-31-101 *et seq*. and the South Carolina Homeowners' Association Act, S.C. Code § 27-30-110 *et seq*.

8. One of CSA's responsibilities is to run and control the gate into the community, pursuant to the Sea Pines Plantation Gate Policy.

9. Outside visitors are charged fees at the gate.

   A. Gate fees are a significant source of revenue for the community.

   B. The administration of the Gate Policy, and the use of gate fees, is governed by the CSA governing documents, including the covenants, restrictions, and declarations.

10. The Gate Policy hinges upon a Gate Pass Agreement, which controls the amount of the fees and dictates the manner in which those fees are to be spent.

11. The Gate Policy and the Gate Pass Agreement are creatures of the 1974 *Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.*, recorded with the Beaufort County Register of Deeds, in Book 224, Page 1036 (the "1974 Declaration).

   A. The 1974 Declaration incorporates the gate policy by reference.

   B. The gate entry policy for Sea Pines Plantation is a part of and subject to the 1974 Declaration, which sets forth the plan for its proper administration.

12. The Gate Policy and Gate Pass Agreement are also creatures of the *Declaration of Covenants and Agreement of 1988 for the Transfer of Properties, Reserved Rights and Obligations of Hilton Head Liquidation Corp. to Community Services Associates,*

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Inc., recorded with the Beaufort County Register of Deeds in Book 519, Page 1161 (the "1988 Declaration").

A. The 1988 Declaration incorporates the gate policy, attaches it as an exhibit, references the rights and obligations pertaining to it, and governs its administration.

13. The Gate Policy and Gate Pass Agreement, and any amendments thereto, are governing documents of CSA.

14. The Gate Policy and Gate Pass Agreement, and any amendments thereto, are bylaws of CSA, as defined by the South Carolina Nonprofit Corporation Act.

15. The Gate Policy and Gate Pass Agreement, and any amendments thereto, are financial and accounting records of the corporation.

16. CSA has entered into an Amendment to its Gate Pass Agreement.

17. CSA refuses to provide the CSA members, including Advocaat, with a final, complete copy of that Gate Pass Agreement, with attachments, and the underlying accounting documents.

FIRST CAUSE OF ACTION
(For Inspection of Corporate Records)

18. The allegations above and below are incorporated into this cause of action as if set forth fully herein.

19. As set forth above, the Gate Pass Agreement and Gate Policy (and any amendments thereto) are "bylaws," as defined by the South Carolina Nonprofit Corporation Act, S.C. Code § 33-31-140(b)(4).

20. Additionally, as set forth above, the Gate Pass Agreement and Gate Policy (and

any amendments thereto) constitute financial and accounting records of the corporation.

21. Advocaat has given written notice to CSA, in compliance with the South Carolina Nonprofit Corporation Act, that she wishes to inspect and copy the full and final Gate Pass Agreement, as amended, and any attachments thereto.

22. Although not required since the document she wishes to inspect is a "bylaw," Advocaat's written notice of her demand to inspect and copy the Gate Pass Agreement, as amended, was made in good faith and for the proper and particular purpose of determining whether CSA is administering funds as required by the 1974 Declaration and the 1988 Declaration.

23. The Gate Pass Agreement is directly connected to Advocaat's proper purpose for inspection.

24. CSA wrongfully failed to allow inspection of the governing documents—including the Gate Pass Agreement and related materials—by Advocaat, in violation of (*inter alia*) S.C. Code § 33-31-1602, -1603, -1604.

25. Advocaat seeks an order from this Court that compels CSA to allow her to inspect the Gate Pass Agreement, and its amendments and other related materials.

26. Advocaat is entitled to the costs and attorney's fees of this action, pursuant to S.C. Code § 33-31-1604(c).

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SECOND CAUSE OF ACTION
(Violation of South Carolina Homeowners Association Act)

27. The allegations above and below are incorporated into this cause of action as if set forth fully herein.

28. The Gate Pass Agreement constitutes a governing document at Sea Pines.

29. CSA has violated the South Carolina Homeowners Association Act, S.C. Code § 27-30-110 *et seq.*, including by failing to record the Gate Pass Agreement and amendments with the Register of Mesne Conveyance, or register of deeds office, as required by S.C. Code § 27-30-130.

WHEREFORE, Plaintiff requests that judgment be entered against Defendant on all causes of action, that Defendant be ordered to allow Plaintiff to inspect the complete, final, fully-executed Gate Pass Agreement and its amendments, and all other governing documents, rules, and bylaws, including their attachments, and that Plaintiff be awarded the costs and attorney's fees associated with this action, and such other relief as the Court deems just and appropriate.

[signature block appears on the next page]

Respectfully submitted,

FORD WALLACE THOMSON LLC

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April 28, 2020

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ELECTRONICALLY FILED - 2020 May 28 11:56 AM - BEAUFORT - COMMON PLEAS - CASE#2020CP0700768

STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT Dana Kindel Advocaat, both individually and as Trustee of the Advocaat Living Trust Dated March 7, 2019, Plaintiff, vs. Community Services Associates, Inc., Defendant.	IN THE COURT OF COMMON PLEAS FOURTEENTH JUDICIAL CIRCUIT CASE NO.: 2020-CP-07-00768 **ANSWER OF COMMUNITY SERVICES ASSOCIATES, INC.**

NOW COMES Defendant Community Services Associates, Inc. ("Defendant"), by and through its undersigned counsel, and hereby answers Plaintiff's Amended Complaint and would show the Court as follows:

FOR A FIRST DEFENSE
(General Denial)

1. Defendant denies each and every allegation contained in the Amended Complaint not hereinafter specifically admitted.

FOR A SECOND DEFENSE

2. Defendant admits the allegations contained in Paragraph 1 of the Amended Complaint only to the extent they allege Dana Kindel Advocaat, as Trustee of the Advocaat Living Trust Dated March 7, 2019, owns property in Beaufort County, South Carolina. Defendant is informed and believes that Gijsbert Diederik Advocaat is a Co-Trustee of the Advocaat Living Trust Dated March 7, 2019 and therefore, should be made a co-Plaintiff in this action. Defendant denies the allegations contained in Paragraph 1 to the extent they allege Dana Kindel Advocaat, individually, owns property in Beaufort County.

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3. Defendant admits the allegations contained in Paragraph 1(A) of the Amended Complaint.

4. Defendant admits the allegations contained in Paragraph 1(B) of the Amended Complaint.

5. Defendant admits the allegations contained in Paragraph 1(C) of the Amended Complaint to the extent they allege Dana Advocaat, as Trustee of the Advocaat Living Trust Dated March 7, 2019, is a member of CSA. Defendant lacks sufficient information to admit or deny the remaining allegations of Paragraph 1(C).

6. Defendant admits the allegations contained in Paragraph 2 of the Amended Complaint.

7. Defendant admits the allegations contained in Paragraph 3 of the Amended Complaint.

8. Defendant admits the allegations contained in Paragraph 4 of the Amended Complaint.

9. Defendant admits the allegations contained in Paragraph 5 of the Amended Complaint.

10. Defendant admits the allegations contained in Paragraph 6 of the Amended Complaint.

11. Defendant admits the allegations contained in Paragraph 7 of the Amended Complaint.

12. Defendant admits the allegations contained in Paragraph 7(A) of the Amended Complaint.

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13. Defendant admits only that it is bound by certain declarations, restrictions, and covenants that touch and concern the land within Sea Pines, but it lacks sufficient information to admit or deny the allegations contained in Paragraph 7(B) of the Amended Complaint as stated.

14. Defendant admits the allegations contained in Paragraph 7(C) of the Amended Complaint.

15. In response to Paragraph 8 of the Amended Complaint, Defendant generally admits the allegations contained therein, but denies that it is called the Sea Pines Plantation Gate Policy or that there is only one gate.

16. Defendant admits the allegations contained in Paragraph 9 of the Amended Complaint to the extent they allege, generally, that outside visitors are charged fees for admission into Sea Pines Plantation. However, Defendant would further state that the Sea Pines Gate Entry Policy ("Gate Policy") creates certain classes of visitors to whom no admission fees are charged.

17. Defendant lacks sufficient information to admit or deny the allegations contained in Paragraph 9(A) of the Amended Complaint.

18. Defendant denies the allegations contained in Paragraph 9(B) of the Amended Complaint to the extent they allege that all CSA and Sea Pines Plantation governing documents apply to the administration of the Gate Policy.

19. Defendant denies the allegations contained in Paragraph 10 of the Amended Complaint.

20. Defendant denies the allegations contained in Paragraph 11 of the Amended Complaint, including subparts A and B.

21. Defendant admits the allegations contained in Paragraph 12 of the Amended Complaint. Defendant would also state that the Sea Pines Gate Entry Policy and Gate Pass Agreement are also products of that certain Assignment of Rights from Hilton Head Liquidation

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Corp. to Sea Pines Plantation Company, Inc., dated November 17, 1987, and recorded in Book 490 at Page 712 in the Beaufort County Register of Deeds Office.

22. Defendant admits the allegations contained in Paragraph 12(A) of the Amended Complaint.

23. Defendant denies the allegations contained in Paragraphs 13, 14 and 15 of the Amended Complaint.

24. Defendant admits the allegations contained in Paragraph 16 of the Amended Complaint.

25. Defendant admits the allegations contained in Paragraph 17 of the Amended Complaint.

26. Defendant is informed and believes that Paragraph 18 of the Amended Complaint does not require a response. To the extent a response is required, Paragraph 18 is denied.

27. Defendant denies the allegations contained in Paragraphs 19 and 20 of the Amended Complaint.

28. Defendant admits only so much of Paragraph 21 of the Amended Complaint which alleges that Plaintiff gave written notice to Defendant regarding inspection and copying of the Gate Pass Agreement and its attachments. Defendant denies the remaining allegations contained in Paragraph 21.

29. Defendant is informed and believes that the allegations contained in Paragraph 22 of the Amended Complaint constitute legal conclusions to which no responses are required. To the extent responses are required, Defendant denies the allegations contained in Paragraph 22.

30. Defendant denies the allegations contained in Paragraph 23 of the Amended Complaint.

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31. Defendant denies the allegations contained in Paragraphs 24, 25 and 26 of the Amended Complaint.

32. Defendant is informed and believes that Paragraph 27 of the Amended Complaint does not require a response. To the extent a response is required, Defendant denies Paragraph 27.

33. Defendant denies the allegations contained in Paragraphs 28 and 29 of the Amended Complaint.

34. Defendant denies the relief sought in the Paragraph beginning with "WHEREFORE."

FIRST AFFIRMATIVE DEFENSE
(Business Judgment Rule)

35. At all times relevant hereto, Defendant acted within its authority under the Sea Pines Plantation and CSA governing documents and S.C. Code Ann. § 33-31-830, without corrupt motives and in good faith. Accordingly, Defendant's alleged actions are not subject to judicial review, and Plaintiff is barred from proceeding against Defendant.

SECOND AFFIRMATIVE DEFENSE
(Compliance with Governing Documents)

36. At all times relevant to the matters complained of in the Complaint, Defendant acted within the authority and power granted to it through the governing documents of Sea Pines Plantation and CSA.

THIRD AFFIRMATIVE DEFENSE
(Compliance with Standard of Care)

37. At all times relevant hereto, Defendant complied with the applicable standard of care.

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FOURTH AFFIRMATIVE DEFENSE
(Compliance with Governing Law)

38. At all times relevant hereto, Defendant complied with the duties and obligations required of it under the laws of South Carolina and the United States.

FIFTH AFFIRMATIVE DEFENSE
(Acted Reasonably and in Good Faith)

39. At all times relevant hereto, Defendant acted reasonably and in good faith with regard to the matters alleged in the Amended Complaint.

SIXTH AFFIRMATIVE DEFENSE
(Reasonable Basis for Denial/No Costs to Plaintiff)

40. In the event the Court orders inspection of the records identified in the Amended Complaint, Defendant's actions regarding Plaintiff's demand for inspection were made in good faith because Defendant had a reasonable basis for doubt about Plaintiff's right to inspect the requested records. Pursuant to S.C. Code Ann. § 33-31-1604(c), in the event the Court orders inspection, Plaintiff is not entitled to recover the costs of this action from Defendant.

SEVENTH AFFIRMATIVE DEFENSE
(Failure to Comply with Governing Law)

41. Plaintiff may have failed to comply with S.C. Code Ann. § 33-31-1602(c) in her records request submitted to Defendant.

EIGHTH AFFIRMATIVE DEFENSE
(General Reservation)

42. Defendant reserves any additional and further defenses as may be revealed by additional information during the course of discovery and investigation, and as are consistent with the South Carolina Rules of Civil Procedure.

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WHEREFORE, having fully responded to the Amended Complaint, Defendant requests the Court dismiss the Amended Complaint with prejudice and with all costs taxed against Plaintiff. Defendant further requests any additional relief this Court deems just and proper.

This 28th day of May, 2020.

Respectfully submitted,

COPELAND, STAIR, KINGMA & LOVELL, LLP

By: *s/Douglas W. MacKelcan*
DOUGLAS W. MACKELCAN
State Bar No.: 76332
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ELECTRONICALLY FILED - 2020 Jun 19 10:18 AM - BEAUFORT - COMMON PLEAS - CASE#2020CP0700768

STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	COURT OF COMMON PLEAS CIVIL ACTION NO.: 2020-CP-07-00768
Dana Advocaat, both individually and as Trustee of the Advocaat Living Trust, dated March 7, 2019 Plaintiff, v. Community Services Associates, Inc., Defendant.	**APPLICATION FOR INSPECTION OF CORPORATE RECORDS (Expedited Hearing Requested)**

TO: DOUGLAS W. MACKELCAN, ESQUIRE, AND MICHAEL C. MASCIALE, ESQUIRE, ATTORNEYS FOR THE DEFENDANT:

You will please take notice that the undersigned attorneys for Plaintiff will apply to the Court, ten (10) days from the date of this Application or at a time and place to be set by the Court, for an order permitting the inspection of the records demanded of Defendant within Plaintiff's Amended Complaint. This Application is made pursuant to the South Carolina Nonprofit Corporation Act, South Carolina Code § 33-31-1604, which states that: "The court shall dispose of an application under this subsection on an expedited basis."

Defendant Community Services Associates, Inc. ("CSA") is a nonprofit corporation, organized pursuant to the South Carolina Nonprofit Corporation Act. Plaintiff is a member of CSA.

On January 13, 2020, Plaintiff gave to CSA written notice that she wished to inspect

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certain corporate records of CSA. Specifically, she asked to inspect and copy the Gate Fee Agreement/Gate Pass Agreement, as well as any amendments thereto (the "Requested Records"). The Requested Records are by-laws and/or accounting records of CSA. On February 11, 2020, CSA denied Plaintiff's Request. (Exhibit 1, Letter from W. Nester, III, Esq., "Your letter . . . requests that the Board . . . provide all CSA members with a copy of the current Gate Fee Agreement. . . . The Board does not believe it is in the best interests of CSA to comply with the requests set forth in the Letter and your demands are rejected.").

Plaintiff further demanded the Requested Records within her Complaint, filed with this Honorable Court on March 25, 2020. In its Answer, filed on May 28, 2020, Defendant continues to deny that Plaintiff is entitled to inspect the Requested Records.

Plaintiff therefore applies to this Court to order CSA to permit Plaintiff to inspect the Records, pursuant to the Nonprofit Corporation Act.

BACKGROUND

Sea Pines is a gated community in Beaufort County. CSA is a nonprofit member organization within Sea Pines. CSA is governed by its governing documents, including its covenants, declarations, articles of incorporation, and bylaws. Plaintiff is a member of CSA.

One of CSA's responsibilities is to run and control the gates into the community, pursuant to the Sea Pines Plantation Gate Policy. Outside visitors are charged fees at the gate. Gate fees are a significant source of revenue for the community. The administration

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of the Gate Policy, and the use of gate fees, is governed by the CSA governing documents, including the covenants, restrictions, and declarations.

The Gate Policy hinges upon a Gate Pass Agreement (sometimes referred to as a Gate Fee Agreement), which controls the amount of the fees and dictates the manner in which those fees are to be spent. The Gate Policy and Gate Pass Agreement, and any amendments thereto, are governing documents of CSA. The Gate Policy and Gate Pass Agreement, and any amendments thereto, are bylaws of CSA, as defined by the South Carolina Nonprofit Corporation Act. The Gate Policy and Gate Pass Agreement, and any amendments thereto, are financial and accounting records of the corporation.

ARGUMENT

A. Plaintiff is entitled to inspect the Requested Records because they are bylaws.

The South Carolina Nonprofit Corporation Act defines "Bylaws" of a nonprofit corporation as "the code or codes of rules, other than the articles, adopted pursuant to this chapter for the regulation or management of the affairs of the corporation irrespective of the name or names by which the rules are designated." S.C. Code § 33-31-140(b)(4). Because the Requested Records were adopted by CSA to regulate and manage the affairs of the corporation (namely the regulation and management of the gates to the community, and the fees associated therewith), the requested records are corporate bylaws.

The Nonprofit Corporation Act permits members to inspect the corporation's bylaws: ". . . a member is entitled to inspect and copy, at a reasonable time and location specified by the corporation, any of the records of the corporation described in Section

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33-31-1601(e)[1] if the member gives the corporation written notice or a written demand at least five business days before the date on which the member wishes to inspect and copy." S.C. Code § 33-31-1602(a). Plaintiff gave such notice. CSA refused to allow her to inspect the bylaws/Requested Records. *See* Exhibit 1.

Plaintiff brings this application pursuant to S.C. Code § 33-31-1604, which states:

> [i]f a corporation does not allow a member who complies with Section 33-31-1602(a) to inspect and copy any records required by that subsection to be available for inspection, the circuit court in the county where the corporation's principal office in this State, or, if none in this State, its registered office, is located may summarily order inspection and copying of the records demanded at the corporation's expense upon application of the member.

S.C. Code § 33-31-1604(a). Plaintiff therefore applies to this Court to order CSA to permit the inspection of the Requested Records, which constitute bylaws of CSA. Plaintiff further requests that she be awarded the attorney's fees and costs associated with obtaining the Requested Records, pursuant to S.C. Code § 33-31-1604(c).

B. Alternatively, Plaintiff is entitled to inspect the Requested Records because they are accounting records for which she has made a statutorily sufficient demand.

The Nonprofit Corporation Act requires a nonprofit corporation to "maintain appropriate accounting records." S.C. Code § 33-31-1601. A member of the corporation is entitled to inspect those accounting records if the member makes a written demand, in good faith, for a proper purpose, and the accounting records are directly connected to that purpose. S.C. Code § 33-31-1602.

[1] "(e) A corporation shall keep a copy of the following records at its principal office: . . . (2) its bylaws or restated bylaws and all amendments to them currently in effect." S.C. Code § 33-31-1601.

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The Requested Records are accounting records, in that they are documents that underly the finances of CSA and/or they are materials used to prepare CSA's financial and accounting statements. In good faith, Plaintiff made a demand of CSA to inspect the accounting records related to the gates, including the Gate Policy, Gate Pass Agreements, and any amendments and attachments thereto. Plaintiff described the purpose of the inspection as being to discern whether the the gate fees collected by CSA are being used by CSA in accordance with the requirements of the governing documents. (*See* Exhibit 2). Because the Requested Records control the gate fees collected by CSA, as well as the manner in which those fees are used by CSA, they are directly related to Plaintiff's purpose for inspecting them. *See*, e.g. Op. S.C. Atty. Gen., January 26, 2016, p. 12, ¶ 2 ("Legislative intent was for any and all underlying documents or materials used to prepare the non-profit corporation's accounting statements to be inspected by a member as long as the member provides written notice, the member's demand is made in good faith and for a proper purpose, the member specifically describes the purpose and the records he wants to inspect, and the records are directly connected to that purpose.") (emphasis in original).

CSA refuses to provide the CSA members, including Advocaat, with a final, complete copy of that Gate Pass Agreement, with attachments, and the underlying accounting documents. Plaintiff brings this application pursuant to the Nonprofit Corporation Act, which states:

> [i]f a corporation does not within a reasonable time allow a member to inspect and copy any other record, the member who complies with Section

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> 33-31-1602(b) and (c) may apply to the circuit court in the county where the corporation's principal office in this State, or if none in this State, its registered office, is located for an order to permit inspection and copying of the records demanded. The court shall dispose of an application under this subsection on an expedited basis.

S.C. Code § 33-31-1604(b). Plaintiff therefore applies to this Court to order CSA to permit the inspection of the Requested Records, which constitute accounting records of CSA. Plaintiff further requests that she be awarded the attorney's fees and costs associated with obtaining the Requested Records, pursuant to S.C. Code § 33-31-1604(c).

CONCLUSION

For the reasons set forth above, Plaintiff respectfully requests that this Court grant Plaintiff's application, order CSA to allow the inspection of the Requested Records, and order CSA to pay to Plaintiff the costs and attorney's fees incurred in obtaining the Requested Records.

Respectfully submitted,

FORD WALLACE THOMSON LLC

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ELECTRONICALLY FILED - 2020 Jun 19 10:18 AM - BEAUFORT - COMMON PLEAS - CASE#2020CP0700768

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BURR.COM

February 11, 2020

VIA EMAIL (ian.ford@fordwallace.com)
VIA U.S. MAIL

Ian S. Ford, Esquire
Ford Wallace Thomson LLC
715 King Street
Charleston, South Carolina 29403

Re: Community Services Associates, Inc. ("**CSA**")
Request for Copy of Gate Fee Agreement
Our File No.: 2109426.0000412

Dear Ian:

This letter is sent on behalf of CSA's Board of Directors (the "**Board**") in response to your letter dated January 13, 2020 (the "**Letter**"), sent on behalf of your client Dana Advocaat, a Sea Pines property owner and therefore a member of CSA.

Your letter alleges that the Board has engaged in a number of inappropriate and illegal actions, and requests that the Board not only provide all CSA members with a copy of the current Gate Fee Agreement but also terminate that Gate Fee Agreement, obtain a refund of all gate revenues that have gone to commercial interests under the Gate Fee Agreement, and then negotiate a new gate fee agreement and procedures for amendment with the input of all CSA members.

As a preliminary matter, the Board is committed to treating all members fairly and complying with its obligations under CSA's governing documents and applicable law. Unfortunately, your letter is mistaken as to certain aspects of the 1974 Covenants, and fails to consider other governing covenants and agreements applicable to CSA. The Board does not believe that it is in the best interests of CSA to comply with the requests set forth in the Letter and your demands are rejected.

Sincerely,

Burr Forman McNair

Walter J. Nester, III
WJN:jls
cc: Community Services Associates, Inc.

ELECTRONICALLY FILED - 2020 Jul 31 5:34 PM - BEAUFORT - COMMON PLEAS - CASE#2020CP0700768

STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT Dana Kindel Advocaat, both individually and as Trustee of the Advocaat Living Trust Dated March 7, 2019, Plaintiff, vs. Community Services Associates, Inc., Defendant.	)	IN THE COURT OF COMMON PLEAS FOURTEENTH JUDICIAL CIRCUIT CASE NO.: 2020-CP-07-00768 **DEFENDANT'S MEMORANDUM IN OPPOSITION TO PLAINTIFF'S APPLICATION FOR INSPECTION OF CORPORATE RECORDS**

NOW COMES Defendant Community Services Associates, Inc. ("Defendant" or "CSA"), by and through its undersigned counsel, and hereby submits this Memorandum in Opposition to Plaintiff's Application for Inspection of Corporate Records. Defendant would respectfully show the Court as follows:

FACTUAL BACKGROUND

Sea Pines Plantation ("Sea Pines") is a private, 5,000-acre resort community located in Hilton Head, South Carolina. The community includes residential homes and condominiums, a resort hotel, commercial establishments and various recreational facilities. Community Services Associates, Inc. ("CSA") is a nonprofit 501-C4 organization organized to "protect, maintain and enhance the resources of Sea Pines for the benefit of the Sea Pines Community." CSA is responsible for the management and maintenance of Sea Pines, including the roads, common areas and community entrance and exit gates. Owners of both residential and commercial properties within Sea Pines are members of CSA.

CSA was created in 1987, and it acquired the management rights to Sea Pines via a certain Declaration of Covenants and Agreement of 1988 for the Transfer of Properties, Reserved Rights and Obligations of Hilton Liquidation Corp. to Community Services Associates, Inc. (the "1988

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Declaration"). As part of the transfer, CSA agreed to implement and enforce a gate policy which controls access to Sea Pines (the "Gate Policy"). The Gate Policy establishes a schedule of fees for entry into Sea Pines. Pursuant to the 1974 Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc. (the "1974 Covenants"), attached hereto as Exhibit "A," CSA contributes and uses all gate fees collected for "community services." CSA contributes the fees to the Community Fund, which is used for the maintenance and improvement of Sea Pines common areas, pest and insect control, safety, and services important to maintenance and preservation of an attractive community.

Further, under a certain Assignment of Rights dated November 17, 1987 (the "1987 Assignment"), the Sea Pines Plantation Company, Inc. (the "Company"), acquired certain access rights with respect to the Gate Policy. Specifically, the 1987 Assignment covenanted that no changes to the Gate Policy, which would further restrict the Company or its guests from accessing Company property in Sea Pines, could be made unless the Company consented to the change in writing. Pursuant to Section 8(i) of the 1987 Assignment, "The imposition of higher fees to enter the gates of Sea Pines" was deemed a change to the Gate Policy requiring the Company's written consent.

The Sea Pines Resort, LLC ("Resort") is the successor to the Company and currently holds these rights. Additionally, Sea Pines Center Associates, LLC ("Center"), as successor to Sea Pines Center, LP, holds similar rights by virtue of a certain Agreement for Assignment and Assignment of Partnership Interest in Sea Pines Center, a South Carolina Limited Partnership, dated August 7, 1987 and recorded in Book 11 at Page 2161 in the Beaufort County Register of Deeds. The 1987 Assignments prohibit CSA from imposing increased gate entry fees without obtaining the consent of the Resort and the Center.

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With approval from the Resort and the Center, CSA amended the Gate Policy in 1999, 2001, 2003 and 2007. Amendments to the Gate Policy were memorialized in written Gate Pass Agreements between the parties. In 2018, CSA, the Resort, and the Center entered into the Amendment to Gate Pass Agreement that is the subject of this lawsuit (the "2018 Amendment"). The 2018 Amendment pertains to the prices of gate entry fees from 2018 through 2021. Further, under the 2018 Amendment, CSA is required to contribute certain sums from gate entry fees for the maintenance and improvement of Sea Pines common areas, and for certain services important to the preservation of Sea Pines as a visitor-friendly, attractive community.

Plaintiff is a resident of Sea Pines Plantation. Her property is currently held in the Advocaat Living Trust Dated March 7, 2019, of which she and her husband are the trustees. On January 13, 2020, Plaintiff's counsel sent a letter to CSA's general counsel, requesting that CSA allow Plaintiff to inspect and copy the Gate Pass Agreement, the 2018 Amendment, and the rest of the Amendments (the "Records Request"). On February 11, 2020, CSA's general counsel responded to Plaintiff's counsel, informing him that the Board of Directors ("Board") had denied Plaintiff's Records Request. In the letter, CSA's general counsel explained that Plaintiff's Records Request misinterpreted certain Sea Pines governing documents, and failed to consider other governing documents and agreements applicable to CSA's administration of the Gate Policy. Plaintiff then filed this action on March 25, 2020.

ARGUMENT

I. The Gate Pass Agreement, and the Amendments thereto, are not "bylaws" of CSA.

Pursuant to S.C. Code Ann. § 33-31-1602(a), a member of a nonprofit corporation is entitled to inspect and copy, among other records, the corporation's bylaws. The corporation is permitted to select a reasonable time and location for the inspection, and the member must give

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the corporation written notice of his or her request to inspect the bylaws at least five (5) business days prior to the date of inspection. *See id.*

The South Carolina Nonprofit Corporation Act (the "Act") defines "bylaws" as "the *code or codes of rules*, other than the articles, adopted pursuant to this chapter for the *regulation or management of the affairs of the corporation* irrespective of the name or names by which the rules are designated." S.C. Code Ann. § 33-31-140(4) (emphasis added). Neither the Act, nor South Carolina case law, further define the term.

When § 33-31-140(4) is taken as a whole, its plain meaning excludes the Gate Pass Agreement and its Amendments from the definition of "bylaws." The cardinal rule of statutory construction is that the court ascertain and effectuate the intent of the legislature. *Odom v. Town of McBee Election Comm'n,* 427 S.C. 305, 310, 831 S.E.2d 429, 432 (2019). The words of the statute must be given their plain and ordinary meaning without resorting to subtle or forced construction to limit or expand the statute's operation." *Id.* at 310-11, 831 S.E.2d at 432 (*citing Catawba Indian Tribe of S.C. v. State*, 372 S.C. 519, 525-26, 642 S.E.2d 751, 754 (2007)). Here, Plaintiff asserts, inaccurately and without support, that the Gate Pass Agreement and its Amendments are "bylaws" of CSA because they control the regulation and management of Sea Pines gates and gate entry fees.

First, contrary to Plaintiff's assertion, the regulation and management of the Sea Pines entrance gates and entry fees are governed by the Gate Policy, not the Gate Pass Agreement and its Amendments. Among other things, the Gate Policy sets forth the schedule of fees charged to visitors for entry into Sea Pines, policies regarding the issuance of entry passes to residents, guests, and certain other classes of entrants, and the procedure for enforcement of the Gate Policy. The current Gate Policy is attached hereto as Exhibit "B" and is also available for viewing by owners and any other parties on CSA's public website. By contrast, the Gate Pass Agreement and its

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Amendments merely constitute contractual agreements between CSA and the Resort and Center—who, by virtue of the above referenced 1987 Assignments, must agree to any increase in gate entry fees—for an increase in gate entry fees, and for the disposition of certain limited amounts of collected fees.

Second, the plain meaning of "bylaws," as set forth in S.C. Code Ann. § 33-31-140(4), excludes the Gate Pass Agreement and its Amendments. As discussed above, these documents are merely contracts between CSA and third parties holding special Gate Policy rights for the disposition of gate entry fees, and to set gate entry prices. They are not captioned as "Bylaws." Further, they do not provide rules for the internal control or governance of CSA, or for generally dealing with external parties. *See "bylaw," Black's Law Dictionary* (11th ed. 2019) ("a rule or administrative provision adopted by an organization for its internal governance and its external dealings"). For example, they do not provide rules for the election of directors, duties of directors, rules for voting by members, or any other rules for the operation or governance of CSA.

Moreover, by Plaintiff's reasoning, any contract between a nonprofit corporation and a third party would constitute a "bylaw" under the Act. The corporation's contractual obligations would be considered "affairs" of the corporation, the regulation and management of which would be governed by the subject contract. Clearly, the South Carolina Legislature did not intend for an interpretation of the Act's "bylaws" definition to yield such a result. Such an interpretation would require a nonprofit corporation to disclose to its members, upon request and without any showing of justification by the members, any and all contracts between the corporation and third parties.[1] "However plain the ordinary meaning of the words used in a statute may be, the courts will reject that meaning when to accept it would lead to a result so plainly absurd that it could not possibly have been intended by the Legislature or would defeat the plain legislative intention." *Hodges v.*

[1] The does not include contracts of the corporation in the enumerated records which must be produced to members.

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Rainey, 341 S.C. 79, 91, 533 S.E.2d 578, 584 (2000) (*citing Ray Bell Constr. Co. v. School Dist. of Greenville Co.*, 331 S.C. 19, 501 S.E.2d 725 (1998)). Accordingly, the court should not adopt Plaintiff's overbroad interpretation of "regulation," "management," and "affairs," as well as her interpretation of "bylaws" as a whole.[2]

For the foregoing reasons, the Gate Pass Agreement and its Amendments are not a "code or code of rules… adopted…for the regulation or management of the affairs of [CSA]," *See* S.C. Code Ann. § 33-31-140(4), and the court should reject Plaintiff's attempt to construe the Act's definition of "bylaws" beyond the bounds of legislative intent.

II. The Gate Pass Agreement and its Amendments are not "accounting records" of CSA.

Pursuant to S.C. Code Ann. § 33-31-1601(b), "a corporation shall maintain appropriate accounting records[3]." Further, S.C. Code Ann. § 33-31-1602(b)(2) allows a member to inspect a corporation's accounting records, provided the member complies with certain statutory prerequisites. The South Carolina Nonprofit Corporation Act, the South Carolina Business Corporation Act, and South Carolina case law do not define "accounting records." Plaintiff cites a January 26, 2016 opinion by the South Carolina Attorney General's Office to assert the Legislature's intent was to include "any and all underlying documents or materials used to prepare the non-profit corporation's financial statements" in the definition. *See Op. S.C. Atty. Gen.*, January 26, 2016, p. 12, ¶ 2.

The opinion cited by Plaintiff provides no substantive support for the conclusion that the term "accounting records" includes "any and all underlying documents or materials…". Additionally, the Attorney General's Office significantly qualified the opinion. The opinion is

[2] It should be noted that CSA's Bylaws are available through the Beaufort County Register of Deeds Office, in Book 3826 at Page 2546, as well as on CSA's public website, for inspection by Plaintiff and any member of the public.
[3] CSA provides members annual balance sheets, revenue and expense statements, cash flow statements, budget comparisons, and other accounting records in annual reports available on CSA's public website.

based upon the Attorney's General's *belief* as to the Legislature's intent and is not a conclusive statement of the law in South Carolina. *See id.* at p. 4. Further, acknowledging a lack of legislative or judicial guidance regarding the definition of "accounting records," the opinion states, "[W]e cannot provide you with specific underlying documents that a member can inspect." *Id.* at p. 3, and "[T]he Legislature may wish to provide clarification of this issue." *Id.* at p.4.

However, the Official Comment to S.C. Code Ann. § 33-31-1601 provides better guidance. The comment states, "[t]he required records are the current accounting records of the corporation," and "'[a]ppropriate' records should allow the financial statements to be prepared in a fashion that fairly presents the financial condition and results of operations of the corporation." *Off. Cmt. 2*, § 33-31-1601. As discussed above, the Gate Pass Agreement and its Amendments are merely contracts between CSA and third parties holding Gate Policy rights. They are not cash flow statements, balance sheets, ledgers, journals, canceled checks, loan information, check registers, bank statements, or any other underlying material used to prepare a corporation's financial statements.

Further, the plain meaning of "accounting records," as set forth in the Act, excludes the Gate Pass Agreement and its Amendments. In interpreting a statute, the words of the statute must be given their plain and ordinary meaning without resorting to subtle or forced construction to limit or expand the statute's operation." *Odom* at 310-11, 831 S.E.2d at 432. Black's Law Dictionary defines "accounting" as "…the process of recording transactions in the financial records of a business and periodically extracting, sorting, and summarizing the recorded transactions to produce a set of financial records." *"Accounting," Black's Law Dictionary* (11th ed. 2019). The Gate Pass Agreement and its Amendments do not provide evidence of, or track, gate entry fees collected and/or spent by CSA. Therefore, they are not records capable, either individually or as part of a records compilation, of fairly presenting the financial condition and

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operational results of CSA. Accordingly, the Gate Pass Agreement and its Amendments are not "accounting records" of CSA, and the court should reject Plaintiff's attempt to construe the Act well beyond its intended scope.

III. Plaintiff has not demonstrated a proper purpose for inspection.

In the event the Court finds the Gate Pass Agreement and its Amendments constitute accounting records under the Act, Plaintiff has still not sufficiently shown a proper purpose entitling her to inspect these records. "A member may inspect and copy [the corporation's accounting records] only if: (1) the member's demand is made in good faith and for a proper purpose; (2) the member describes with reasonable particularity the purpose and the records the member desires to inspect; and (3) the records are directly connected with this purpose." S.C. Code Ann. § 33-31-1602(c). There is no South Carolina case law further defining "proper purpose."

However, Delaware courts—the leading authority on corporate law matters in the United States—have examined the "proper purpose" requirement in greater detail and have held that a plaintiff must show, by the preponderance of the evidence, "some *credible basis* from which the court can infer that waste or mismanagement may have occurred". *Security First Corp. v. U.S. Die Casting & Develop. Co.*, 687 A.2d 563, 568 (Del. S. Ct. 1997) (emphasis added). Moreover, "[a] mere statement of a purpose to investigate possible general mismanagement, without more, will not entitle a shareholder to broad § 220 inspection relief. There must be some evidence of *possible* mismanagement as would warrant further investigation of the matter." *Helmsman Mgmt. Servs. v. A & S Consultants, Inc.,* Del.Ch., 525 A.2d 160, 166 (1987) (emphasis in original).

Here, beyond allegations of mismanagement by Plaintiff herself, and a bare statement that Plaintiff's purpose for inspection is proper because she desires to determine whether "CSA is administering funds as required by the 1974 Declaration and the 1988 Declaration," Pltf's. Amend. Comp. ¶ 22, Plaintiff has presented no credible basis from which this Court may infer that waste

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or mismanagement has occurred. Further, as stated above, the Gate Pass Agreement and its Amendments—specifically, the 2018 Amendment—requires CSA to contribute certain sums of gate entry fees to the maintenance and improvement of Sea Pines common areas, and for certain services important to the preservation of Sea Pines as a visitor-friendly, attractive community. Article V, § 1(m) and Article V, § 1(i) of the CSA Bylaws, attached hereto as Exhibit "C," specifically authorize the Board to amend gate pass policies and to provide funds for the above mentioned purposes.

Moreover, Article II, § 11 and Article III of the 1974 Covenants also authorize CSA to provide funds for these purposes. Consequently, the Gate Pass Agreement and its Amendments comply with the applicable Sea Pines and CSA governing documents and Plaintiff cannot show a credible basis for inferring waste or mismanagement has occurred. Plaintiff's Records Request is supported by nothing more than "a mere statement of a purpose to investigate possible general mismanagement." *Helmsman Mgmt. Servs.* at 166. Therefore, the Plaintiff has not sufficiently demonstrated a proper purpose for her records request, and the Court should deny her Application for Inspection of Corporate Records.

IV. If the Court orders inspection, Plaintiff cannot recover the costs of this action from CSA.

In the event the Court orders inspection of the Gate Pass Agreement and its Amendments, Plaintiff is not entitled to recover her costs and/or attorney's fees from CSA. Pursuant to S.C. Code Ann. § 33-31-1604(c):

> "If the court orders inspection and copying of the records demanded, it also shall order the corporation to pay the member's costs, including reasonable counsel fees, incurred to obtain the order unless the corporation proves that it refused inspection in good faith because it had a reasonable basis for doubt about the right of the member to inspect the records demanded."

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Here, CSA denied Plaintiff's Records Request in good faith. CSA's general counsel reviewed the request and determined Plaintiff was not entitled to inspect the Gate Pass Agreement and its Amendments. Further, given the lack of authority regarding the Act's definitions of "bylaws" and "accounting records," as well as Plaintiff's misinterpretation of certain Sea Pines governing documents, CSA had a reasonable basis for doubt about Plaintiff's right to inspect the desired records. Therefore, if the C`ourt orders inspection, Plaintiff is not entitled to recover any costs and/or attorney's fees from CSA.

CONCLUSION

The Gate Pass Agreement and its Amendments—especially the 2018 Amendment—are neither "bylaws" nor "accounting records" of CSA. Therefore, Plaintiff is not entitled to inspect these records under the South Carolina Nonprofit Corporation Act. For the foregoing reasons, CSA respectfully requests this Court to deny Plaintiff's Application for Inspection of Corporate Records, to dismiss this action, with all costs assessed to Plaintiff, and for such other and further relief as the Court deems just and proper.

This 31st day of July, 2020.

Respectfully submitted,

COPELAND, STAIR, KINGMA & LOVELL, LLP

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DECLARATION OF COVENANTS AND RESTRICTIONS
BY SEA PINES PLANTATION COMPANY, INC.

THIS DECLARATION, made this 7th day of September, 1974, by Sea Pines Plantation Company, Inc., a South Carolina Corporation, hereinafter called "Company".

W I T N E S S E T H:

WHEREAS, Company is the owner of certain real property described in Article II of this Declaration and has created a planned community known as Sea Pines Plantation with certain facilities, amenities and services for the use and benefit of property owners within such community and for the use and benefit of the Company, its guests, invitees, licensees, successors, and assigns; and

WHEREAS, the Company desires to provide for the preservation of the values and amenities in Sea Pines Plantation, and for the maintenance and improvement of certain properties and facilities in Sea Pines Plantation; and to this end, desires to subject the real property described in Article II together with such additions as may hereafter be made, to covenants, restrictions, easements, conditions, assessments, affirmative obligations, charges and liens, hereinafter set forth, each and all of which is and hereby declared to be for the benefit of said property and each and every person provided for herein

EXHIBIT A

and the Company, its guests, invitees, licensees, successors, and assigns;

NOW THEREFORE, Sea Pines Plantation Company does hereby declare that the covenants contained herein shall be covenants running with the land and shall apply to the real property described in Article II hereof, together with such additions as may hereafter be made, and that said property shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, easements, conditions, assessments, affirmative obligations, charges and liens (hereinafter sometimes referred to as "the Covenants") hereinafter set forth.

ARTICLE I

DEFINITIONS:

The following words and terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

(A) The "Company" shall mean Sea Pines Plantation Company, Inc., its successors and assigns, and Sea Pines Company, its subsidiaries, joint-venture partnerships and partnerships having an interest in any part of the Properties.

(B) The "Properties" shall mean and refer to the existing property described in Article II hereof, and additions thereto, as are subjected to this Declaration by any supplemental

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declaration. Said existing Properties are more particularly described by a map of Sea Pines Plantation filed with the Association of Sea Pines Plantation Property Owners, Inc. which shall serve as a guide for determining the areas subject to these covenants until the designated areas are platted and filed for record in the Office of the Clerk of Court of Beaufort County, South Carolina. Plats currently available will be filed with these Covenants.

(C) "Participating Property Owners" shall be all those owners of Residential lots, and Family Dwelling Units, except the Company, who execute that certain Agreement, known as the "Advisory Group Agreement", and all owners of Residential lots and Family Dwelling Units who purchase property in Sea Pines Plantation which is subject to the payment of the same or greater dollar amount of the assessments provided for herein.

(D) "Residential Lot" shall mean any unimproved parcel of land located within Sea Pines Plantation which is intended for use as a site for a single family detached dwelling, townhouse, or patio dwelling as shown upon any recorded final subdivision map of any part of Sea Pines Plantation. A parcel of land shall be deemed to be unimproved until construction is started (ground-breaking).

(E) "Family Dwelling Unit" shall mean and refer to any improved property intended for use as a single family dwelling, including any single family detached dwelling, patio house, condominium unit, townhouse unit, cooperative apartment unit,

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or apartment unit located within Sea Pines Plantation.

(F) "Owner" shall mean and refer to the Owner as shown by the real estate records in the Office of the Clerk of Court of Beaufort County, South Carolina, whether it be one or more persons, firms, associations, corporation, or other legal entities, of fee simple title to any Residential Lot or Family Dwelling Unit, situated within Sea Pines Plantation, other than the Company, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, or holder of a security deed, its successors or assigns, unless and until such mortgagee has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure and has held such title for a period of one year; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, a long-term contract of sale covering any lot or parcel of land within Sea Pines Plantation, the Owner of such lot or parcel of land shall be the purchaser under said contract and not the fee simple 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 nine (9) months from the date of the contract and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property.

(G) "Intended for use" shall mean the use intended for various parcels, other than the Properties made subject

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to these Covenants, within Sea Pines Plantation as designated on the Master Plans for the Sea Pines Plantation prepared by the Company as the same may be revised from time to time, or the use to which any particular parcel of land is restricted by covenants expressly set forth or incorporated by reference in deeds by which the Company has conveyed the property.

(H) "Affiliate" shall mean any corporation more than 50% of the voting stock of which is owned or controlled by the Company and any partnership or joint venture in which the Company has more than a 50% equity interest or an interest in 50% or more of the cash flow from said partnership or joint venture.

(I) "Master Plan" shall mean and refer to the drawing which represents the conceptual plan of the Company for the development of Sea Pines Plantation. Since the concept of the future development of Sea Pines Plantation, other than the Properties made subject to these Covenants, is subject to continuing revision and change by the Company, present and future references to the "Master Plan" shall be references to the latest revision thereof.

(J) "Referendum" shall mean and refer to the power of the Participating Property Owners to vote by mailed ballots on certain actions including, without limitation, whether the Participating Property Owners shall accept any offer by the Company to convey to them as a group, or to a Trustee, appointed by a court of competent jurisdiction, any Properties. In the event seventy five (75%) percent of the votes actually returned

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to the Company or other properly appointed authority within the specified time shall be in favor of such actions, the action voted upon will be deemed to have been authorized by the Participating Property Owners; and will become effective as an amendment to these Covenants if approved by the Company. A referendum may be called by the Company or shall be called upon the written petition of at least ten percent (10%) of the Participating Property Owners. When a referendum is called, it shall be conducted by the Company with the assistance of the Participating Property Owners according to the following rules which may be modified or supplemented by the Company and the Sea Pines Plantation Property Owner Advisory Board:

(1) Notice of the referendum together with ballots shall be mailed to the Participating Property Owners within sixty (60) days after the call.

(2) The Participating Property Owners shall have not less than thirty (30) nor more than sixty (60) days from the date of mailing to return their ballots.

(3) A Participating Property Owner shall have one vote regardless of the number of Residential Lots and Family Dwelling Units owned. Joint owners of property shall only have one vote.

(K) "Business Land" shall mean property on which the following kinds of facilities have been or shall be constructed, but shall not include land adjacent or contiguous to any such buildings: (1) restaurant and/or bar facilities; (2) warehouse and storage facilities; (3) offices; (4) commercial buildings,

including but not limited to retail shops, hotels, motels, inns, banks, theaters, lounges, but excluding family dwelling units; (5) stable buildings; (6) recreation clubhouses; and (7) tennis courts.

(L) "Sea Pines Plantation" shall mean all the real property with improvements thereon described in Exhibit A.

ARTICLE II

EXISTING PROPERTIES. The existing Properties consists of those tracts or parcels of land, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, which are shown on a map filed with the Association of Sea Pines Plantation Property Owners, Inc. which shall serve as a guide for determining the areas subject to these Covenants until the designated areas are platted and filed for record in the office of the Clerk of Court of Beaufort County, South Carolina. Plats currently available will be filed with these Covenants. (See Exhibit B hereto.)

Said Properties shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, easements, conditions, assessments, affirmative obligations, charges and liens set forth below.

A. The use to which existing Properties shall be devoted and the acreage contained within each category of use are:

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(1) Roads, Drains and Parking

The term "Drain", when used herein shall mean and refer to any natural or artificial channel, pipe, culvert, trench, or any hollow or open place in the ground located in Sea Pines Plantation designed and intended for the collection and dispersion of water. The term drain shall include, but not be limited to ditches, lagoons, watercourses, waterways, streams or brooks.

The term "Road", when used herein shall mean and refer to any overland passageway of every character within Sea Pines Plantation. The term road shall include, but not be limited to any passageway for vehicles, persons and animals such as a highway, route, bicycle path, bridge, street, nature trails or any improved or unimproved path right of way for the passage of persons or vehicles.

The term "Parking", when used herein shall mean and refer to any area within Sea Pines Plantation capable of being and intended to be used for the parking of any vehicle, including bicycles.

Not less than 357 acres of land within Sea Pines Plantation shall be designated for use as roads, drains, and parking.

(2) Utility Easements

"Utility Easements' when used herein shall mean and refer to the rights over, on, under and through land the Company has reserved or others have acquired for the purpose of constructing, maintaining, repairing and utilizing instrumentalities in the furnishing and supplying to owners of property in Sea

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Pines Plantation and near-by areas of electricity, water, means of communication, sewer services, fuels for heating and cooking, CATV or other similar services customarily supplied by governmental bodies and public utility companies.

Not less than 36 acres of land within Sea Pines Plantation shall be designated for use as utility easements.

(3) Community Services

"Community Services" when used herein shall mean land used for education facilities, fire stations and/or community service maintenance facilities.

Not less than 15 acres of land within Sea Pines Plantation shall be designated for use as "Community Services" land.

(4) Parks and Recreation

The terms "Parks and Recreation", when used herein shall mean and refer to any piece of ground set aside and maintained within Sea Pines Plantation for the purpose of ornament, pleasure, exercise, amusement, entertainment or recreation.

Not less than 43 acres of land within Sea Pines Plantation shall be designated for use as parks and recreation.

(5) Walkways and Breezeways

The terms "Breezeways and Walkways" when used herein shall mean and refer to any passageway designed for walking or the passage of air and the breezes within Sea Pines Plantation. This term shall include, but not be limited to paths, routes, channels, entrances or exits, crosswalks or greenbelts.

Not less than 19 acres of land within Sea Pines Plantation shall be designated for use as walkways and breezeways.

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(6) Beach Trust Property

Beach Trust Property shall consist of the land located between the front property lines of any ocean front residential lots in Sea Pines Plantation and the Atlantic Ocean. Those areas designated on recorded plats as Beach Trust Property shall remain in an undeveloped condition, free of homes and structures subject to the rights and conditions noted herein.

Not less than 166 acres of land within Sea Pines Plantation shall be designated for use as Beach Trust Property.

(7) Conservancy and Open Space

"Conservancy and Open Space" as used herein shall mean lands covered by natural vegetation or water, including lakes, lagoons and areas built up by spoil operations. Those areas designated on recorded plats as Conservancy and Open Space areas shall remain in an undeveloped condition, free of homes and commercial structures, and managed in a way designed to preserve a balanced wildlife population consistent with sound conservation practices subject only to the exceptions noted herein. Conservancy and open space areas may include, but shall not be limited to agricultural, horticultural and horse stable areas provided such areas are well planted in trees and shrubs together with pasture and farm land and which can attract birds and provide grazing, for horses, cows, etc.

Not less than 1292 acres of land within Sea Pines Plantation shall be designated for use as conservancy and open space.

Included in the 1292 acres of conservancy and open

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space areas are 576 acres more or less which have been previously designated as the Sea Pines Forest Preserve. Nothing contained herein is intended to modify or amend in any way any provisions of the Sea Pines Forest Preserve Covenants recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Book 175 at Page 113, which shall remain in full force and effect.

(8) Wetland Conservancy Areas

Wetland conservancy areas shall consist of marshland areas below mean high water level. Although there is uncertainty as to whether the Company or the State of South Carolina has title to these areas, all right and interest of the Company in said areas shall be subject to the rights and restrictions contained herein. Those areas designated on recorded plats as wetland conservancy areas shall remain in an undeveloped condition subject only to the exception noted herein.

Not less than 341 acres of land within Sea Pines Plantation shall be designated for use as Wetland Conservancy areas.

B. Rights and Powers of the Company

The Properties described above are restricted to the uses set forth above subject to the following rights and powers of the Company:

(1) The Company, its successors or assigns, shall have the right to plant trees, plants and shrubs; to provide and insure adequate drainage ways, canals or lagoons; to cut firebreaks; and to utilize controlled burning to prevent build-

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up of excessive ground "fuel" and underbrush contributing to severe damage from uncontrolled forest fires.

(2) It is expressly understood and agreed that no residential or commercial structures, either temporary or permanent, shall be erected or caused to be placed on any designated areas described on a recorded plat other than structures in the nature of interpretive centers, observation platforms, comfort stations, and other facilities necessary or appropriate to aid in environmental protection and environmental education.

(3) Pursuant to its overall program of wildlife conservation and nature study, the right is expressly reserved to the Company, its successors or assigns to erect wildlife feeding stations, to plant patches of cover and food crops for quail, turkeys and other wildlife, to make access trails or paths through designated areas for the purpose of permitting observation and study of wildlife, hiking, horseback riding and biking.

(4) The Company reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, CATV, gas, sewer, water or other public conveniences or utilities on, in or over the lands in the designated areas, provided further, that the Company may cut drainways for surface water wherever and whenever such action may appear to the Company to be necessary in order

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to maintain reasonable standards of health, safety, and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Company, its successors or assigns reserves the right on the lands in the designated areas to locate wells, pumping station tanks, pollution-control devices, sewage disposal devices, sewage, water, gas and other utility lines and such other facilities as will improve general environmental and the health conditions on Hilton Head Island. Such rights may be exercised by any licensee of the Company.

(5) Minor changes in the boundaries of the various categories of designated areas may be made from time to time as may appear necessary and appropriate to the Company. For purposes of this Declaration, "minor changes" shall be any change or series of changes which do not reduce the total acreage of land in any use category by more than one per cent (1%). The Company reserves the right to relocate areas designated as Roads, Drains, Parking, Utility Easements, Walkways and Breezeways, provided that such relocation does not reduce the total acreage for each designated area specified in this Article.

(6) This Declaration does in no way grant to the general public the right to enter such designated areas.

(7) The Company expressly reserves to itself, its successors and assigns, every reasonable use and enjoyment of

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said designated areas, in a manner not inconsistent with the provisions of this Declaration.

(8) Where the Company is permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on the property, entering the property and taking such action shall not be deemed a breach of these Covenants.

C. Other Covenants of the Company

(1) The golf course lands in Sea Pines Plantation known as the Ocean, Sea Marsh, Harbour Town and Club courses shall remain Open Space, and, in the event that the Company, its successors or assigns, shall seek to convert any of said property from golf courses to other forms of open space, the golf course or courses affected shall first be offered for sale to the Participating Property Owners for use as a golf course or courses. Golf course lands will be surveyed, and upon completion, the Company shall file plats thereof with the Clerk of Court, Beaufort County, South Carolina, as an exhibit to these covenants, provided, however, the Company may make minor changes in golf course land. For purposes of this Declaration, minor changes shall be any change that does not reduce the total acreage of golf course land by more than one per cent (1%).

(2) The Company will limit the total number of villas, condominium units, townhouse units, cooperative apartment units, or apartment units in Sea Pines Plantation, to Two Thousand, One Hundred (2,100).

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(3) The Company will limit the number of construction starts (i.e., groundbreakings) of villas, condominium units, townhouse units, cooperative apartment units in Sea Pines Plantation to not more than Two Hundred and Fifty (250) such units per year.

(4) The Company will limit the total number of family Dwelling Ynits in Sea Pines Plantation to a maximum of Five Thousand, Eight Hundred and Ninety (5,890), which shall result, approximately, in an overall density of somewhat more than 1.2 dwelling units per gross acre.

(5) The Company will limit Business Land in Sea Pines Plantation to One Hundred and Five (105) acres.

(6) The Company will limit the maximum height of all future buildings in Sea Pines Plantation, to five (5) stories, measured from outside finished grade, but in no event to exceed sixty two (62) feet from outside finished grade.

(7) The Company will appoint at least one (1) Participating Property Owner, residing in Sea Pines Plantation, who is not an employee of the Company, and who is selected by the Association of Sea Pines Property Owners, Inc., to the Sea Pines Plantation Company Architectural Review Board.

(8) The Sea Pines Club course shall continue to be a private golf course for the exclusive use of owners of property within Sea Pines Plantation who are members of the Sea Pines Club and their guests. Members of the Sea Pines Club shall have the right to play golf on the Ocean, Sea Marsh and Harbour Town golf courses on an annual greens fee basis, at rates negotiated

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by the Company and a golf advisory committee elected from the members of the Sea Pines Club with the election conducted by Sea Pines Golf Club, Inc., so long as such courses are under the management of the Company as owner or lessee, and, in the event the Company transfers ownership or management of the Ocean, Sea Marsh or Harbour Town courses by sale or lease, the sales contract or lease agreement shall provide for annual greens fee play by such members on such courses and under terms and conditions negotiated by the new management and a golf advisory committee as described herein. In addition, the Company, its successors or assigns, shall, for Participating Property Owners (as herein defined), their successors or assigns hold available for reservation, beginning three (3) days in advance of any requested date of play for foursomes only, the following:

Course	Starting Times
Ocean	3 starting times per hour
Sea Marsh	3 starting times per hour
Harbour Town	2 starting times per hour

The fees to be charged for play by such Participating Property Owners shall be at least five per cent (5%) less than like fees charged to resort guests; provided, however, if such aforesaid reservations are not received more than one day in advance of the requested date of play, the Company, reserves the right to make such starting time available to others.

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(9) For a period of one (1) year from the date in which these Covenants are recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, the Company shall defray one-third (1/3) of the costs of resurfacing the roads located within Sea Pines Plantation, which were constructed prior to December, 1962; provided, however, that owners of property with direct ingress and egress to such roads shall agree and provide the funds to defray the remaining two-thirds (2/3) of such costs. Roads affected are described on the map filed with the Association of Sea Pines Property Owners, Inc., but are in general, all or part of the following: Belted Kingfisher, Bald Eagle, Cedar Wax Wing, Green Wing Teal, Seaside Sparrow, Marsh Wren, Grey Widgeon, Piping Plover, Black Skimmer, Snowy Egret, Surf Scoter, West Beach Lagoon Drive, South Beach Lagoon Drive, Spotted Sandpiper, Laughing Gull, Oyster Catcher, Wood Ibis, Green Heron, Sandhill Crane, Ruddy Turnstone, Calibogue Cay Road, North Sea Pines Drive, South Beach Lane, Woodbine Place, Lighthouse Road and Baynard Cove Road.

(10) The Company will recognize and meet with, not less than monthly, a representative nine-member Property Owners Advisory Board, elected from among Participating Property Owners, in an election conducted by the Association of Sea Pines Plantation Property Owners, Inc. and the purpose of said Board shall be to advise the Company in matters relating to the Sea Pines Plantation community services such as priorities for expenditures.

(11) The Company agrees to modify its present gate entry policy for Sea Pines Plantation by increasing the gate

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entry fee into Sea Pines Plantation for each passenger vehicle from the existing One Dollar ($1.00) fee to Three Dollars ($3.00); provided, however, that the amount of such gate entry fee shall be subject to annual review and modification by the Company. Provided further, that if the Company voluntarily reduces the daily gate entrance fee below One Dollar ($1.00), then the Company agrees to pay into the community services fund each calendar year, for a period of four years commencing in the year of the reduction, an amount equal to the difference between the amount of all gate fees collected during calendar year 1974 (hereinafter referred to as the "base year") and the amount collected during the calendar year following such reduction. If reduction in the daily gate entry fee below One Dollar ($1.00) results from or is caused by a court order, a law suit, or governmental or quasi-governmental action including elections or other similar actions or occurrences not within the reasonable control of the Company, then the Company shall not be required to pay the difference between the gate fees collected during the base year and the fees collected during the calendar year following such reduction. Notwithstanding any provision herein to the contrary, the Company shall not be required to pay said difference during any year in which the daily gate entry fee is One Dollar ($1.00) or more for the entire calendar year.

All gate fees collected by the Company shall be contributed to and used for community services.

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ARTICLE III

Community Fund. In order to provide a community fund to maintain, and improve the Properties, provide a fund for pest and insect control, and generally provide a fund for those services important to the maintenance and preservation of an attractive community, and to further maintain the general safety of Sea Pines Plantation, each Participating Property Owner shall pay to the Company, or its authorized agent, beginning with the calendar year 1975, an annual community service assessment as delineated herein:

A. Properties Not Owned by the Company

1. Residential Lots: $110.00 per lot

Property shall be classified for purposes of these Covenants and these Annual Assessments as a Residential Lot when it is platted as a Residential Lot and such plat is recorded in the Office of the Clerk of Court of Beaufort County, South Carolina.

2. Family Dwelling Unit: $180.00 per unit

For purposes of these Covenants and these Annual Assessments, any Participating Property Owner who has constructed a Family Dwelling Unit on two (2) or more contiguous Residential Lots shall be assessed only the Assessment for a Family Dwelling

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Unit.

In determining the amount of the annual Community Services assessment for any current year, the Company may, in its discretion, set an amount different from the immediately preceding year's annual Community Services assessment by as much as the percentage of change in the Consumer Price Index All Items - All Groups (1967 = 100) in the immediately preceding calendar year. The maximum amount of each change in annual assessments shall be determined by multiplying the previous year's annual assessment by the percentage change in the Consumer Price Index.

B. Properties owned by the Company, its successors or assigns, including third parties who acquire lands from the Company.

(1) The Company, its successors and assigns, shall contribute annually toward funding community services in Sea Pines Plantation one-half (½) of one per cent (0.5%) of the Adjusted Gross Resort Revenue which it earned during each immediately preceding fiscal year. For purposes of this Declaration, "Resort Revenue" shall mean all revenues and receipts of every kind, which are derived by the Company from the operation of the Hilton Head Inn and the Seascape Villas and the operation of resort facilities in Sea Pines Plantation, less:

(a) Any amounts collected by the Company on behalf of others, including but not limited to, property owners' part

in Sea Pines Plantation now owned by Sea Pines Plantation Company which are sold to a third person and used by said third person as Golf Courses, Tennis Courts, Renting Boats and Slips, Restaurants and Bars, Retail stores, Hotels, Motels, Inns or other commercial uses. Any person, partnership or corporation who acquires land in Sea Pines Plantation from the Company for one or more of said uses shall be subject to this Covenant and shall be required to contribute annually toward funding Community Services one-half (½) of one per cent (0.5%) of its Adjusted Gross Resort Revenue as provided above. Provided, however, that if the Company does not have management responsibilities or does not exercise some control over the management, other than the control imposed by the Company's standard commercial covenants, of any facilities described herein which are sold to third party entities, then said third party entities shall be required to contribute annually toward funding Community Services one per cent (1%) of its Adjusted Gross Resort Revenue as provided herein.

If the Participating Property Owner's annual assessment is adjusted in accordance with the provisions of Section A of this Article, the Company's and third party entities' contributions as provided herein shall likewise be adjusted by the same percentage adjustment which is applied to the Participating Property Owner's assessment.

C. Obligations and Rights of the Company

The Company assumes the obligation of furnishing community

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of rental income derived from property located within Sea Pines Plantation and the Seascape Villas, and gratuities and service charges which may be added to said facilities' bills or statements in lieu thereof;

(b) Credits or refunds made by the Company to patrons of said resort facilities;

(c) All amounts and credits received in connection with the operation of said resort facilities by the Company in settlement of claims for damages or claims arising from the ordinary course of trade; and

(d) All taxes directly related to said resort facilities imposed on the Company by any governmental entity.

The term, "resort facilities" as used herein shall include golf courses, tennis courts, rental boats and slips, restaurants and bars, hotels, motels, inns, rental homes and rental condominiums, retail shops and other similar facilities including commercial facilities of all kinds.

"Adjusted Gross Resort Revenues" for purposes of this Agreement shall be resort revenues, as defined above, multiplied by a fraction, the numerator of which shall be one (1), and the denominator of which shall be one (1) plus the percentage increase of the Consumer Price Index, All Items - All Groups (1967 = 100) over the preceding fiscal year (March 1 to February 28).

This provision for a percentage contribution of Adjusted Gross Resort Revenue shall be a covenant running with all lands

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of rental income derived from property located within Sea Pines Plantation and the Seascape Villas, and gratuities and service charges which may be added to said facilities' bills or statements in lieu thereof;

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(c) All amounts and credits received in connection with the operation of said resort facilities by the Company in settlement of claims for damages or claims arising from the ordinary course of trade; and

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This provision for a percentage contribution of Adjusted Gross Resort Revenue shall be a covenant running with all lands

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services in Sea Pines Plantation only to the extent that the costs of such services can be defrayed jointly by the proceeds from the aforesaid community services assessment paid by Participating Property Owners and third party commercial entities, community services assessments made by non-Participating Property Owners under previously recorded deed restrictions, voluntary Property Owner payments, gate entry fees, and by the Company's contribution provided above.

The Company will have the responsibility for administering the funds required to be paid under these Covenants and managing the Properties until such time as the Company turns such responsibility over to Participating Property Owners or some other entity. The Company will not charge any fees for its management services which shall consist of the services of the Director of Community Services of Sea Pines Plantation Company, the Chief Executive Officer of the Sea Pines Plantation Company, and the overhead associated with their services. So long as the Company administers the funds it will provide a quarterly accounting to the Advisory Board using the accounting practices and forms followed by the Company at no charge. If the Advisory Board so requests the Company will engage Independent Certified Public Accountants selected by the Advisory Board to perform such audit but the expense of such audit shall be paid from the assessments provided for herein.

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ARTICLE IV

Date of Commencement and Proration of Annual Assessments

(1) Notwithstanding anything in the foregoing to the contrary, the annual assessments provided for herein shall commence no earlier than January 1, 1975. Each unimproved lot assessment shall increase to the then prevailing assessment for dwelling units at such time as a dwelling unit is started thereon (i.e., groundbreaking) and such assessment shall be prorated between the unimproved property assessment and the improved property assessment for that calendar year. Condominium units shall be assessed as dwelling units at the time of conveyance to the purchaser thereof.

(2) Upon the sale of property by the Company to a third party, such purchaser shall only be obligated to pay an assessment amount related to that portion of the assessment year remaining.

(3) In any instance where assessments, either in whole or in part, are based upon percentages of Gross Revenues, as stated herein, such assessments for the coming year, shall be based upon the revenues produced for the preceding fiscal year, whether for a full year or a fraction of a year.

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General Provisions

1. DURATION

The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Company and the Participating Property Owners, their respective legal representatives, heirs, successors, and assigns, for a period of twenty-five (25) years from the date this Declaration is recorded. Upon the expiration of said twenty-five (25) year-period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) 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 (10) year period; provided, however, this Agreement can be modified, changed or terminated if such change is approved by the Company and by the Participating Property Owners pursuant to a Referendum.

2. ENFORCEMENT

Enforcement of the Covenants shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction, either to restrain violation or to recover damages, and against the land; and failure by any Participating Owner or the Company to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel

of the right to enforce same thereafter. The Association of Sea Pines Property Owners shall be a proper party and shall have legal standing to institute any legal proceeding at law or in equity to seek enforcement of any covenant herein contained, as the representative of the Participating property Owners.

3. PREVIOUS COVENANTS AND AGREEMENTS

Nothing herein shall be construed so as to modify, diminish or terminate any commitments heretofore made in recorded deed covenants incident to previous land sale contracts, except with respect to the amount and method of payment of the Plantation-wide community services assessment or maintenance and security fee. Nothing contained herein shall prevent the creation or use of Owners Associations for maintenance of facilities or areas within Sea Pines Plantation which are maintained by assessments from Property Owners within limited portions of Sea Pines Plantation and are available for use only by the owners within said limited area.

IN WITNESS WHEREOF, Sea Pines Plantation Company, Inc., has caused this instrument to be executed the day and year first above written, pursuant to a Resolution duly and unanimously adopted by its Board of Directors.

Lucy M. Wingard
Thomas A. Beard

SEA PINES PLANTATION COMPANY, INC.
BY: Joseph B. Fraser, Jr.
ATTEST: Charles E. Schmidl

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me Thomas A. Beard who, being duly sworn, deposes and says that (s)he saw SEA PINES PLANTATION COMPANY, INC., by Joseph B. Fraser, Jr. its President and Charles A. Scarminach its Assistant Secretary sign the within Declaration, and the said corporation by said officers seal said Declaration, and as their act and deed, deliver the same, and that (s)he with Lucy M. Wingard witnessed the execution thereof.

Thomas A. Beard

Sworn to before me this
7th day of September, 1974.

Lucy M. Wingard (Seal)
Notary Public for South Carolina
My Commission Expires April 25, 1982

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EXHIBIT A

GENERAL DESCRIPTION OF THE SEA PINES PLANTATION

The Sea Pines Plantation is considered to consist of all lands on the southern most part of Hilton Head Island within the following generally described boundaries:

The point of beginning is a concrete monument located at the southeast corner of Canvasback subdivision (recorded Book 16 - Page 20), thence running northerly and northwesterly along the existing boundary of said Canvasback subdivision to a point of intersection of North Sea Pines Drive, South Forest Beach Drive and Cordillo Parkway, and to include the Sea Pines Ocean Gate, thence northeasterly along the northern boundary of Cordillo Parkway right-of-way to a point monumented and established as the eastern boundary of the Sea Pines Forest Preserve as recorded (Book 18 - Page 120), thence along the eastern boundary of said Forest Preserve in a northerly and northwesterly direction to a point of intersection with the southern boundary of Greenwood Drive right-of-way, thence easterly along the southern boundary of said right-of-way to and including the Sea Pines Greenwood Gate, thence easterly along the northern boundary of Greenwood Drive right-of-way to a point monumented and established as the northwestern corner of the Sea Pines Center, now referred to as the Market Place, thence northerly along the

western Sea Pines Center property line to a point monumented at the northwest corner of said Center, thence northeasterly to a point monumented and intersecting the western boundary of Palmetto Bay Road right-of-way, thence northwesterly along said right of way to a point of intersection with the south boundary of Point Comfort Road right-of-way, thence westerly along the southern boundary of said right-of-way to a point adjacent to the northwestern corner of lot number twenty one (21) in the Marsh View subdivision (Book 21 - Page 165) then southerly along a line on the eastern banks of a drainage ditch facility and parallel to the existing property lines of lots twenty-one through thirty (21 - 30) of said Marsh View subdivision, to a point intersecting the center of Point Comfort Creek, thence in a general westerly direction along the center of said creek to a point of intersection with Broad Creek, thence southwesterly along the banks of Broad Creek to Calibogue Sound and the Atlantic Ocean, thence in a general easterly direction returning to the point of beginning, including all wetlands and beach trust lands above +3.04 Mean Sea Level, (U.S.C.&G. survey datum 1969). Said area within the generally described boundaries estimated to contain 4500 acres, more or less.

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EXHIBIT B

EXISTING OPEN SPACE PLATS FOR SEA PINES PLANTATION
AS OF OCTOBER 8, 1974

TITLE	Plat Book	Page	FILED 10-9-74
Audubon Pond I	23	1	12.652
Audubon Pond II	22	195	18.800
Bateau Road	22	204	1.544
Baynard Creek	22	194	4.130
Baynard Cove II	23	2	12.118
Baynard Cove IV	23	3	8.600
Baynard Oaks I	23	1	25.840
Baynard Oaks III	23	4	3.820
Club Course I	23	5	1.360
Club Course II	23	6	1.038
Club Course Dr. & Ln.	22	198	2.830
Governors Rd. I	23	5	5.153
Governors Rd. II	23	6	7.888
Greenwood Dr. & Ct.	23	4	15.950

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DESED

FILED AT 4.00 O'CLOCK P.M. | BEAUFORT COUNTY S. C. | OCT 17 1974 | RECORDED IN BOOK 224 PAGE 1036

Dr. Anita G. Zeigler
CLERK OF COURT OF COMMON PLEAS

1066

Filed 10/11/74

TITLE	Plat Book	Page	FILED 10-9-74
Greenwood Forest I & II	23	7	24.035
Greenwood Gate Villas	22	200	2.629
Heritage Woods I	22	203	8.320
Ivy Rd.	22	200	1.635
Live Oak Rd.	23	7	10.665
Magnolia Crescent	23	8	4.939
Marsh View Rd.	23	8	2.529
Newhall Rd.	23	10	.275
Otter Rd.	22	201	6.017
13th Fairway Open Space	23	9	1.480
Pine Island	23	9	57.760
Plantation Dr.	22	197	3.391
Red Maple Rd.	22	199	1.964
St. Andrews Place	22	196	1.800
Sea Pines Dr. I	22	190	.780
Sea Pines Dr. II	23	11	3.095
Sea Pines Preserve	23	11	572.649
Stoney Creek	22	190	3.650
Tupelo Rd.	22	195	2.450
Twin Pines Rd.	22	191	2.826
Willow Oak Rd. & Ct.	22	194	1.044
Willow Oak Rd. West I	22	192	19.105
Wren Dr.	22	193	4.430

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Community Services Associates, Inc.

SEA PINES GATE ENTRY POLICY

Approved by the CSA Board: February 4, 2020

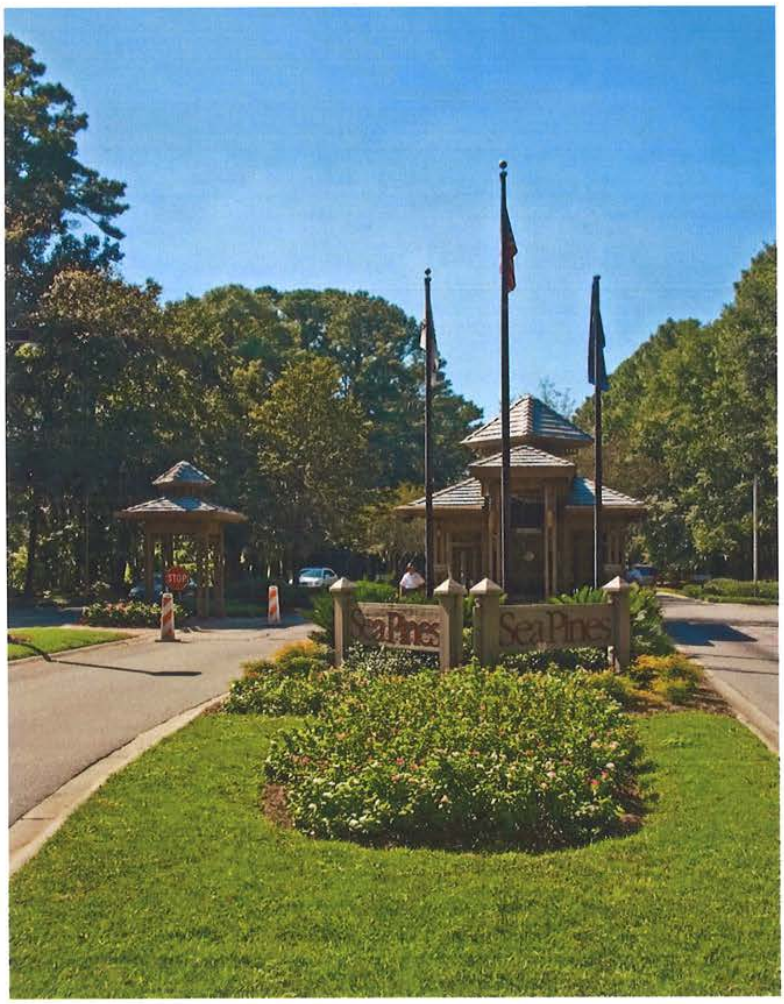

EXHIBIT
tabbies
B

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PREAMBLE

Authority: Under the 1988 Covenants, Sea Pines Gate Policy shall be enforced by Community Services Associates, Inc., ("CSA"). The Gate Policy can be amended by the CSA Board of Directors in accordance with CSA Bylaws. However, the Gate Policy as to Sea Pines Resort, LLC. ("SPR", "Resort or "Sea Pines Resort"), as set forth in the November 1987 Assignment of Rights, shall not be changed without the consent of SPR, and increases in short-term access fees as set forth in the August 1987 Assignment of Rights, require consent of Sea Pines Center Associates, LLC. ("Sea Pines Center").

Supersession: This Gate Policy statement, together with subsequent amendments approved by the CSA Board, supersedes all previous statements of Sea Pines Gate Entry Pass Policy, Sea Pines Vehicle Gate Entry Decal Policy and the 2001 Gate Access Agreement as amended among CSA, SPR and Sea Pines Center.

Enforcement: The Sea Pines CSA Safety and Security Department consists of the gates, pass system and patrols. The effectiveness of security depends on the viability of the security policy and the manner in which it is executed. This document establishes policy for controlling access to Sea Pines through the issuance of vehicle decals, passes and Pass Code Numbers. A record of all passes and decals issued under the Gate Policy will be subject to routine audit and any abuses of the gate entry privilege will result in appropriate warnings. If abuses continue, the gate entry privileges of the abusers will be terminated. Also, non-payment of the required annual Sea Pines property assessment (1974 Declaration of Covenants and Restrictions) will result in suspension of the property owner's guest gate entry privileges until such time that balance owed to CSA has been paid.

Exceptions/Dispute Resolution: Exceptions to the Gate Pass policies and procedures may be authorized when unusual circumstances occur. Each request for an exception will be considered by the Director of Safety, Security & Transportation or their assignee. Any dispute concerning interpretation or enforcement of these policies and procedures shall be submitted in writing to the Director of Safety, Security & Transportation for resolution. If the dispute is not resolved by the Director of Safety, Security & Transportation the complainant may request a subsequent review by the CSA President, CSA Executive Committee and then to the CSA Board.

Gate Entry Fees: These fees are levied to help defray increased costs incurred by Property Owners to provide services to casual visitors or paying customers, and residential owners or commercial entities located outside Sea Pines. These services include activities such as road maintenance, intra-plantation transportation, security, leisure trails and administration. (See Appendix A for Fee Schedule).

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Amendments to this Policy:

Date	Section Change	Committee	CSA Board Approved
01/01/2017	2.1.6 (pg. 6) & Appendix A (pg. 32) – Relative Decal Fees	Gate Entry Committee	11/22/2016
01/01/2017	1.1.16 (pg. 3) – Tower Beach section removed	Gate Entry Committee	11/22/2016
01/01/2017	11.2.1 (pg. 25) & Appendix A (pg. 32) – Addition of Trailers to commercial pricing	Gate Entry Committee	11/22/2016
01/01/2017	11.2 – 11.3 (pg. 25 - 26) & Appendix A (pg. 32) – Addition of Commercial Hang Tags	Gate Entry Committee	11/22/2016
01/01/2017	Appendix A (pg. 32) - $25 increase for Commercial Decals	Gate Entry Committee	11/22/2016
01/01/2017	11.2.1 (pg. 25) & Appendix A (pg. 32) – Decal pricing reflects number of axles on a vehicle and trailer, not number of wheels.	Gate Entry Committee	11/22/2016
03/28/17	2.1.12 (pg. 7) Dependent ID Card - age increase. Changed from 3-19yrs, to 3-25yrs.	Gate Entry Committee	03/28/2017
03/28/17	Appendix A (pg. 32) Commercial Daily Pass introduced, with a fixed rate of $10. To be in effect from 06/01/17.	Gate Entry Committee	03/28/2017
4/24/17	Preamble (pg. ii, Enforcement, addition of the first three (3) sentences).	Gate Entry Committee	11/21/2017
4/24/17	1.1 &1.2 (pg. 1-5) Addition: Part 1 Sea Pines Issued Passes	Gate Entry Committee	11/21/2017
4/24/17	2.1.14 (pg.7) Boat Access / Decals: updated procedure to include expired boat decals in excess of 30 days will be deposed of.	Gate Entry Committee	11/21/2017
4/24/17	2.2.3 (pg.8) House Guest Vehicles, addition of section b.	Gate Entry Committee	11/21/2017
4/24/17	3.1.1 (pg.10) Addition of Commercial Identification Code (Professional Business Code).	Gate Entry Committee	11/21/2017
4/24/17	3.1.4 (pg. 10) Delivery Vehicles verbiage replaced.	Gate Entry Committee	11/21/2017
4/24/17	3.2.1. (pg. 11) Professional Business Code entry hours updated	Gate Entry Committee	11/21/2017
4/24/17	4.1.1 (pg. 12) Updated list of persons entering Sea Pines without charge.	Gate Entry Committee	11/21/2017
4/24/17	4.2.1 (pg. 12) Sea Pines Center - policy updated.	Gate Entry Committee	11/21/2017
4/24/17	4.2.2 (pg. 13) Sea Pines Center – 'Restrictions' added.	Gate Entry Committee	11/21/2017
4/24/17	4.4.1 (pg. 13) updated Hilton Head Plantation policy details.	Gate Entry Committee	11/21/2017
4/24/17	4.6.1 (pg. 14) Sea Pines Country Club- updated policy details.	Gate Entry Committee	11/21/2017
4/25/17	5.1.1 (pg. 16) Condominium Boat Slips – policy edited.	Gate Entry Committee	11/21/2017
4/25/17	5.2.2 (pg. 16) Harbour Town Yacht Club – deletion of "Confidential ID Numbers", replaced with "Professional	Gate Entry Committee	11/21/2017

	Business Code".		
4/25/17	5.2.4 (pg. 17) Unexpected Emergency – replacing pass verbiage, with "clearance".	Gate Entry Committee	11/21/2017
4/25/17	Deletion of: "Plantation", when referring to Sea Pines, throughout the entire policy.	Gate Entry Committee	11/21/2017
4/25/17	7.1.2 (pg. 19) Addition of the Long Term Renters Pass Code	Gate Entry Committee	11/21/2017
4/25/17	7.2.2 (pg. 19) The number of rental / resort guest vehicle passes issued per rental property will be limited to the number of vehicles that can reasonably be parked on the property's hardscapes to include driveways and garages. *by 03/01/18.	Joint Short Term Rental Committee / Gate Entry Committee	11/21/2017
4/25/17	7.3.1 (pg. 20) Commercial Property Owner Rentals – referencing Part 3 to provide details of the GEP privileges.	Gate Entry Committee	11/21/2017
4/25/17	11.2.3 (pg. 25) Addition of "Restrictions" for Hilton Head Area-Commercial Owners/ Operators	Gate Entry Committee	11/21/2017
4/25/17	11.3 (pg. 25) Policy & Procedures inserted for Restaurant Delivery, Commercial Cleaning & Property Management Companies Commercial Hang Tags	Gate Entry Committee	11/21/2017
4/25/17	10.1.1 (pg. 24) Hilton Head Prep Students – $50 penalty fee introduced	Gate Entry Committee	11/21/2017
4/25/17	10.1.2 (pg. 24) Hilton Head Prep Students -Special Restrictions added	Gate Entry Committee	11/21/2017
4/25/17	10.2 (pg. 24) Addition of Hilton Head Prep Staff: policy & procedure, to include $50 penalty fee.	Gate Entry Committee	11/21/2017
4/25/17	11.1 (pg. 25) Casual Visitors – General Restrictions edited and moved from 10.1.1 to 11.1.1).	Gate Entry Committee	11/21/2017
4/25/17	Part 12 (pg. 27-29) Replace "Non-Profit" or "Club Sport Events" with "Scheduled Events".	Gate Entry Committee	11/21/2017
4/25/17	12.1.3 (pg. 27) Replace "Special Sporting Events" with "Annual Heritage Golf Tournament".	Gate Entry Committee	11/21/2017
4/25/17	12.1.2 (pg. 27) Deletion: "CSA can arrange a trolley within 48hrs notice."	Gate Entry Committee	11/21/2017
4/25/17	12.3 (pg. 27) Addition of: "Prohibited Events".	Gate Entry Committee	11/21/2017
4/25/17	13.1.2 (pg. 30) Hilton Head Post Offices – physical addresses stated.	Gate Entry Committee	11/21/2017
4/25/17	13.2.1 (pg.30) Policy updated regarding the Six Oaks Cemetery Access	Gate Entry Committee	11/21/2017
4/25/17	13.2.2 (pg. 30) Insertion of "Vehicle Insurance"	Gate Entry Committee	11/21/2017
4/25/17	13.3.1 & 13.3.2 (pg. 30) Replace "pass" with "clearance".	Gate Entry Committee	11/21/2017
4/25/17	Appendix A (pg. 32) Replace "Pelican Pass" with "Preferred Pass".	Gate Entry Committee	11/21/2017
4/25/17	Appendix A (pg.32) Insertion of "Boat Decal" & "HH Prep Student / Employee violation fee."	Gate Entry Committee	11/21/2017
4/25/17	Appendix A (pg.32) Removal of "Employee Tenant" rates & moved to Appendix E.	Gate Entry Committee	11/21/2017
4/25/17	7.3.2 & 7.4.1 (pg. 20) Replaced verbiage: "Appendix A" with "Appendix E"	Gate Entry Committee	11/21/2017
4/25/17	Insertion of "Reference Tables" (pg. 37 – 39).	Gate Entry Committee	11/21/2017

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4/26/17	2.1.3 (pg. 6) Corporation Owned Properties – policy re-worded.	Gate Entry Committee	11/21/2017
4/26/17	5.1.2 & 5.1.3 (pg.16) Inserted: "Property Owner Decals are not available to Equity Owners & Timeshare Owners."	Gate Entry Committee	11/21/2017
4/26/17	6.1.1 (pg. 18) Clarification that Preferred Passes can only be sold to Hilton Head Residents that "own" property, not rent.	Gate Entry Committee	11/21/2017
4/26/17	8.2.2 (pg. 21) Long Term Rentals – referring to section 7.1 of this policy.	Gate Entry Committee	11/21/2017
4/26/17	8.2.3 (pg. 21) Insertion for Short Term Rentals – referring to 7.2 of this policy.	Gate Entry Committee	11/21/2017
5/4/17	Appendix A (pg.32) Inserted: new weekly gate pass fee ($40) for commercial vehicles. This is a fixed fee, with or without trailers.	Gate Entry Committee	11/21/2017
5/4/17	9.1 & 9.2 (pg. 22) Changed hours of access for both Non-Resident Decals and Preferred Pass from 7am – 1pm to 24hr access.	Gate Entry Committee	11/21/2017
5/4/17	5.1.1 (pg. 16) ~~The limit of property owner decals changed from 2 to 8 for Harbour Town Boat Slip Owners.~~ (Updated to 4 decals on 10/23/17)	Gate Entry Committee	11/21/2017
5/4/17	3.1.6 (pg. 10), 3.2.1 (pg. 11), 7.4.1 (pg. 20) Removal of: 360 client pass restriction for professional clients.	Gate Entry Committee	11/21/2017
8/17/17	Preamble (pii) Gate Entry Fees: addition of "leisure trails".	Gate Entry Committee Workshop	11/21/2017
8/17/17	1.2.1 (p1) Added verbiage "or as needed periodically" regarding renewing property owner decals.	Gate Entry Committee Workshop	11/21/2017
8/17/17	1.2.1 (p1) Added verbiage: "Revoked decals are non-refundable"	Gate Entry Committee Workshop	11/21/2017
8/17/17	1.2.5 (p3) Updated entry hours for domestic pass to: 24hrs, 7 days a week	Gate Entry Committee Workshop	11/21/2017
8/17/17	1.2.3 (p2) Long-term renters can approve up to 4 occupants that are not listed on the lease, to obtain a LTR decal	Gate Entry Committee Workshop	11/21/2017
8/17/17	1.2.6 (p3) Added: Holiday restrictions do not apply to pool companies, housekeeping companies and deliveries to commercial entities.	Gate Entry Committee Workshop	11/21/2017
8/17/17	1.2.6 (p3) "Hangtag" added as one of the options for passes that must be displayed by commercial vehicles.	Gate Entry Committee Workshop	11/21/2017
8/17/17	1.2.6 (p4) Removed: the need for company vehicles to display company name and contact number.	Gate Entry Committee Workshop	11/21/2017
8/17/17	1.2.6 (p4) Added: "Neighborhood sites are not for use by commercial companies", regarding dumping of debris	Gate Entry Committee Workshop	11/21/2017
8/17/17	1.2.6 (p4) Added: "Golf course" as listed areas swimming pool water cannot be discharged directly to.	Gate Entry Committee Workshop	11/21/2017
8/17/17	1.2.9 (p5) Additions to exempt gate fee list: "School buses" & "at the discretion of the Director of Safety, Security &	Gate Entry Committee	11/21/2017

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	Transportation".	Workshop	
8/17/17	2.1.15 (p8) & 2.2.9 (p9) Removed: Handicap Vehicle Access verbiage.	Gate Entry Committee Workshop	11/21/2017
8/17/17	2.2.1 (p8) Office hours updated: from 8am – 5pm to 7.30am – 4:30pm	Gate Entry Committee Workshop	11/21/2017
8/17/17	2.1.1 (p.6) & 2.2.1 (p8) Updated: household guest to only receive GEP and not annual decal.	Gate Entry Committee Workshop	11/21/2017
8/17/17	Part 4 (p12) Definition: verbiage added "based on the 1987 Assignment of Rights covered in the covenants".	Gate Entry Committee Workshop	11/21/2017
8/17/17	4.2.3 (p13) Required check in hours at the gate, changed from "between midnight and 5:30pm" to "during 1am – 6am" for Sea Pines Center employee passes.	Gate Entry Committee Workshop	11/21/2017
8/17/17	4.3 (p13) Added section: "Commercial Property Owners (Tennis)"	Gate Entry Committee Workshop	11/21/2017
8/17/17	4.4.1 (p13) & 4.6.1 (p14) & 9.1.3 (p23) &11.1.1 (p25) Added: "beach access" to restricted areas of access.	Gate Entry Committee Workshop	11/21/2017
8/17/17	4.8.1 (p14) Added: "South Carolina Real Estate Commission" & "MLS" as authorized Hilton Head Real Estate members.	Gate Entry Committee Workshop	11/21/2017
8/17/17	6.1.1 (p18) Added: "ID cards will be issued by CSA Security Administration as required" for former Sea Pines owners that reside at Seabrook, Tide Pointe and Cypress,	Gate Entry Committee Workshop	11/21/2017
8/17/17	11.2.1 (p25) Added verbiage: "special exceptions to be made by security staff"	Gate Entry Committee Workshop	11/21/2017
8/17/17	11.1.1 (p25) Added "Watercraft, jet-ski and ski-doo are permitted entry into Sea Pines when travelling directly to South Beach Marina and Harbour Town Marina only".	Gate Entry Committee Workshop	11/21/2017
8/17/17	12.1.1 (p27) Updated: sponsored events to be pre-approved by the Director of Safety, Security & Transportation. Removed: "CSA Board".	Gate Entry Committee Workshop	11/21/2017
8/17/17	13.5.1 (p30) Added: Decals issued to members of the clergy at the discretion of the Director of Safety, Security & Transportation.	Gate Entry Committee Workshop	11/21/2017
10/19/17	9.1 & 9.2 (p23) Defined persons authorized to apply for a Preferred Pass and Non-Resident Decal.	Gate Entry Committee	11/21/2017
10/19/17	12.1 (p27) Definition of "Special Event" added to section.	Gate Entry Committee	11/21/2017
10/19/17	Part 12 (p27 -28) Deleted: 'Policy for Scheduled Non Profit or Club Sport Events Sponsored by an Outside Entity' and added: 'Heritage Golf Tournament Procedures'.	Gate Entry Committee	11/21/2017
10/23/17	Preamble (pii) Authority- Deleted: "or by CSA Members through a Referendum".	Gate Entry Workshop	11/21/2017
10/23/17	Preamble (pii) Exceptions / Dispute Resolution: deleted "CSA staff on a case by case basis", and replaced with: "Director of Safety, Security & Transportation or their assignee".	Gate Entry Committee Workshop	11/21/2017
10/23/17	1.2.2 (p2), 2.1.1 – 2.1.3 (p6), 5.1.1 (p16) The number of	Gate Entry Workshop	11/21/2017

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	Property Owner Decals issued complimentary, changed from 8 to 4. A maximum of 4 additional decals can be issued upon request (8 maximum) if approved by CSA Administration Office.		
10/23/17	2.2.8 (p8) Boat Decals: information clarified regarding property owner boats stored at the Forest Preserve.	Gate Entry Workshop	11/21/2017
10/23/17	2.1.13 (p7) Added: Highway capable electric cars, licensed for use in the United States are authorized on Sea Pines roadways.	Gate Entry Workshop	11/21/2017
10/23/17	2.2.7 (p8) Deleted "Special Pass". The Director of Safety, Security and Transportation (or their assignee) must be contacted for requests to enter Sea Pines with a restricted vehicle.	Gate Entry Workshop	11/21/2017
11/9/17	1.2.7 (p4) Deletion: "Signed acknowledgment form to ensure their employee(s) have a valid driver's license, current vehicle registration & insurance". Addition to section 'b': "State law".	Gate Entry Committee	11/21/2017
3/8/18	2.1.2 (p6) Trust / LLC with husband / wife ownership may be issued up to four (4) property owner decals. Dependent ID cards and relative decals can be issued.	Gate Entry Committee	03/27/2018
3/8/18	1.2.2 e. (p2) Property owners who are delinquent in the payment of CSA assessments will not be issued a Property Owner Decal or Property Owner ID Card and the property owner's pass code will be suspended.	Gate Entry Committee	03/27/2018
3/8/18	1.2.1 d. (p1) Addition: Driver licenses that state: "International Driver's License" are not permitted and cannot be accepted in substitute of a valid national driver's license.	Gate Entry Committee	03/27/2018
3/27/18	Appendix C (p34) Commercial Bicycle Rental Companies – change in policy: to require each bicycle entering Sea Pines to be charged a $1 fee instead of charging for only the number of bicycles being delivered within Sea Pines	Gate Entry Committee	3/27/2018
5/07/18	Appendix A (p32) Casual Daily Visitor Pass (2 axle vehicle) fee increase from $6 to $8. Effective August 1, 2018.	N/A	07/05/2018
8/30/18	4.5 (p13) Marriott Grande Ocean Resort policy update to reflect the MORI Non-Exclusive Easement and Conveyance of Rights	Gate Entry Committee	09/25/2018
8/30/18	Appendix A (p32) Weekly Rental Pass available for purchase at the CSA entrance gate ($20 fee). This pass is effective from April 30, 2018 and can only be purchased by Sea Pines guests renting short-term.	Gate Entry Committee	09/25/2018
8/30/18	Part 7 (p19 – 20) & Part 8 (p21 – 22) Short Term Rental pass procedure update for Rental Property Owners and Rental Management Companies (effective April 30, 2018).	Gate Entry Committee	09/25/2018
8/30/18	3.1.5 (p10) Retail Customers – Sea Pines commercial tenants that contribute to the Community Fund are authorized to schedule up to 250 complimentary customer passes per calendar year via a 'C-Code'.	Gate Entry Committee	09/25/2018
8/30/18	10.2 (p24) Hilton Head Prep staff may purchase additional 'HH Prep Employee' decals (decal fee to reflect the 'at cost' amount CSA were charged).	Gate Entry Committee	09/25/2018
8/30/18	1.2.2 (p2) Rental Code may be suspended if the property owner is delinquent in the payment of CSA assessment fee.	Gate Entry Committee	09/25/2018

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8/30/18	Appendix A (p32) & Part 11 (p25) Casual Daily Visitor Pass - 2 axle vehicle – with single or double axle trailer, fixed rate of $12	Gate Entry Committee	09/25/2018
10/25/18	1.2.6 d. (p4) Commercial vehicles are required to display prominently the commercial vendor's name and telephone number on the side of vehicles.	Gate Entry Committee	11/16/2018
02/14/19	Appendix A (p32) Weekly Rental Pass fee increase of $2, during March 23 – September 2, 2019 to fund the Beach Shuttle. The Beach Shuttle will be in operation during March 23, 2019 – September 2, 2019. This operation is being conducted on a one-season trial basis.	Gate Entry Committee / Joint Short Term Rental Committee	03/26/2019
03/01/19	1.2.9 (p5) Exempt Fees: the addition of Amazon Service Delivery Vehicles	Gate Entry Committee	03/26/2019
05/30/19	2.1.13 (p7) Businesses located in Sea Pines are permitted to utilize golf carts / low-speed vehicles within Sea Pines at the authorization of CSA.	Gate Entry Committee	9/24/2019
05/30/19	2.1.12 (p7) Property Owner ID card policy update: The photo I.D. card can be renewed at any time, as long as the current ID card is returned to CSA. If the original ID card cannot be returned ID card renewals should take place the month before the expiration date or anytime thereafter.	Gate Entry Committee	9/24/2019
05/30/19	Appendix F (p37) Rights of Sea Pines Resort, LLC. Guests and Related Parties.	Gate Entry Committee	9/24/2019
05/30/19	Preamble, Authority (pii) Correction to the following names: Sea Pines Resort, LLC , Sea Pines Center Associates, LLC and Community Services Associates, Inc.	Gate Entry Committee	9/24/2019
10/31/19	Appendix A (p32) $12 Daily Visitor Gate Pass with trailer removed from policy.	Gate Entry Committee	11/19/19
2/4/2020	Appendix A (p32) Weekly Rental Pass fee increase of $2, during April 3, 2020 – September 7, 2020.	Gate Entry Committee	2/4/2020

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PART 1
SEA PINES ISSUED PASSES

Section 1.1 Policy

1.1.1 General: Decals provide property owners and other authorized personnel efficient access to Sea Pines. They identify ownership of vehicles through a decal numbering system, therefore assisting the Security Operations in their mission by readily identifying authorized vehicles. Decals also assist with facilitating transit through security gates.

Section 1.2 Procedure

1.2.1 General:

a) All decals will be issued with a serial number for a specific vehicle. The Security Administration Office will maintain a record showing who received each numbered decal and information about the vehicle to which the decal was affixed.

b) Property owner decals are changed every two (2-3) years or as needed periodically. With the exception of the 2yr Preferred Pass, all other decals issued by The Security Administration Office are changed annually.

c) All decals must be permanently affixed to the outside of the vehicle in a manner that does not obstruct the drivers view. Unless prohibited by law or where decals may be obstructive to Original Equipment Manufacturer (OEM) accessories (i.e., headlight activation switches), the decals should be affixed to the middle of the vehicle's windshield, directly above the rearview mirror. If this location is not an option due to circumstances previously described, or where another mandatory decal (i.e., state required decal, property owner decal, etc.) may prevent such placement, the decal should be affixed to a location on the windshield along the driver's side of the vehicle and where it is not obstructive to the drivers view. Decal(s) shall not be transferred from one vehicle to another or from one person to another. All decals shall be removed from the vehicle's windshield prior to any transfer or sale of the vehicle and the seller or transferor shall notify Sea Pines Security Administration of the change in ownership of the vehicle and return the decal to the Security Administration Office within fourteen (14) days of the sale or transfer.

d) A Driver's License (identifying the individual), proof of vehicle insurance and current vehicle registration must be presented when a decal is issued. Driver licenses that state: "International Driver's License" are not permitted and cannot be accepted in substitute of a valid national driver's license. Decals will be issued only for vehicles registered in the authorized driver's name. Those who drive a company owned car must provide written verification from the company stating that they are the sole driver of the company-owned vehicle.

e) Decals will not be issued to rental cars.

f) The CSA Board of Directors may establish a fee for each class of decals and passes outlined in this policy. Please see decal & pass eligibility tables (Appendix A) located at the end of this document, which includes definitions and requirements.

g) CSA Security may suspend or revoke any decal(s) due to the failure of the person issued the decal(s) to honor or abide by Sea Pines policies, procedures, rules or regulations. Revoked decals are non-refundable.

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1.2.2 Sea Pines Property Owner Decal:

a) Vehicles showing Sea Pines property owner decals are permitted access at either Greenwood or Ocean Gate 24hrs a day.

b) Property owners (Single Family Ownership) may be issued a decal for each vehicle they own and drive (maximum 4), at no charge. Requests for more than 4 decals must be made in writing to the Security Administration Office specifically identifying why additional decals are needed. A maximum of 4 additional decals (8 total) may be issued if approved. Proof of ownership for each additional decal will be required, as described in Section 2.1.1. All decals shall be removed from the vehicle's windshield prior to any transfer or sale of the vehicle and the seller or transferor shall notify Sea Pines Security Administration of the change in ownership of the vehicle and return the decal to the CSA office within fourteen (14) days of the sale or transfer.

c) Property Owner Decals will not be issued for work automobiles, unless it is the principal vehicle used by the property owner and is only driven by the property owner. This vehicle will not display any advertising or signage while in Sea Pines between the hours of 7:00 PM- 7:00 AM. No property owner will be issued a decal for more than one work vehicle. A vehicle owned by the property owner, but driven by an employee, will require a commercial pass or decal.

d) Immediate family members of property owners (as stated in section 2.1.6), who are fulltime residents with the property owner, who own a car that is registered in their name, may be issued a decal (Relative) for that car. If the vehicle is owned and registered in the property owner's name, the immediate family member can be issued a Property Owner Decal. The property owner must submit a statement to the Security Administration Office verifying the family relationship and the full-time residency. Immediate family members of the property owner, who reside with the property owner on a temporary basis and immediate family members who do not reside in Sea Pines, are eligible for a Relative decal. A maximum of one (1) Relative Decal may be purchased for each immediate family member (see Appendix A for Relative Decal fees). The property owner must accompany the relative to the CSA Security Administration Office, or sign an affidavit when applying for a Relative decal.

e) Property owners who are delinquent in the payment of CSA assessments will not be issued a Property Owner Decal or Property Owner ID Card and the property owner's pass code will be suspended. If the property owner rents their property short-term, the rental code will be suspended. Successive 14-day passes will be issued for the property owner(s) to go to and from their property.

1.2.3 Long-Term (Six months or more) Renter Decal:

a) Long-term renters with a lease, designating length of residency, can obtain a decal for a fee. These are limited to four (4) per property.

b) The decal will expire on the month that the lease expires (not to exceed one year).

c) A copy of the lease, driver's license (identifying the individual), and proof of vehicle insurance and current vehicle registration must be presented when a decal is issued. The lessee can approve up to four (4) occupants that are not listed on the lease, to obtain a long-term renter's decal.

1.2.4 Employee Decal:

One employee decal will be issued to the following personnel:

a) All eligible employees of CSA and other commercial properties operating businesses physically located within Sea Pines, as determined by CSA Security Administration.

b) When the employment of a decal holder is terminated, the decal number will be reported to CSA Security Administration with a notice of the employee's termination.

c) Trucks and other marked vehicles owned by CSA or Sea Pines Resort will be permitted to access the property without an issued decal. However, vehicles must be clearly marked with the official name of the entity. Application will be made by the department head, which will be annotated to indicate company-owned vehicle.

1.2.5 Domestic Help Courtesy Pass:

a) Domestic help is defined as someone who provides inside cleaning of a home. Often referred to as housekeeping, domestic help may be engaged in activities such as cooking, ironing, cleaning laundry, home health care medical assistance etc. It does not include services such as lawn care, plumbing, home remodeling, pool servicing, HVAC servicing, delivery of goods, or other similar services.

b) Property owners are permitted to receive a courtesy domestic pass only if their domestic help performs this service exclusively for one property within Sea Pines.

c) If the domestic help performs this activity for more than one property in Sea Pines, they must purchase a daily or weekly commercial pass (see section 11.2), commercial hang tag (see section 1.2.7) or commercial decal (see section 1.2.6).

c) Domestic helpers employed by businesses that provide home services for profit are not eligible for a courtesy pass. They must purchase a commercial pass or decal.

d) Property owners must submit a statement to Sea Pines Security Administration requesting a courtesy domestic pass. Only the person named on the application will be granted the pass. Applications/Statements will generally be reviewed within 5 business days and notification of approval/denial will be made to the property owner via telephone, mail, email, fax, or a combination of these delivery methods.

e) Applications are valid for one calendar year and must be resubmitted by January 15th, each year. Failure to do so may result in the domestic helper being denied access.

f) Courtesy domestic passes are valid 7 days a week, 24 hours a day.

1.2.6 Commercial Vendor Decal:

Commercial vendors and their employees must honor and abide by the Sea Pines policies, procedures, rules and regulations:

a) Vehicles with commercial decals are permitted in Sea Pines only during the following days and times: Monday-Saturday 7:00 AM to 7:00 PM. Exceptions to this are made when exigent circumstances exist and must be approved by Sea Pines Security Operations.

b) Vehicles with commercial decals or commercial passes are not permitted in Sea Pines on the following days: Sundays, Thanksgiving, Christmas, New Year's Day, Easter, Memorial Day, Fourth of July and Labor Day. This restriction does not apply to pool companies, housekeeping companies

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and deliveries to commercial entities.

c) All commercial vehicles must display a commercial pass, commercial decal or hangtag while on the property.

d) All commercial vehicles conducting business in Sea Pines are required to display prominently the commercial vendor's name and telephone number(s) on each side of the vehicle. The lettering may be applied with paint, vinyl lettering or by magnetic material and all lettering and numbering must be at least two (2) inches high. This does not include Real Estate and other professionals stated by the Director of Security.

e) Property owner guest passes are NOT valid for commercial vehicle entry.

f) All decals must be permanently affixed to the windshield of the assigned vehicle and in a manner that does not block the driver's clear view of the roadway.

g) All daily passes must be placed on the dashboard of the vehicle and in clear view for officers to see at all times.

h) All landscape and yard maintenance companies are responsible for removing yard debris from the areas they provide service.

i) Debris is not permitted on the vehicles when entering the gates. When exiting, all debris must be covered. Dumping debris removed from within Sea Pines is permitted at the CSA Debris Recycling Facility (1 Pit Road) only. Neighborhood sites are not for use by commercial companies.

j) Swimming pool water cannot be discharged directly into, or within 20 feet of a lagoon, lake or golf course. Contractors are required to report any pool piping that forces a violation of this regulation by calling the CSA Security Dispatch at (843) 671-7170. Violations can result in a fine and suspension of work privileges within Sea Pines.

k) Drivers of commercial vehicles must obey the posted speed limits and must drive safely at all times, abiding by all of Sea Pines rules and regulations, county/town ordinances, state and federal laws. Violations could result in warnings, suspensions, fines and termination of gate access privileges.

1.2.7 Restaurant Delivery /Commercial Cleaning / Property Management Companies (Hangtag):
Due to the amount of turnover that is often experienced with these companies, a commercial hang tag is available for purchase in lieu of purchasing a commercial decal. Fees will be no less than the current rate of a commercial decal. Please consult with the Security Administration Office for details. These tags can be utilized and interchanged between vehicles. Companies must submit a special application to the Security Administration Office for these hanging tags, clearly identifying how they will be utilized. Upon approval of the application, each company must provide a list of all employees who will utilize the hanging tags including:

a) Name of employee(s)
b) Signed Commercial Hang Tag Access Form, stating the company purchasing the hang tag will comply with all State law rules and regulations of utilizing the hang tag.

Companies must provide an up-to-date list of all employees throughout the term of the year that may use the pass and who may be a passenger within the vehicle. Only authorized persons will be allowed on the

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property. Upon entry onto the property, officers may request the driver to produce his/her driver's license. Additionally, they may request that each passenger provide a valid identification card. These will be compared to the list provided by the employer. Those that do not have proper identification on their person and/or are not listed on the documents provided by the employer will not be allowed access onto the property. Unauthorized persons may also be issued a criminal trespass warning or citation. Failure to abide by these rules may result in suspension or revocation of the company's privileges.

1.2.8 Public Transportation:

a) Public Transportation, i.e. taxi companies and any other forms of transportation that charge set fares and are available to the public, are required to purchase an Annual Commercial Decal or a Commercial Gate Pass for entry into Sea Pines (See Appendix A for decal and pass fees).

b) UBER: entry into Sea Pines is valid via a contractual agreement with CSA (See Appendix A for UBER vehicle access fees).

c) Entry into Sea Pines is available 24hrs for Public Transportation companies. Entry between the hours of 7pm – 7am will be recorded by the gate officer.

d) Exception: when a Sea Pines Residential Property Owner (RPO) is transported into Sea Pines and displays their Property Owner ID at the gate, the company transporting the Property Owner into Sea Pines will not be charged a gate fee.

1.2.9 Exempt Fees:

Certain commercial vehicles are exempt from the fees in this policy. They are:

1) Newspaper delivery personnel;
2) US Postal Service;
3) Federal Express, Airborne, UPS, DHL, Amazon etc.
4) Utility companies;
5) Charities (Goodwill, Salvation Army, etc.) marked vehicles;
6) School buses; and
7) At the discretion of the Director of Safety, Security & Transportation.

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PART 2
RESIDENTIAL PROPERTY OWNERS (RPO)

Definition: Includes owners of Family Dwelling Units (residential dwellings, condominium/villa units) and Residential Lots (undeveloped, platted and recorded lots) located within Sea Pines. A residential property owner may be defined as those identified on the deed. *

Section 2.1 Policy

2.1.1 Single Owner Properties: All RPOs, as named on the deed* will be issued multi-year decals without charge for personal vehicles (owned, leased, or business-provided vehicles) that operate out of the owner's residence. Not to exceed four (4) Property Owner Decals. All other household members living with the RPO for a period exceeding three months can be issued a Guest Entry Pass (GEP) upon certification of their status by the RPO with the CSA Security Department.

2.1.2 Multiple Owner Properties: Properties with multiple owners, e.g. LLC's, trusts whose names are specifically listed on these legal documents are considered RPOs and will be limited to one (1) property owner decal and property owner photo ID card *(juvenile cards and relative decals will not be issued),* not to exceed fourteen (14) owners/partners. If LLC or Trust consist of husband/wife ownership – issue up to four (4) Property Owner decals. Dependent ID cards and relative decals may be issued for LLC or Trust with husband / wife ownership.

2.1.3 Corporation Owned Properties: Properties owned by Corporations will be limited to a total of four (4) property owner decals, per property and issued to a maximum of four (4) designated / documented officers or owners of that corporation. One (1) ID card can be issued per designated / documented officer or owner of that corporation Documentation to that effect will be provided to and kept on file at the Security Administration Office.

2.1.4 RPO with Dealer Tags: Property owners that have a vehicle with "Dealer Tags" are limited to two (2) decals. Any replacement decals must be accompanied with the old decal or its parts.

2.1.5 Temporary Personal Vehicles: For whatever reason, RPOs, their spouses and other household individuals living with the RPO for a period exceeding three months, are entitled to secure a GEP at no charge for a temporary vehicle while in use.

2.1.6 Family Member Vehicles: Immediate family members will be issued an annual "Relative Decal" upon certification of their status by the RPO. These decals are limited to one (1) decal per family member, at a rate of $6 per Relative Decal. Immediate family members apply to: a son, daughter, grandson, granddaughter, father, mother, grandfather, grandmother, sister or brother.

2.1.7 House Guest Vehicles: All RPOs, their spouses, and other household members living with the RPO for a period exceeding three months, are entitled to request gate passes without charge for each guest's vehicle and are renewable upon request. Other household members will only be given access to the RPO's Property Owner Code Number when their status is certified by the RPO and their primary residence is within Sea Pines.

2.1.8 House Guest Bicycles: All RPOs, their spouses, and others living with the RPO for a period exceeding three months, are entitled to request a free gate pass for each guest bicycle, valid for the duration printed on the pass.

2.1.9 Special Event Guest Vehicles: See Part 12 Sponsors of Scheduled Events.

2.1.10 Home Services and Delivery Vehicles: All RPOs their spouses and others living with the RPO for a (* Revised November 29, 2011) period exceeding three months are entitled to request free gate access for commercial delivery to and from their residence or specific point of delivery. These commercial passes are for occasional use and are not available to businesses or individuals that conduct business, sell merchandise, provide regular scheduled services, make regular deliveries inside Sea Pines, or are located within Beaufort or Jasper Counties, South Carolina. *

2.1.11 Emergency Services: All RPOs their spouses and other persons living with the RPO for a period of three months who are experiencing emergency home, auto or other repair needs can request afterhours access for service vehicles that can address and fix the problem. If these vehicles do not have a commercial decal they will have to pay the applicable entry fee at the Greenwood Gate at the time of entry (24/7). The daily entry fees are listed in Appendix A.

2.1.12 Property Owner Photo ID Card: RPOs will be issued one (1) free property owner photo I.D. card that can be used to gain entry into Sea Pines, and receive property owner discounts (See www.seapinesliving.com for a complete list) and access some of Sea Pines amenities. The photo I.D. card can be renewed at any time, as long as the current ID card is returned to CSA. If the original ID card cannot be returned, ID card renewals should take place the month before the expiration date or anytime thereafter.

A one-time lost/stolen replacement card may be reissued to a property owner free of charge only after an affidavit of loss/stolen is completed. Any further replacements of the card will be charged a fee of $10.00 and is at the discretion of the Director of Safety, Security & Transportation.

Only the son or daughter of a property owner may be issued one (1) dependent I.D. card free of charge. For this purpose, the term son/daughter will be issued only from the ages of three (3) to twenty five (25) years of age. A dependent I.D. card will not be issued when the 26th birthday will be realized within six (6) months.

2.1.13 Recreational Vehicles, Motorcycles, U-Haul Type Vehicles: These types of vehicles or vehicles with living and sleeping facilities, or water and electrical power hookups have restricted entry into Sea Pines. Residential Property Owners are authorized to store boats, trailers, motorcycles, "U-Haul type" vehicles, campers etc. only in an enclosed garage. At no time may any type of motorcycle, dune buggy, electric cart, golf cart, low-speed vehicle, moped or motor assisted bicycle or conveyances of any type be operated on any road or access way within the confines of Sea Pines. Such conveyances must be transported to the designated garage via trailer or truck. Recreational vehicles may obtain authorized entry into Sea Pines for four hours to load or unload only.

Exceptions to this policy:

- Highway capable electric cars, licensed for use in the United States are authorized on Sea Pines roadways.
- Businesses located in Sea Pines are permitted to utilize golf carts / low-speed vehicles at the authorization of CSA, to transport between facilities within Sea Pines.

2.1.14 Boat Access / Decals: All boats used or stored within the Sea Pines Forest Preserve shall bear a property owner decal issued by the CSA Security Administration Office. Boat decal fees are listed in Appendix

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A. All boats stored at Fisherman's Point (Lake Mary) must be registered with CSA Security Administration prior to storing the boat. Boats with expired decals are assumed to be abandoned and will be removed by CSA. Boats that remain in CSA storage with expired decals in excess of 30 days will be deposed of at whatever means necessary.

Boats stored at Fisherman's Point are restricted to RPO only. There are no size restrictions for boats stored in the Forest Preserve, however, boats cannot be stored on trailers. Only boats with electric motors are authorized, however, canoes and kayaks are allowed. All boats must be stored on the onsite tiered or individual racks. All boats must be secured with a lock and chain and the boat decal must be renewed annually.

All RPO boats not stored at the Forest Preserve must be stored in a garage and must be transported to the designated garage via trailer or truck.

Section 2.2 Procedures

2.2.1 Single Owner Properties: RPOs, showing proof of ownership, can secure decals from the CSA Security Administration Office between the hours of 7:30 AM and 4:30 PM Monday through Friday. A driver's license, current vehicle registration, vehicle insurance and proof of home ownership are required. Upon certification by the RPO that a household member is living with the RPO for a period exceeding three months, the long-term household member can secure a Guest Entry Pass. RPO decals are to be affixed on the vehicle's windshield as directed by the CSA Security Administrative Office. If the spouse of the RPO is not listed on the deed, proof of marriage would have to be provided (marriage certificate or top portion of 1040) to be issued a Property Owner Decal. The RPO's Significant Other must provide current driver's license, vehicle registration and vehicle insurance that is registered to the Sea Pines Property address of the RPO, to be issued a Relative Decal at a cost (fee's listed in Appendix A).

2.2.2 Temporary Personal Vehicles: The Owner, their spouse and others living with the RPO for periods exceeding three months will be issued a temporary Guest Entry Pass (GEP) upon the approval of the Residential Property Owner.

2.2.3 House Guest Vehicles

a) RPO should contact the Security Administrative Office for their Guest Pass Code number. This number is to be used by the RPO, their spouses and other persons living with the RPO for a period exceeding three months when requesting a guest pass from security and shall not be shared with unauthorized parties.

b) The RPO will need to sign the Sea Pines Property Owner Gate Entry Access Rights and Restrictions Form, confirming they will comply with the procedures and guidelines stated on the form when utilizing the Guest Pass Code.

c)) The guest pass can be picked up at the Gate Pass Office drive-through located at the rear of the Sea Pines Resort Welcome Center.

2.2.4 House Guest Bicycles: Same as paragraph 2.2.3 above.

2.2.5 Special Event Guest Vehicles: See Part 12 Sponsors of Scheduled Events.

2.2.6 Home Delivery Vehicles: The Security Dispatch Office must be contacted to authorize gate clearance for home delivery vehicles.

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2.2.7 Recreational Vehicles, Motorcycles, Boats, U-Haul Type Vehicles: Those requesting to enter Sea Pines with a restricted vehicle must contact the Director of Safety, Security & Transportation or their assignee. Dependent on the circumstance, requests may be approved or denied.

2.2.8 **Boat Decals:** Residential Property Owners and Tenants of Residential Property Owners may store their boat(s) at the Forest Preserve, once a boat decal has been purchased for each boat. Annual boat decals are purchased from the Security Administration Office, each year. If the property owner's boat is replaced during the current boat decal year, the original decal must be returned to the Security Administration Office in order to issue a new boat decal, at the replacement fee rate. Full price will be charged for those that do not bring the original decal to the office. Boat decal fees are listed in Appendix A. All boat decal revenue benefits the Forest Preserve.

2.2.9 Emergency Services: RPO should contact Sea Pines Security Dispatch Office, at 843-671-7170 and identify the service called, supply the location where help is needed, (home, auto or other) and make certain the driver can be specific about his destination. Vendors are required to have commercial decals or the applicable daily fee must be paid at time of entry. Current fees are listed in Appendix A.

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PART 3
COMMERCIAL PROPERTY OWNERS (CPO)

Definition: Includes owners of business lands located within Sea Pines, which were purchased from Sea Pines Resort or its predecessors and pay an annual contribution into the general fund.

Section 3.1 Policy

3.1.1 Commercial Identification Code (Professional Business Code): The Commercial Property Owner (CPO) will be issued a Confidential CPO ID Code to be used in requesting a Business GEP for employees. Each Owner must provide to Sea Pines Security a current list of managers (limited to 5) authorized to request Business GEP. The CPO is required to notify CSA Security when management personnel are terminated from employment so that a new CPO ID can be reissued.

3.1.2 Commercial Owners and Employees (CPO): Employees will be provided an annual "Employee Decal" if the commercial entity (restaurants, retail, etc.) is in good standing and requires/requests commercial employee access. They must submit a completed decal application with an attached copy of a valid SC/GA (Chatham area) vehicle registration of the employee. When requesting these annual employee decals, the person requesting the decal must be on the current list of employees submitted to CSA Security Administration. These employee decals will only be issued to full time permanent employees that are reflected on the authorized employee list supplied to CSA Security Administration by the owner/designated manager of the commercial entity. For those seasonal employees or those with out-of- state registrations, employee business passes will be issued for a term not to exceed 90 days.

3.1.3 Employee Bike Access: Effective January 1, 2012, commercial entities (restaurants, retail, etc.) in good standing who require/request commercial employee bike access must submit a completed request to Sea Pines /Director of Safety, Security & Transportation. This access is provided only for employees of established commercial entities based/established in Sea Pines and must only be used to travel directly to and from the place of business during their normal working daylight hours.

- * Denotes addition of employee bike access made in gate pass policy 11.29.11

3.1.4 Delivery Vehicles (Servicing Commercial Property Owners): The CPO is not permitted to call in business passes for outside vendors that conduct business inside of Sea Pines. Outside businesses/vendors that sell merchandise, provide regular scheduled services and make regular scheduled deliveries inside Sea Pines or are located within Beaufort or Jasper Counties, South Carolina are required to purchase an annual decal or commercial gate pass.

3.1.5 Retail Customers:

a. General: Business passes will not be issued to retail customers except for those customers returning to Sea Pines for fittings, warranty work, returning merchandise, etc. Sea Pines commercial tenants that contribute to the Community Fund may use a Customer Code (C-Code) to schedule complimentary passes for their customers. No more than two hundred and fifty (250) passes can be scheduled using the C-Code in one (1) calendar year. Once the commercial tenant has exhausted the number of customer passes issued, their customers are required to pay the standard Sea Pines entry fee for the remainder of the year.

3.1.6 Advertising Gate Access: Business passes may not be advertised, but a refund of daily gate passes may be advertised by the individual business.

3.1.7 Commercial and Professional Access Restrictions: Business passes issued under this category do not give commercial guests the privilege to use Sea Pines Property Owner amenities, fish in lagoons, or to use beach access and parking facilities.

Section 3.2 Procedures

3.2.1 Commercial Identification Code (Professional Business Code): CSA Security will issue a "Professional Business Code" to be used in requesting passes and will maintain a record of these access requests. Passes are applicable 24hrs, however entry between 1am – 6am will be recorded by the gate officer.

3.2.2 Employee Bike Access: Eligible commercial entity must submit a completed request to Sea Pines Security/Director of Safety, Security and Transportation. When requesting this employee bike access, the person requesting the access must be on the current list of employees submitted to CSA Security Administration. These employee bike accesses will only be issued to employees that are reflected on the authorized employee list supplied to CSA Security Administration by the owner/designated manager of the commercial entity. An Affidavit of Fact will be submitted reflecting Business Owner/Mangers name. Upon approval, an employee specific card will be issued along with a copy of bike pass parameters. These employees will be required to present this card and provide his or her name and destination to the appropriate gate security personnel. This limited access will not be extended to any contractor, business associate, vendor or other person/organization. *

- Denotes addition of employee bike access made in gate pass policy 11.29.11

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PART 4
PARTIES WITH SPECIAL ACCESS RIGHTS

Definition: This section covers those access rights granted to the Sea Pines Resort (SPR) and the Sea Pines Center (SPC) or their successors, based on the 1987 Assignment Of Rights covered in the covenants, including all property owners or other entities that have entered into a gate access agreement approved by the CSA Board of Directors (e.g., Sea Pines Country Club, Marriott Grande Ocean and Seabrook. Also included are those entities granted access under Sea Pines Covenants (e.g., Hilton Head Plantation property owners and Active Duty Military).

Section 4.1 Sea Pines Resort (SPR)

4.1.1 **Policy:** SPR guests, employees, and invitees, including persons coming to events and functions at SPR facilities, have the right of access to enter through the Sea Pines gates without charge to go to said event. Accordingly, CSA shall not charge a fee to persons going to these events or functions, including, but not limited to:
Real Estate Clients (Sea Pines Real Estate Employees Only)
Long Term Renters (SPR Managed properties only)
Short Term Renters (Lodging and Hotel guest of SPR Properties)
Sporting Events- Events Sponsored by SPR only.
Banquets and Catered Events (Held at SPR Facilities)
Weddings (Held at SPR Facilities)
Fund Raiser
Meetings
Family Gatherings
Civic, Charitable and Cultural Events (Sponsored by and held at SPR Facilities)
Golf and Tennis Instruction Clients
Also, commercial passes will be issued without charge to delivery vehicles for authorized Sea Pines Resort (SPR) operations only and upon presentation of a bill of lading or invoice indicating a delivery point within Sea Pines. Request for GEP clearance must be made 48 hours in advance of the event. GEP clearance will only be allowed for a group of 12 or more. If the group has less than 12 persons, SPR will be required to issue a GEP through the Welcome Center. Each commercial entity under SPR will be issued a unique CPO ID Code to request GEP. Each entity must provide to Sea Pines Security a current list of managers (limited to 5) authorized to request Business GEP. SPR is required to notify CSA Security when management personnel are terminated from employment so that a new CPO ID can be reissued.

4.1.2 **Restrictions**: Paragraph 3 of the 1988 Covenants provides that the Gate Policy as to Sea Pines Resort shall not be changed without its consent.

4.1.3 **Procedures:** SPR will provide to CSA's Security department/Central Dispatch a list naming the event's attendees. SPR will fax or hand deliver the list of attendees 48 hours before the event or as soon as practicable and may supplement with a later list of additional attendees, which list shall be acceptable to CSA's Security department/Central Dispatch. Should a name not appear on said list, a person identifying themselves as going to a specific Resort event on that date, if that event is a listed event, shall be issued a gate pass and given access without charge upon providing their name to the gate officer.

Section 4.2 Sea Pines Center (SPC)

4.2.1 **Policy:** Persons exclusively & permanently employed by the property owner are authorized free

employee decal passes for one vehicle per employee. Persons shopping at the center will be subject to the standard casual daily visitor fee as set forth in Appendix A. SPC will be issued unique CPO ID Code for requesting GEP. SPC will follow the same requirements as it pertains to Part 3 of this Policy.

4.2.2 Restrictions: Changes in the Gate Entry Pass Policy may not materially affect access to Sea Pines Center shops without the consent of the Sea Pines Center as granted by 1987 "agreement for assignment of partnership interest in Sea Pines Center."

4.2.3 Procedures: Sea Pines Center's Owner and Tenants will maintain a current employee roster with the Security Administration Office at all times and will be responsible for the return of all decals of terminated employees. Passes are in effect 24 hours daily. Entrance During 1am – 6am will require check-in at the gate. Shop owners needing access for a customer returning merchandise can call security for a pass. Customer will show merchandise and receipt when picking up a pass at the welcome center security window.

Section 4.3 Commercial Property Owners (Tennis)

4.3.1 Policy: Persons scheduling tennis lessons within Sea Pines may have a GEP reserved by the CPO to attend such an event. The CPO must contact the Director of Safety, Security and Transportation for pre-approval and follow the required procedures stated by CSA.

Section 4.4 Hilton Head Plantation

4.4.1 Policy: Sea Pines and Hilton Head Plantation share a reciprocal covenant alliance whereby each community recognizes the others RPO decal and allows entry into each other's community. This reciprocal agreement does not apply to Hilton Head Plantation Property Owner I.D. cards. Authorized clearance issued under this section does not give Hilton Head Plantation Property Owners the privilege to use Sea Pines Property Owner amenities, fish in lagoons, or to use beach access and parking facilities.

4.4.2 Procedures: As stated.

Section 4.5 Marriott Grande Ocean Resort

4.5.1 Policy: Marriott Grande Ocean users will be entitled to the same Sea Pines GEP privileges as Timeshare Property Owners located inside Sea Pines. The pass privileges in this section are exclusive to Marriott Grande Ocean users of timeshare units to include, but not limited to: hotel guests, conference guests, resort staff, administrative or management personnel, renters of timeshare units or individuals taking part in any type of sales promotion.

Marriott Grande Ocean user rights within Sea Pines are as follows:

i. A non-exclusive easement to use the roads, bike paths and trails now existing and to be constructed within Sea Pines. Any bike trails, trails, or other facilities within Sea Pines that are limited in use to property owners and their guests would be exempt.

ii. A non-exclusive easement to use the roads and ways to provide the users of the future improvements on the property, access to all public restaurants, public shops, other public recreational facilities and public facilities within Sea Pines. Within this policy 'public' is defined as those persons who are not Sea Pines property owners.

iii. The non-exclusive right to use all public facilities within Sea Pines whether existing or hereafter constructed.

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4.5.2 Restrictions:

a) MORI shall pay to CSA an annual Community Services Assessment equal to a developed residential assessment for each timeshare unit. This will assist funding private road maintenance, roadside landscaping, insect control, security and other community services.

b) If the Community Services Assessment is not paid by the required due date, Marriott Grande Ocean user rights to access Sea Pines will be suspended until this assessment has been paid.

c) Should MORI wish to issue identification cards to Grande Ocean Resort Owners and guests, then such identification cards must be distinctive as compared to any other similar MORI identification cards and such cards shall not permit entry into Sea Pines.

4.5.3 Procedures:

a. **Vehicle passes:** Marriott Grande Ocean users will be issued distinctive vehicle entry passes valid only during the period they are in residence at their timeshare unit. Access into Sea Pines for those persons having access privileges during a particular week shall be provided a "Guest Pass" issued by the Marriott Grande Ocean via Sea Pines Security.

b. **Bicycle passes:** In addition; they will be permitted bicycle entry at the Ocean Gate by presenting a Distinctive Bicyclist Identification Pass issued by Grand Ocean Resort via Sea Pines Security. Each individual must present a pass to enter.

Section 4.6 Sea Pines Country Club (SPCC)

4.6.1 Policy:

a. **Access for Functions**: SPCC's guests, employees, and invitees, including persons coming to events and functions at SPCC, have the right of access to enter through the Sea Pines gates without charge to go to SPCC. Accordingly, CSA shall not charge a fee to persons going to SPCC through the gates of the Sea Pines for any event or function, including, but not limited to: sporting events, banquets, weddings, meetings, fund raisers, family gatherings, civic, charitable and cultural events and any other event, meeting or gathering at SPCC.

b. **Access for Non-Property Owner Members:** SPCC's members who are not property owners in Sea Pines are eligible for a "Preferred Pass" Decal.
* Decal fee will apply. See Appendix A for fee schedule.

Authorized clearance issued under this section does not give SPCC Members the privilege to use Sea Pines Property Owner amenities, fish in lagoons, or to use beach access and parking facilities.

4.6.2 Procedures:

a. SPCC will use its best efforts to provide to CSA's security department/central dispatch a list naming the event's attendees. However, if a name does not appear on said list, a person identifying himself as going to a specific SPCC event on that date, if that event is a listed event, shall be issued a gate pass and given access without charge upon providing his or her name for the gate officer's record. SPCC will fax or hand deliver the list of attendees 48 hours before the event or as soon as practicable and may supplement with a later list of additional attendees, which list shall be acceptable to CSA's Security department/Central Dispatch.

b. The non-property owner club member provides to CSA's security administrative staff his/her: Sea Pines Country Club membership card, driver's license, vehicle registration, vehicle insurance and a completed application along with the appropriate fee (See Appendix A).

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***2013 Referendum allowing non-property owners to join the Sea Pines Country Club passes. Cost of decal approved by the CSA Board May 28, 2013.**

Section 4.7 Active Duty Military

4.7.1 Policy:

a**.** CSA Board of Directors has authorized active duty military access to enter Sea Pines gates without charge from 07:00am-10:30pm.

4.7.2 Procedures:

a**.** Active duty military requesting access to Sea Pines will be required to show an active duty military I.D. card to be admitted without charge. Access without charge only applies to active duty military. Retired, dependents or reservist would not qualify for free access under this policy.

Section 4.8 Hilton Head Island Realtor Access

4.8.1 Policy:

a) Current members of the Hilton Head Island area Board of Realtors and South Carolina Real Estate Commission or MLS are permitted complimentary access to Sea Pines between the hours of 7:00am to 10:00pm for business purposes only. This access only applies to licensed realtors showing or listing properties within Sea Pines. This access does not allow access for cleaning, servicing, remodeling or realtors serving as short/long term property managers.

4.8.2 Procedures:

a) Current members of the Hilton Head Island area Board of Realtors will present their Membership I.D. Card and driver's license to the gate officer for access.

b) Limited access to Tower Beach will also be available to be shown to prospective property owners. Realtors must present the identification listed above to security personnel at the CSA Administration Building to gain approved access to Tower Beach.

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PART 5
SPECIAL USE PROPERTIES

Definition: Includes owners of property such as condominium boat slips, Harbour Town Yacht Club, and time-share units.

Section 5.1 Policy

5.1.1 Condominium Boat Slips: Boat slip owners (e.g., Harbour Town Boat Slips) are entitled to the same pass privileges as Residential Property Owners. Not to exceed four (4) property owner decals. Decals will be issued under the same guidelines as in Section 2.1.1.

5.1.2 Harbour Town Yacht Club

a. **Equity Owners:** These owners and other owners of less than an undivided fee simple interest in real property are entitled to the same pass privileges as Residential Property Owners and under the same conditions, but only during the periods they are in residence at their Sea Pines Property. Property Owner decals are not available to Equity Owners.

b. **Social Members:** Social members of the Yacht Club, regardless of their residency location, are eligible to purchase an annual decal called a Preferred Pass for gate entry.

* Creation and cost of decal approved by the CSA Board December 5, 2013.

5.1.3 Time-Share Properties

a. **Timeshare Owners:** Timeshare owners whose general management company pays the annual Sea Pines Residential assessment as set forth in the 1974 Covenants for each unit shared are granted the same pass privileges as Residential Property Owners inside the gate. However, these privileges are only during the periods they are in residence at their Sea Pines Property. Property Owner decals are not available to Timeshare Owners.

b. **Timeshare Renters:** Persons renting a time share unit will be issued a one week pass for the current weekly rental pass fee listed in Appendix A.

Section 5.2 Procedures

5.2.1 Condominium Boat Slip Owners: Such owners should obtain a Confidential ID number from the CSA Security Administration Office to be used in requesting gate entry passes.

5.2.2 Harbour Town Yacht Club: A Professional Business Code will be made known to the managers of such properties who will in turn, provide Sea Pines Security with a current list of owners. “Preferred Passes" can be purchased at the CSA Security Administration Office (see Appendix A for Fee Schedule).

5.2.3 Timeshare Owners/Renters: The management company requiring passes shall submit a request to Sea Pines Security as far in advance as practicable, but not later than three (3) working days prior to the owner's/renter's arrival. The management company shall provide the following information:

a. The Rental Control Number and a guest list.
b. The Confidential Property Identification Number assigned the property.

c. The arrival/departure dates.
d. The number of passes required.

Time-Share Managers requiring GEP for renters will be responsible for securing GEP from Sea Pines Security. Owners must provide the name of the renter, the Confidential Property ID Code assigned to the property and will be billed each month by CSA for the number of passes requested each month (see Appendix A for Fee Schedule). Confidential Property ID Codes will be made known to the managers of such properties who will in turn, provide Sea Pines Security with a current list of residents and the Confidential Property ID Code assigned to each.

5.2.4 Unexpected Emergency: Those management companies assigned a Rental Control Number having an unexpected emergency at a rental property may telephone Sea Pines Security, 843-671-7170, give their Rental Control Number, and request a clearance. Those without a Rental Control Number having an unexpected emergency are required to pay in advance for any pass.

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PART 6
FORMER SEA PINES PROPERTY OWNERS

Definition: Includes Sea Pines property owners for at least five (5) consecutive years that have sold their property and now reside or operate outside of Sea Pines.

Section 6.1 Former Residential Property Owners

6.1.1 **Policy:** Persons moving from Sea Pines to a retirement community on Hilton Head Island (e.g., Seabrook, Cypress, Tide Pointe) will continue to receive their "Residential Property Owner Decal" for as long as they maintain a residence at any such community. ID Cards will be issued by CSA Security Administration as required. Persons moving outside of Sea Pines to purchase property in other locations on Hilton Head Island will relinquish their pass to the CSA Security Administration Office at time of departure and thereafter, be subject to the standard daily gate pass fee or they may purchase a Preferred Pass. (See Appendix A for Fee Schedule.)

6.1.2 **Procedures:** These Hilton Head Island Retirement Community residents will continue to apply for new decals as they expire.

Section 6.2 Former Commercial Owners

6.2.1 **Policy:** Former commercial owners shall relinquish all decal passes to the CSA Security Administration office at the time of departure. Future gate entry will require the appropriate decal or pass for gate entry.

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PART 7
PROPERTY OWNERS ACTING AS RENTAL AGENTS

Section 7.1 Residential Property Owner Rentals: Long-Term

7.1.1 Policy: Long-term tenants (six months or more) renting directly from a RPO are entitled to the same pass privileges as the owner for the extent of the rental term only. Long-term tenants must also follow the same rules and regulations as for the RPO.

7.1.2 Procedures:

a. **Personal Identification (PID) Number:**

a) The Long Term Renter will be issued their own Personal Identification Number that is different from the RPO's PID. The renter is required to sign the Gate Entry Access Rights and Restrictions Form, agreeing to the terms and conditions of utilizing the PID, before this number can be issued by the Security Administration Office.

b. **Long-term Renter Decal:** Long-term renters shall purchase from the Security Administration Office an annual Long-Term Renter decal (current fee listed in Appendix A). This decal is to be affixed to the vehicle's windshield, as instructed by CSA Security. This decal will expire with the term of the lease or at the end of the calendar year, whichever comes first, and must be removed once the renter has vacated the property. The RPO shall notify the Security Administration Office upon termination of the lease and provide evidence that the decal has been removed from each vehicle.

Section 7.2 Residential Property Owner Rentals: Short-Term

7.2.1 Policy: Short-term renters (less than six months) are **not** entitled to free pass privileges for themselves or their visitors.

7.2.2 Procedures:

a. A "Rental Control Number" will be issued to RPO when the property is registered with Security as a rental property. They will receive a separate PID number to be used when requesting passes. These renters must follow the same rules and regulations applicable to the RPO.

b. Upon Advance Request the RPO will be issued rental guest passes for each Renter vehicle and pay the current pass fee as listed in Appendix A. RPO's are billed monthly by CSA for these rental passes. The RPO should submit a request to the Security Guest Pass Office for passes **as far in advance as possible,** but not later than two (2) weeks prior to renter's arrival. This request should contain:

- Rental Control Number - Name of the renter
- Arrival & departure dates - Number of passes required.

c. The number of rental / resort guest vehicle passes issued per rental property will be limited to the number of vehicles that can reasonably be parked on the property's hardscapes to include driveways and garages. For properties that cannot accommodate the desired number of guests' vehicles on driveways or in garages / carports, may use Lot 1 / Trolley Lot for overflow parking. *This policy will take effect by March 1, 2018.

d. Unexpected rental request occurring less than 48 hours prior to arrival can be handled by the rental guest purchasing a Weekly Rental Pass at either Sea Pines Gate (see Appendix A for Weekly Rental

Pass fee).

e. A weekly rental guest pass voucher can be issued in place of a rental guest pass and is redeemable for any seven-day period (see Appendix A for voucher fee). RPO's are billed monthly by CSA for these vouchers. Those requesting a Sea Pines rental guest pass voucher must e-mail the Sea Pines Guest Pass office two (2) weeks ahead of the guest's visit. The voucher will be mailed directly to the rental Sea Pines property owner to issue to their renter.

Section 7.3 Commercial Property Owner Rentals - Retail Services

Definition: Includes tenants producing revenue through non-professional retail operations such as restaurants, retail product stores, boat charters, and golf and tennis facilities etc.

7.3.1 Policy: Commercial tenants and lessee owners, who are in good standing, may request decal access for themselves and their employees. These employee decals will only be issued to full time permanent employees that are reflected on the authorized employee list supplied to CSA Security Administration by the owner/designated manager of the commercial entity. For those seasonal employees or those with out-of- state registrations, employee business passes will be issued for a term not to exceed 90 days.

These businesses shall be provided the same GEP privileges under the same conditions as their commercial property owners, as listed in Part 3 of this policy.

7.3.2 Procedures: Commercial property owners will pay an annual fee into the Community Fund on behalf of their tenants for the tenant's business and employee access, (See Appendix E for Fee Schedule). This access will not be extended to any contractor, business associate, vendor, customers, or other person/organization.

7.3.3 Procedures for Employee Decals: A completed decal application, with an attached copy of a valid SC/GA (Chatham area) driver's license, vehicle registration and vehicle insurance of the employee must be submitted to the Security Administration Office. The employee must be on the current list of employees provided by the manager/business owner to CSA Security Administration.

Section 7.4 Commercial Property Owner Rentals - Professional Services

Definition: Includes tenants that provide professional services to clients e.g., attorneys, accountants and real estate brokers.

7.4.1 Gate Entry Pass Procedures: CSA Security will issue a "Professional Business Code" to be used in requesting passes and will maintain a record of these access requests. Passes are applicable during business hours only. Commercial property owners will pay an annual fee into the Community Fund on behalf of their tenants for the tenant's business and employee access, (See Appendix E for Fee Schedule). This access will not be extended to any contractor, business associate, vendor, customers, or other person/organization.

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PART 8
RENTAL MANAGEMENT COMPANIES

Section 8.1 Rental Management Companies

8.1.1 Policy: Rental management companies that do not have offices within Sea Pines and are not covered by policies can secure rental guest passes for their guests renting in Sea Pines as stated below:

a. **Short-Term Rentals:** Request and receive a Rental Control Number and pay a per pass fee. Current pass fee is listed in Appendix A.

b. **Long term Rentals** (six months or more) are entitled to the same GEP privileges as residential property owners and are issued their own unique guest pass code. Property owner decals are not to be issued to long-term renters. Long-term renter decals are available for purchase from the CSA Administration Office (See Appendix A for Fee Schedule).

Section 8.2 Procedures to Obtain Gate Passes

8.2.1 General: A Rental Control Number will be issued to the Rental Management Company when the property is registered with Security as a rental property. The management company requiring GEP shall submit a request to Sea Pines Security as far in advance as practicable, but not later than two (2) weeks prior to the renter's arrival. The Rental Management Company shall provide the following information:

a) The Rental Control Number and a list of guests and the number of GEP's requested. CSA will bill the management company for each GEP at the end of each month.
b) The Confidential Property Identification Number assigned the property.
c) The name of the renter *or club member*.
d) The arrival/departure dates.
e) The number of passes required.

8.2.2 Long-Term Rentals: Long term renters shall apply to the Security Department for their annual decal and follow procedures stated in section 7.1 of this policy.

8.2.3 Short-Term Rentals:

a. The Rental Management Company or its designated representative should submit a request to the Security Guest Pass Office for passes as far in advance as possible, but not later than two (2) weeks prior to renter's arrival. This request should contain:
Rental Control Number - Name of the renter
Arrival & departure dates - Number of passes required.

b. Unexpected rental request occurring less than 48 hours prior to arrival can be handled by the rental guest purchasing a Weekly Rental Pass at either Sea Pines Gate (see Appendix A for Weekly Rental Pass fee).

c. Sea Pines Security will prepare the passes and notify the Rental Management Company when the passes can be picked up by the company.

d. A weekly rental guest pass voucher can be issued in place of a rental guest pass and is redeemable for any seven-day period (see Appendix A for voucher fee). Rental Management Companies are billed monthly by CSA for these vouchers. Those requesting a Sea Pines rental guest pass voucher

must e-mail the Sea Pines Guest Pass office two (2) weeks ahead of the guest's visit. The voucher will be mailed directly to the Rental Management Company to issue to their renter.

- Rental Management Companies should comply with the procedures listed in section 7.2 of this policy.

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PART 9
HILTON HEAD AREA RESIDENTIAL OWNERS AND NON-OWNERS

Section 9.1 Hilton Head Island Residential Owner

9.1.1 **Policy:** Documented Hilton Head Island Residential Owners that desire 24 hour access to Sea Pines may do so, after purchasing the Preferred Pass. This does not include Sea Pines Property Owners, Hilton Head Plantation Owners or persons that own property on the mainland, past James F. Byrnes Bridge.

9.1.2 **Procedure:** This decal can be purchased at the CSA Administration Office and can be renewed annually (See Appendix A for Fee Schedule) A current driver's license, vehicle registration, vehicle insurance and proof of home ownership are required. The residential owners name must be stated on the vehicle registration. Decals are to be affixed to the vehicle's windshield, as directed by CSA Security.

9.1.3 **Restrictions**: These decals do not authorize access to Sea Pines Property Owner amenities such as: the Tower Beach Facility, the CSA Community Center, lagoons, beach access or those locations/places that are not identified as public access locations.

Hilton Head area visitors (other than guests of residential and commercial property owners) are not authorized to fish in lagoons or to use the Sea Pines Beach Club parking facilities.

The Preferred Pass cannot be issued to vehicles that are registered to a company or corporation.

Section 9.2 Non- Hilton Head Island Residential Owner

9.2.1 **Policy:** Persons that reside within Beaufort and Jasper Counties (in South Carolina and Chatham County Georgia) and desire 24 hour access to Sea Pines may do so, after purchasing the Non-Resident Decal. This includes residential property owners and long-term renters that reside within stated counties.

9.2.2 **Procedure:** This decal can be purchased at the CSA Administration Office and can be renewed annually (See Appendix A for Fee Schedule) A current driver's license, vehicle registration, vehicle insurance are required. Vehicles must be registered in South Carolina or Georgia. The residents name must be stated on the vehicle registration. Decals are to be affixed to the vehicle's windshield, as directed by CSA Security.

9.2.3 **Restrictions**: These decals do not authorize access to Sea Pines Property Owner amenities such as: the Tower Beach Facility, the CSA Community Center, lagoons, beach access or those locations/places that are not identified as public access locations.

Hilton Head area visitors (other than guests of residential and commercial property owners) are not authorized to fish in lagoons or to use the Sea Pines Beach Club parking facilities.

The Non-Resident Decal cannot be issued to vehicles that are registered to a company or corporation.

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PART 10
HILTON HEAD PREP STUDENTS AND STAFF

Section 10.1 Hilton Head Prep Students

10.1.1 Policy: Hilton Head Prep students are issued a free "Hilton Head Prep Student" decal for one vehicle, valid only for class hours or special activities scheduled by Hilton Head Prep during the academic year. The decals provide access only through the Ocean Gate and for traveling only to and from the school property. Students will enter and exit the back gate (Ocean gate) only. These decals may not be used to conduct sales, conduct business activities, use Sea Pines amenities, fish in lagoons, or to use the beach facilities. RPO may not request a GEP for Hilton Head Prep students to access the Greenwood gate during the academic school year. Students that do not comply with the guidelines stated above, risk confiscation of their Hilton Head Prep Student Decal and a penalty fee of $50 to purchase a new decal.

10.1.2 Special Restrictions: Those students participating in Hilton Head Prep athletic programs will be authorized at other locations during competition or practice events i.e. Plantation Golf Club or Sea Pines Forest Preserve.

10.1.3 Procedures: Hilton Head Prep will supply Sea Pines Security with a list of students in need of, and eligible for free vehicle decals. The list will be submitted prior to the beginning of each academic year and will also state the beginning and end dates of the academic year. Need current vehicle registration, registered to parent or student along with a driver's license, vehicle insurance and decal application signed by Prep Admin. Staff. Hilton Head Prep will ensure that Sea Pines Security is notified if any students with free decals terminate employment or student status and will further ensure that any free decals are removed from their vehicles. The replacement of a decal will be issued in exchange for the old decal (or pieces thereof) and payment of a fee as listed in Appendix A.

Section 10.2 Hilton Head Prep Staff

10.2.1 Policy: Hilton Head Prep staff are issued a free "Hilton Head Prep Employee" decal for one vehicle, valid only for class hours or special activities scheduled by Hilton Head Prep during the academic year. Hilton Head Prep staff may purchase additional 'HH Prep Employee' decals (decal fee to reflect the 'at cost' amount CSA were charged). The decals provide access only through the Ocean Gate and for traveling only to and from the school property. Employees will enter and exit the back gate (Ocean gate) only. These decals may not be used to conduct sales, conduct business activities, use Sea Pines amenities, fish in lagoons, or to use the beach facilities. RPO may not request a GEP for Hilton Head Prep Employees to access the Greenwood gate during the academic school year. Staff members that do not comply with the guidelines stated above, risk confiscation of their Hilton Head Prep Employee Decal and a penalty fee of $50 to purchase a new decal.

10.2.2 Procedure: Hilton Head Prep will supply Sea Pines Security with a list of those staff members in need of, and eligible for free vehicle decals. The list will be submitted prior to the beginning of each academic year and will also state the beginning and end dates of the academic year. Need current vehicle registration, registered to the employee, along with a driver's license, vehicle insurance and decal application. Hilton Head Prep will ensure that Sea Pines Security is notified if any staff members with free decals terminate employment status and will further ensure that any free decals are removed from their vehicles. The replacement of a decal will be issued in exchange for the old decal (or pieces thereof) and payment of a fee as listed in Appendix A

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PART 11
CASUAL & COMMERCIAL VISITORS

Includes all casual and commercial visitors to Sea Pines who are not pre-approved guests of a Sea Pines Property Owner.

Section 11.1 Policy for Casual Visitor Gate Access

11.1.1 Casual Daily & Weekly Visitors

a. **Access Fee:** Casual visitors driving an automobile, pickup or small van (2x axle vehicle) shall pay for a daily pass valid for one (1) day or a weekly pass valid for seven (7) days. Casual visitors entering Sea Pines with bicycles on the back of their vehicle or pulling trailers into Sea Pines are required to pay an additional fee. Current pass fees are listed in Appendix A. Trailers entering Sea Pines must be stored in a garage and will be denied access into Sea Pines if storage is not available.

b. **Restrictions:** No pass within this time category shall be sold to a person driving, accessing or towing any of the following: motorcycle, motor-home, and travel trailer etc. type of conveyance. Personal watercraft, jet-ski and ski-doo will be permitted to those travelling directly to Harbour Town Marina and South Beach Marina only.

Casual Visitors are not authorized access to Sea Pines Property Owner amenities such as: Tower Beach Facility, CSA Community Center, lagoons or those locations/places that are not identified as public access locations. Daily or weekly casual visitor passes do not authorize the visitor to fish in lagoons, use beach access or use the Sea Pines Beach Club.

c. Commercial Bike Rental Companies: See Appendix C. *

11.1.2 Buses and Tour Vehicles: Buses and other tour vehicles shall pay the current daily pass fee listed in Appendix A. Access is restricted to drop off and pick up points only.

11.1.3 Procedure: This class of passes can be purchased at the entrance gates to Sea Pines.

Section 11.2 Hilton Head Area-Commercial Owners/Operators

11.2.1 Policy: Two (2) axle, three (3) axle and three (3) or more axle vehicles (trailers included) that enter Sea Pines to conduct business e.g.: pool service, landscaping service, contractor etc; can purchase a commercial daily pass, weekly pass or annual decal to gain access. Contractors may only work from 7:00 am to 7:00 pm, Monday through Saturday. Special exceptions may be made by the Director of Safety, Security & Transportation, or security staff. Annual Commercial Hang Tags are available for purchase for Commercial Cleaning, Property Management and Restaurant Delivery Companies only. Companies with the Commercial Hang Tag may only work from 7am to 11pm, Monday through Sunday.

11.2.2 Procedures: Daily or weekly passes can be purchased at the Sea Pines Entry Gates. Decals can be purchased at the CSA Administration Office and are renewed annually in January. Current commercial pass and decal rates are listed in Appendix A. The replacement of a decal will be issued in exchange for the old decal (or pieces thereof) and payment of a fee as listed in Appendix A.

11.2.3 Restrictions: See Part One (1): "Sea Pines Issued Passes". Access into Sea Pines with a commercial type pass is restricted to those conducting business within Sea Pines only. Those entering Sea Pines for leisure purposes must purchase a casual visitor pass.

Section 11.3 Restaurant Delivery / Commercial Cleaning & Property Management Companies

11.3.1 Policy: See Part One (1): "Sea Pines Issued Passes". Restaurant Delivery, Commercial Housekeeping and Property Management Companies may purchase a Commercial Hang Tag to gain access to Sea Pines. Commercial Hang Tag rates are listed in Appendix A.

11.3.2 Procedure: See Part One (1): "Sea Pines Issued Passes". Companies must provide an up-to-date list of all employees to the CSA Security Office throughout the term of the year that may use the pass and who may be a passenger within the vehicle. Only authorized persons will be allowed on the property. Unauthorized persons may be issued a criminal trespass warning or citation. Failure to abide by these rules may result in suspension or revocation of the company's privileges.

11.3.3 Restrictions: Businesses delivering items to restaurants located within Sea Pines are required to purchase an annual Commercial Decal or Commercial Gate Pass (see section 11.2). Fast food deliveries to Sea Pines residents or visitors may purchase the Commercial Hang Tag. Access into Sea Pines with the Commercial Hang Tag is permitted Monday – Sunday, 7am – 11pm.

*CSA Board approved change of access procedures for bike rental companies located outside of Sea Pines and commercial decal rates on Exhibit A on 12/4/12, revised some portions at joint ASPPPO and CSA Board meeting held on 1/17/13.

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PART 12
SPONSORS OF SCHEDULED EVENTS

Definition: Includes all Commercial and Residential Property Owners or CSA Board approved scheduled events to take place within Sea Pines.

Section 12.1 Policy for Scheduled Events Sponsored by Sea Pines Property Owners

12.1.1 Scheduled Special Events

Special events may include the following: weddings, fundraisers, sporting events, social functions and any other special event approved by the Director of Safety, Security & Transportation. Complimentary access will be granted to all participants and spectators for authorized events. A sponsoring owner shall sign a CSA Waiver and Release of Liability Agreement to be granted complimentary access for their invitees.

12.1.2 Ticketed Special Events:

Same policies apply as stated in section 12.1.1. In addition, the event sponsor, owner or entity shall assist CSA Security in monitoring ticketed access to the event. An authenticated copy of each class of ticket must be provided to the CSA Security Department. The following procedures will apply to all such events:

a) Ticketed patrons will be admitted by show of ticket.
b) Tickets will be valid for entry only during designated event hours and dates Non-ticketed patrons will be required to pay the GEP fee (See Appendix A for Fee Schedule).
c) Parking requirements will be handled on an individual event basis. Events requiring excess parking will require a coordinator at the event site to ensure traffic flow is not restricted and safety issues are immediately addressed.

Event coordinator may be required to provide multiple people vehicle transportation to and from a designated parking area within Sea Pines. Sea Pines Trolleys may be available when requested by a Sea Pines Property Owner and if approved by the Trolley Manager. Trolley fee will apply.

12.1.3 Annual Heritage Golf Tournament

a) Guests will be permitted complimentary entry into Sea Pines upon presentation of a Heritage Hang Tag.
b) Persons participating or involved in tournament operations will be issued special Gate Entry Passes or clearances for specific periods prior to, during, and / or after the events.
c) Heritage Classic Foundation Restrictions: No other non-profit scheduled event will be authorized and scheduled during the week of the Heritage Golf Tournament.

Section 12.2 Procedures

12.2.1 Scheduled Events Sponsored by a Sea Pines Property Owner

1. **Small Events:** For events with less than twelve (12) invitees, the Owner shall call the Sea Pines Welcome Center requesting individual passes for the invitees.

2. **Large Events:** For events with twelve (12) or more invitees, the Owner shall submit a written request to the Sea Pines Security Dispatcher at least 48 hours prior to each event. The request shall provide the following information:

a) The Owner's name, postal address, Confidential Property Owner Identification Number, telephone number, and email address.
b) Name and purpose of the organization associated with the event.
c) A description of the event, its scheduled date, time and location.
d) An alphabetized list of known invitees, by last name.
e) If tickets are issued to event attendees, an authenticated copy of each class of ticket must be provided CSA Security Department.
f) A signed copy of the CSA Waiver and Release of Liability Agreement.

12.2.2 Heritage Golf Tournament

1. **Tournament Spectators**: Spectator parking lots must be utilized, as instructed by the Heritage Classic Foundation. Transportation will be provided to the Heritage Golf Tournament, from the spectator parking lots.

2. **Residential Property Owners**: Those located within the restricted areas of Sea Pines during the week of the Heritage Tournament, are required to contact the CSA Administration Office for issuance of a Residential Heritage Hang Tag. The number of Heritage Hang Tags issued varies for each restricted area. Heritage Hang Tags allow access through Security Check Points, to the residential property during the hours of play. Property Owner Decals, ID Cards, GEP's or Residential Heritage Hang Tags allow access into Sea Pines.

3. **Short-Term Rentals**: Rental Management Companies and Property Owners that rent their property are to contact the CSA Administration Office for issuance of Heritage Hang Tags, only for properties located within the restricted areas of Sea Pines. Hang tags are to be issued to rental guests, by the Rental Management Company or Property Owner. The Heritage Hang Tag or Rental Guest Pass allows access into Sea Pines.

4. **Long-Term Rentals**: Tenants with a current lease are required to contact the CSA Administration Office for issuance of a Residential Heritage Hang Tag, if located within the restricted areas of Sea Pines during the Heritage Tournament week. The number of Heritage Hang Tags issued varies for each restricted area. Heritage Hang Tags allow access through Security Check Points, to the residential property during the hours of play. The Heritage Hang Tag, GEP or Long-Term Rental Decal allow access into Sea Pines.

5. **Service Providers**: May access Sea Pines with a current Commercial Decal, Commercial Hang Tag or purchase a Daily / Weekly Commercial Pass at the Sea Pines Gates. Service providers are required to contact the CSA Administration Office if access is required within the restricted areas of Sea Pines during tournament play. A work order is required, stating the location and type of work. CSA Security may deny access based on this information. If access is permitted, a Service Hang Tag or One Shot Pass will be issued to access through the Security Check Points.

Section 12.3 Prohibited Events

12.3.1 Restrictions: Any event that adversely affects the roadway, such as restricting emergency access and flow of traffic is not permitted within Sea Pines. All scheduled events must be approved by the host company, property owner and / or the Director of Safety, Security and Transportation. Prohibited events include, but is not limited to: wedding ceremonies & receptions, running & cycling race events and scheduled protests. All event requests must be submitted to the Director of Safety, Security and Transportation.

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12.3.2 Events that are sponsored by an Outside Entity: must apply for approval, by contacting the President of CSA and / or the Director of Safety, Security and Transportation. The CSA Waiver and Release of Liability Agreement must be completed and delivered to 175 Greenwood Drive, Hilton Head Island, SC 29928

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PART 13
PUBLIC OFFICIALS / FACILITIES AND EMERGENCY ACCESS

Includes non-property owners requesting entry to visit public facilities (e.g., Post Office, Six Oaks Cemetery) located within Sea Pines. In addition, this includes government officials and emergency vehicle access.

Section 13.1 Post Office Access

13.1.1 Policy: Persons requesting free gate access to the Post Office located at Sea Pines Center will be asked for identification.

13.1.2 Procedures: The name given will be checked against the list of current P.O. Box holders for access. If the person does not have a current/valid P.O. Box at Sea Pines Center, that person will be directed to other Hilton Head Post Office's located on 10 Bow Circle or 213 William Hilton Pkwy.

Section 13.2 Cemetery Access

13.2.1 Policy: Persons requesting gate access to either Six Oaks or Harbour Town Cemeteries will identify themselves and be asked to whose gravesite they intend to visit. The cemetery plot owner or family member of the deceased, may be issued one (1) non-resident decal at no charge, once approved by the Cemetery Manager.

13.2.2 Procedures: The full name given will be checked against the list of those deceased persons interred there. If the names correspond, access will be granted only during daylight hours with travel only to and from the gravesite. When applying for the non-resident decal, a current driver's license, vehicle registration and insurance must be presented at the CSA Administration Office.

Section 13.3 Special Emergency Entry and Re-Entry Access

13.3.1 Policy: Businesses or individuals located in Beaufort or Jasper Counties of South Carolina and Chatham County, Georgia who conduct business, sell merchandise, provide services, or make weekly scheduled deliveries inside Sea Pines must also have an appropriate commercial decal / hang tag, or commercial daily pass. Special emergency entry will be issued to any emergency repair vehicle after 7:00 P.M. and prior to 7:00 A.M. upon request. The emergency after hour's clearance will permit entry and re-entry until the emergency is over, and will be issued at both entrance gates.

13.3.2 Procedures: Any property owner, tenant or guest may request an emergency clearance by calling Sea Pines Security at 843-671-7170, providing a Confidential Property Identification Number, giving the location and nature of the emergency and the names of the persons or firms responding to the emergency.

Section 13.4 Government Vehicles:

13.4.1 Vehicles with distinctive markings that indicate their Federal, State, County or City status will be admitted without passes. Government officials in unmarked vehicles will be admitted without passes after providing appropriate identification, purpose of visit and destination. In each instance within this group of visitors, the passengers in the vehicles must be on official business.

Section 13.5 Clergy Vehicles:

13.5.1 Vehicles driven by members of the clergy will be granted a Residential GEP free of charge upon providing appropriate identification, purpose of visit, and destination. (Staff will issue (1) non-resident decal-at no charge-to any church clergy located on Hilton Head Island or at the discretion by the Director of Safety, Security & Transportation. Current vehicle registration, vehicle insurance and driver's license is required).

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PART 14
ADMINISTRATIVE MATTERS

Section 14.1 Property Identification Number Confidentiality:
A property owner or tenant obtaining a Confidential Property Identification Number shall not divulge it to anyone who is not authorized to have or use said number and if they do disclose said number to an unauthorized person shall lose the privileges attendant to said number.

Section 14.2 Sea Pines Resort Access Rights:
Notwithstanding any provisions contained herein, the rights, powers, and privileges granted to Sea Pines Resort its affiliates, employees, subsidiaries, shareholders, guests, contractors, invitees, licensees, etc. by Exhibit A to that certain document entitled "Assignment of Rights" dated November 17, 1987, and recorded in the Office of Register of Mesne Conveyances for Beaufort County, South Carolina, in Deed Book 490 at Page 712 shall not be in any way lessened, diluted, forfeited, extinguished or decreased by this Gate Policy without the consent of the Sea Pines Resort.

Section 14.3 Sea Pines Center Access Rights:
Changes in the Gate Entry Pass Policy may not materially affect access to Sea Pines Center shops without the consent of the Sea Pines Center as granted by 1987 "AGREEMENT FOR ASSIGNMENT OF PARTNERSHIP INTEREST IN SEA PINES CENTER."

Section 14.4 CSA Rights:
Nothing contained in this Gate Entry Pass Policy shall, in any way affect rights granted to CSA under the 1988 Covenants and that certain Assignment of Rights by and between R. Geoffrey Levy, Trustee in Bankruptcy, Hilton Head Holdings, f/k/al Sea Pines Plantation Company and Community Services Associates, Inc. dated December 8, 1988.

Section 14.5 Intra-Plantation Transportation:
The gate fees, as approved by the CSA Board, shall be applied to cover the costs of operating an intra-plantation transportation system.

Section 14.6 Visitor Marketing:
The gate fees, as approved by the CSA Board, shall be applied to cover the costs of preparing and distributing Sea Pines commercial marketing materials.

Section 14.7 Gate Policy Amendments:
The CSA Gate Entry Committee is charged with the periodic review of this policy and will make appropriate change recommendations to the CSA Board in accordance with their charter. No changes will take effect until they have been approved by a formal resolution of the CSA Board of Directors. Changes to those entry rights assigned to Sea Pines Resort and the Sea Pines Center require the consent respectively of the Sea Pines Resort and the owner of the Sea Pines Center. Changes to this policy must receive approval by 66% of the CSA Board.

Section 14.8 Gate Policy Certification:
These policies and procedures and subsequent amendments shall become effective upon certification by the President and Secretary of CSA, The President, Sea Pines Resort and the Owner/Agent of Sea Pines Center shall indicate their consent to the policies and procedures as certified.

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FEE SCHEDULE FOR CSA GATE ENTRY PASSES
PER VEHICLE GATE ENTRY DECALS (GED)

ANNUAL DECALS	**FEE**	**PRO-RATED FEE** *(as of July 1st)*
NON-ISLAND RESIDENT DECAL	$125	$63
PREFERRED PASS (1 YEAR)	$50	$25
PREFERRED PASS (2 YEAR)	$100	$75
LONG TERM RENTER	$25	$13
2 AXLE COMMERCIAL	$225	$113
3 AXLE COMMERCIAL	$325	$163
3+ AXLE COMMERCIAL	$425	$213
COMMERCIAL HANG TAG COMMERCIAL CLEANING / PROPERTY MANAGEMENT / RESTAURANT DELIVERY BUSINESSES ONLY *(must receive an employee list and signed form agreeing to hang tag rules)*	$225	N/A
TOW VEHICLE SERVICE *(standard commercial rate for first 2 vehicles, free for all thereafter for each company)*	$225 / $325 / $425	N/A
DECAL REPLACEMENT	$6	N/A
RELATIVE DECAL	$6	N/A
BOAT DECAL	$50	N/A
HH PREP STUDENT / EMPLOYEE *(violation fee only)*	$50	N/A

DAILY GATE ENTRY PASS (GEP) *per vehicle*	**FEE**
Casual Daily Visitor Pass - 2 axle vehicle (no trailer)	$8
Commercial Daily Pass (CDP) - 2 axle vehicle - **with or without a trailer**	$10
2 axle vehicle, with current COMMERCIAL DECAL – **plus single axle trailer**	$4
2 axle vehicle, with current COMMERCIAL DECAL – **plus 2 or more axle trailer**	$6
3 axle vehicle – or more	$25
Buses / Tour Vehicles	$30
Bike on Car	$1

WEEKLY GATE ENTRY PASS (GEP) *PER VEHICLE*	**FEE**
Casual Weekly Visitor - 2 axle vehicle	$30
Commercial Weekly Pass – **with or without a trailer**	$40
SHORT TERM RENTAL – weekly pass & voucher purchased in advance	$15 ($17 April 3, 2020 – September 7, 2020)
SHORT TERM RENTAL – weekly pass purchased at Sea Pines Gate	$20 ($22 April 3, 2020 – September 7, 2020)
SHORT TERM RENTAL (90 DAY MAX)	$195

Uber Vehicle Access	$2 per entry

BIKE RENTAL COMPANIES	
OUTSIDE GATE OPERATIONS *Must provide proof of Liability Insurance – (min. $1,000,000.00)* *Commercial Decal rates apply.*	$1 per bike entry *(as indicated on manifest)*

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Community Services Associates, Inc.
175 Greenwood Drive
Hilton Head Island, SC 29928

Appendix C

COMMERCIAL BICYCLE RENTAL COMPANIES

GATE ENTRY POLICY

- Upon purchase of the required annual commercial vehicle decal we have provided CSA with proof of our current General Liability Insurance Coverage. We acknowledge that our access to Sea Pines is contingent upon our maintaining current liability insurance coverage and that failure to do so will result in loss of our access privileges to Sea Pines

- We further understand and agree to have our delivery driver(s) provide the Sea Pines gate officer with paperwork indicating the number of bicycles entering the community. Each bicycle entering Sea Pines will be charged a $1 fee. We understand that access will be denied without the required paperwork.

- We acknowledge receiving and understand the Sea Pines Bicycling Rules of the Road. We agree to ensure that all our Sea Pines customers are informed about them and receive a copy of the rules.

I have read the above policies and fully understand our responsibilities and we agree to comply with all the requirements as stated above.

Bicycle Rental Company _____

Signature _____

Date _____

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RESOLVED, the CSA Board approves the increase of the $5 Gate daily pass to $6, effective April 1, 2014. There would be no additional gate fee increases imposed for a minimum of three years beginning April 1, 2014, through March 31, 2017.

The Gate Entry Committee will review daily pass rates in December 2016. The use of the $1 increase would be allocated as follows:

- 60% to CSA Infrastructure Fund and the General Fund,
- 20% to Commercial use for Marketing and Trolley Lot Improvements,
- 20% to Dredging for indirect costs for Permitting, Monitoring, Inspections, Surveys, Project Management and Supervision

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Appendix E

COMMERCIAL PROPERTY OWNERS
ANNUAL FEE

Commercial property owners will pay an annual fee into the Community Fund on behalf of their tenants, for the tenant's business and employee access:

EMPLOYEE (TENANT)	
FIRST FLOOR	$0.20 per sq. ft.
SECOND FLOOR	$0.15 per sq. ft.

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RIGHTS OF THE SEA PINES RESORT GUESTS AND RELATED PARTIES

Attached as an exhibit to the November 17, 1987 Assignment of Rights, recorded at DB 490 at P 712 , and the November 17, 1987 Easement for Access, recorded at D490 at P 769 is the 1987 Gate Policy. Pursuant to said three (3) documents, the **following individuals associated with the Resort are allowed unrestricted, free access**. Nothing in this Gate Policy , or any prior amendment or agreement, has or will limit or restrict these rights originally granted to the Resort (Specific reference to the paragraphs in the 1987 Gate Policy are in parentheses.)

a) Employees of Sea Pines (4.01.1.6)
b) Sea Pines officers, directors (4.01.1.6)
c) Sea Pines consultants (4.01.1.6)
d) Sea Pines Real Estate Company sales agents (4.01.1.6)
e) Contractors of Sea Pines (full-time) (4.01.1.6)
f) A limited number of public officials designated by Sea Pines (4.01.1.6)
g) Sea Pines Real Estate Company clients – day passes (4.01.1.7; 4.01.1.6(c))
h) Construction workers doing work for the company (4.03.1)
i) Ticket holders, authorized guests, participants, sponsors, volunteers and equipment and service suppliers for major and annual sports events (i.e. MCI golf, Family Circle, Seniors Golf) and to a limited number of sports events sponsored by the Company (4.06)
j) Contractors working on a temporary basis (4.01.1.6) *
k) Sea Pines lodging guests (4.01.1.6(a)) *
l) Business clients of Company (4.01.1.6(b)) *
m) VIPs and social guests at Company-sponsored events (4.01.1.6(d))*

* Temporary passes

In addition to those persons specifically described above, the following groups of individuals are specifically allowed entry at no charge under the provisions of said 1987 Gate Policy:

n) Sea Pines Resort guests;
o) Sea Pines golf, tennis, real estates and eco-tour customers;
p) Sea Pines Food & Beverage Operations personnel;
q) Sea Pines Golf Course maintenance personnel;
r) Sea Pines Academy of Golf and Junior Master program participants and personnel;
s) Sea Pines Tennis Academy program participants and personnel;
t) All contractors providing services to Sea Pines or its customers on a daily or continuous basis, including but not limited to, housekeeping, janitorial, food and beverage, golf clinics, tennis clinics, landscaping, maintenance, golf cart maintenance, etc.;
u) All individuals providing services of any kind to Sea Pines, including, but not limited to architects, engineers, attorneys, construction managers, building contractors, villa maintenance subcontractors, etc.;
v) All residents of TidePointe;
w) Any and all Sea Pines real estate development partners;
x) Any and all commercial deliveries to any Sea Pines operation, including, but not limited to, golf course facility, tennis facility, beach club, musical event, special event or any other similar operation or event. **As the companies and individuals who provide services to the Resort continually change, no specific listing is required**.

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REFERENCE TABLES

Definitions - Who am I?

Residential Property Owner (RPO)	Includes owners of Family Dwelling Units (residential dwellings, condominium/villa units) and Residential Lots (undeveloped, platted and recorded lots) located within Sea Pines. A residential property owner may be defined as those identified on the deed.
Long-Term Renter (Six months or more)	Long-term tenants renting directly from a RPO or rental management company are entitled to the same pass privileges as the owner for the extent of the rental term only.
Short-Term Renter (Less than six months)	Short-term renters are **not** entitled to free pass privileges for themselves or their visitors.
Commercial Property Owner (CPO)	Includes owners of business lands located within Sea Pines, which were purchased from Sea Pines Resort or its predecessors and pay an annual contribution into the general fund.
Multiple Property Owner	Properties with multiple owners, e.g. LLC's, trusts whose names are specifically listed on these legal documents are considered RPOs
Employee	A person employed by CSA, Sea Pines Resort or other commercial entity operating within Sea Pines.
Residential Property Owner Guest	A person invited to visit a property located within Sea Pines at the request of the residential property owner or long-term renter of said property
Casual Visitor (Daily)	Includes all visitors to Sea Pines who are not pre-approved guest of a Sea Pines Property Owner or holders of an approved Sea Pines gate entry pass.
Commercial Vendor (Outside)	Any person or vendor engaging in commercial activity on a regular basis within Sea Pines.
Active Duty Military	Service members currently on active duty within the US Army Forces.
Hilton Head Island Realtor	Current members of the Hilton Head Island area Board of Realtors who possess a current Membership I.D. Card.
Time-Share Owner	Timeshare owners whose general management company pays the annual Sea Pines Residential assessment as set forth in the 1974 Covenants for each unit shared are granted the same pass privileges as Residential Property Owners inside the gate. However, these privileges are only the periods they are in residence at their Sea Pines Property.
Time-Share Renter	Persons renting a timeshare unit within Sea Pines, but is not an owner of the timeshare unit.
Former Residential Property Owners	Persons moving from Sea Pines to a retirement community on Hilton Head Island. (I.E. Seabrook, Cypress, Tide Pointe etc.)

How do I obtain Access to Sea Pines?

	Decal	Guest Pass (Free)	Daily/Weekly Pass (Fee)	Professional Business Pass
Residential Property Owner (RPO)	X	X		
Long-Term Renter	X	X		
Short-Term Renter (Less than six months)			X	
Commercial Property Owner (CPO)	X			X
Multiple Property Owner	X	X		
Employee	X			X
Residential Property Owner Guest		X		
Casual Visitor (Daily)			X	
Commercial Vendor (Outside)	X		X	
Active Duty Military		X		
Hilton Head Island Realtor		X		
Time-Share Owner		X		
Time-Share Renter			X	
Former Residential Property Owners	X			

*If a Property Owner or Long-term Renter is entering Sea Pines in a car that is not registered with the Security Administration Office (i.e.-rental car, loaner car, etc.) they must contact the Welcome Center Guest Pass Desk to obtain a pass for entry.

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Decals: Gate Access, Length of Issue & Issue Requirements

Decal Type	Decal Fee	Gate Access	Term	Requirements
Residential Property Owner (RPO)	No	Greenwood/Ocean	2-3 Years	Driver's License, Insurance & Registration
Non-Island Residential	Yes	Greenwood/Ocean	1 Calendar Year	Driver's License, Insurance & Registration Addresses outside HHI Town Limits
Preferred Pass	Yes	Greenwood/Ocean	1 Calendar Year	Driver's License, Insurance & Registration Addresses within HHI Town Limits
Relative	Yes	Greenwood/Ocean	1 Calendar Year	Driver's License, Insurance & Registration Must be accompanied by Property Owner
Long-Term Renter	Yes	Greenwood/Ocean	1 Calendar Year	Driver's License, Insurance & Registration Copy of Lease Agreement
Decal Type	**Decal Fee**	**Gate Access**	**Term**	**Requirements**
Commercial 4, 6, 6+ Wheels	Yes	Greenwood/Ocean	1 Calendar Year	Driver's License, Insurance & Registration Town of HHI Business License
Commercial Hangtag (Restaurant Delivery, Commercial Cleaning & Property Managers) Only	Yes	Greenwood/Ocean	1 Calendar Year	Driver's License, Insurance & Registration Town of HHI Business License & Employee roster from Business Owner
Employee (Tenant)	No	Greenwood/Ocean	1 Calendar Year	Driver's License, Insurance & Registration Letter from CPO Verifying Employment
Hilton Head Prep	No	Ocean Only	1 Calendar Year	Driver's License, Insurance & Registration Verification form HH Prep
Decal Replacement	Yes	Greenwood/Ocean	1 Calendar Year	Driver's License. If the vehicle previously recorded has changed, the current Registration & Insurance of the new vehicle is required. Return original decal.

The amendments are listed in the Sea Pines Gate Entry Policy, page viii, Amendments to Policy and are certified as having been approved, by the CSA Board of Directors, on this 4th day of February, 2020.

C. Samuel Bennett

President: COMMUNITY SERVICES ASSOCIATES, Inc.
Consented to as certified this 24 *day of* February, 2020 *(month / year).*

Carolyn E Adams

Secretary: COMMUNITY SERVICES ASSOCIATES, Inc.
Consented to as certified this 27 *day of* February, 2020 *(month / year).*

Steven P. Birdwell

President: SEA PINES RESORT, LLC.
Consented to as certified this 5th *day of* February, 2020 *(month / year).*

Owner/Agent: SEA PINES CENTER ASSOCIATES, LLC.
*Consented to as certified this*____ *day of* _____, _____ *(month / year).*

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The amendments are listed in the Sea Pines Gate Entry Policy, page viii, Amendments to Policy and are certified as having been approved, by the CSA Board of Directors, on this 4th day of February, 2020.

President: COMMUNITY SERVICES ASSOCIATES, Inc.
Consented to as certified this_____ day of _____, _____ (month / year).

Secretary: COMMUNITY SERVICES ASSOCIATES, Inc.
Consented to as certified this_____ day of _____, _____ (month / year).

President: SEA PINES RESORT, LLC.
Consented to as certified this_____ day of _____, _____ (month / year).

Owner/Agent: SEA PINES CENTER ASSOCIATES, LLC.
Consented to as certified this 19th *day of* FEBRUARY, 2020 *(month / year).*

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After recording please return to:
Burr & Forman LLP
23-B Shelter Cove Lane, Suite 400
Hilton Head Island, SC 29928
(843) 785-2171

STATE OF SOUTH CAROLINA)
) AFFIDAVIT TO RECORD
COUNTY OF BEAUFORT)

RE: **Restated Bylaws of Community Services Associates, Inc.**

The attached document is being recorded to comply with South Carolina Homeowners Association Act, Section 27-30-110, et. seq., of the South Carolina Code of Laws 1976, as amended.

Community Services Associates, Inc.

By: _____
Print Name: Walter J. Nester, III
Title: Burr & Forman LLP

SWORN TO BEFORE ME THIS
7th day of January, 2020

Janet L. Symons
Notary Public for South Carolina
Print Name: Janet L. Symons
My Commission Expires: April 10, 2023

JANET L SYMONS NOTARY PUBLIC SOUTH CAROLINA COMMISSION EXPIRES APRIL 10, 2023

EXHIBIT
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RESTATED BYLAWS
OF COMMUNITY SERVICES ASSOCIATES, INC.

Article I
Name, Purposes and Offices

Section 1. Name. The name of the corporation is Community Services Associates, Inc. (hereinafter "Corporation" or "CSA").

Section 2. Purposes. CSA is organized as a South Carolina non-profit corporation pursuant to Title 33, Chapter 31, Code of Laws of South Carolina (1976) (as amended), for those purposes generally set forth in the Certificate of Incorporation dated September 23, 1987, and specifically to:

(a) accept and hold title to the Community Properties, as herein defined; and

(b) assume and perform the duties, rights, and obligations assigned to CSA pursuant to the 1988 Covenants, as herein defined; and

(c) perform said duties and exercise said rights and manage said properties so as to maintain Sea Pines (as defined herein) as an attractive community and enhance the value of all properties in Sea Pines on a basis that does not discriminate among Owners, as herein defined.

Section 3. Principal Office. The principal office of the Corporation is located at 175 Greenwood Drive, Hilton Head Island, South Carolina, 29928, or at such other place as may be designated by the Board of Directors of the Corporation (hereinafter "Board of Directors" or "Board"). The registered office of the Corporation may be, but need not be identical with the principal office and the address of the registered office may be changed from time to time by the Board of Directors.

Article II
Definitions

Section 1. General. The following words and phrases, when used in these Bylaws or any amendment thereto (unless the context shall clearly indicate otherwise) shall have the following meanings:

(a) ASPPPO. Association of Sea Pines Plantation Property Owners, Inc. and The Advisory Board, a South Carolina not for profit corporation whose members are residential owners in Sea Pines who elect to be members thereof.

(b) Business Director. Any Commercial Director or Resort Director.

(c) Business Member. Any Owner referred to as a Class '13' Member in the 1988 Covenants.

(d) Business Lands. The real property listed in Exhibit E of the 1988 Covenants and any other real property designated Business Lands in the 1974 Covenants.

(e) Commercial Director. Any Director of CSA elected by Commercial Members pursuant to Article V, Section 4 of these Bylaws, and any successor or replacement of a Commercial Director

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chosen pursuant to Article V, Section 8 of these Bylaws, and referred to as a Class '13' Director in the 1988 Covenants.

(f) Commercial Member. Commercial Members are all Business Members except the Resort.

(g) Community Assessments. The annual community service assessments required to be paid by certain Owners to CSA and described in Article III of the 1974 Covenants, as amended.

(h) Community Properties. All of the real property transferred to CSA pursuant to Article I of the 1988 Covenants and any real property acquired thereafter and designated as such by CSA.

(i) Member. Any Owner of any Residential Land or Business Land in Sea Pines, provided, however, that there shall be only one (1) Membership for each lot or parcel of real property and all individuals or entities holding title shall collectively be referred to as Owner and/or Member, i.e., interval ownership.

(j) Membership. All of the Residential Members and Business Members of CSA.

(k) 1974 Covenants. The documents entitled "Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.," dated September 7, 1974, and recorded in Deed Book 224 at Page 1036 in the Office of the Register of Deeds for Beaufort County, South Carolina, as amended from time to time.

(l) 1987 Assignment. The "Assignment of Rights" of the Hilton Head Liquidation Corp. to Sea Pines Plantation Company, Inc., dated November 17, 1987, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 490 at Page 712.

(m) 1988 Covenants. That document entitled "Declaration of Covenants and Agreement of 1988 for the Transfer of Properties, Reserved Rights and Obligations of Hilton Head Liquidation Corp. to Community Services Associates, Inc." between Hilton Head Liquidation Corp., formerly known as Sea Pines Plantation Company, and CSA, dated December 8, 1988, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 519 at Page 1161, as amended from time to time.

(n) Owner. The owner as shown by the real estate records in the Office of the Register of Deeds for Beaufort County, South Carolina, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Residential Lands or Business Lands situated within Sea Pines but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, or holder of a security deed, its successors or assigns, unless or until such mortgagee has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure and has held such title for a period of one (1) year; nor shall the term Owner mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, a long term contract of sale covering any real property within Sea Pines, the Owner of such lot or parcel of real property shall be the purchaser under said contract and not the fee simple 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 nine (9) months from the date of the

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contract and where the purchaser does not receive title to the property until such payments are made, although the purchaser is given the use of said property.

(o) Residential Director. Any Director of CSA elected by the Residential Members pursuant to Article V Section 3 of these Bylaws and any successor or replacement of a Residential Director chosen pursuant to Article V Section 8 of these Bylaws, and referred to in the 1988 Covenants as a Class 'A' Director.

(p) Residential Member. Any Owner of a single family lot, single family dwelling unit or a multi-family dwelling unit, and referred to in the 1988 Covenants as a Class 'A' Member.

(q) Residential Lands. All of the real property within Sea Pines subject to that certain Declaration of Rights, Restrictions, Affirmative Obligations, Conditions etc. dated April 1, 1970 and recorded in the Office of the Register of Deeds for Beaufort County in Book 173 at Page 46, as amended (the "Class A Covenants"), and that certain Declaration of Rights, Restrictions, Conditions etc., dated July 9, 1964, and recorded in the Office of the Register of Deeds for Beaufort County in Book 124 at Page 35, as amended (the "Class B Covenants").

(r) Resort. Sea Pines Resort, LLC, a Virginia Limited Liability Company authorized to conduct business in South Carolina, and its successors and assigns.

(s) Resort Director, Any Director of CSA appointed by Resort pursuant to Article V Section 5 of these Bylaws and the 1988 Covenants.

(t) Sea Pines. All of that certain real property containing Residential Lands, Business Lands, Community Properties, and Open Space, as more particularly described as Sea Pines Plantation in Exhibit 'A' to the 1974 Covenants.

Article III
Membership Rights and Privileges

Section 1. Membership Voting Rights. Each Member shall have the right to vote, except that voting rights of Members whose Community Assessments are delinquent shall be suspended until said Community Assessments have been paid in full. There shall be two (2) classes of voting Members:

(a) Residential Members. Each Residential Member shall be entitled to a maximum of one (1) vote for each unimproved lot, single-family dwelling unit or multifamily dwelling unit owned by such Member.

(b) Business Members. Each Business Member shall be entitled to one (I) vote plus one (1) vote for each $500.00 of assessments over and above the first $500.00 in Community Assessments paid in the prior calendar year. In computing the number of votes of a Business Member, the amount of assessment shall be rounded off to the nearest $500.00. For example, a Business Member who pays $749.00 in assessments will have one (1) vote, a Business Member who pays $751.00 in assessments will have two (2) votes.

(c) Multiple Owners. In the event there exists multiple Owners of any Residential Land or Business Land (i.e., fiduciaries, joint tenants, tenants by the entirety, tenants in common,

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tenants in partnership or in any other manner of joint or common ownership), the vote for each such Residential Land and Business Land shall be exercised as such multiple Owners themselves determine. Such multiple Owners shall advise the President of CSA of the name of the individual who shall exercise the vote for the multiple Owners prior to any annual or special meeting of the Members of CSA, or the counting of any vote. In the absence of such advice, the vote of such Residential Land or Business Land shall be suspended in the event that more than one (1) person seeks to exercise it. The principle of this paragraph shall apply to execution of proxies, mail referenda, waivers, consents or objections, and for the purpose of ascertaining the presence of a quorum.

Section 2. Manner of Voting. A Member authorized to vote may vote in person; by written ballot; by proxy; or, by electronic means as authorized by law, these Bylaws, and approved by the Board.

Section 3. Proxies. Every Member entitled to vote at a meeting of the Membership may authorize another person or persons to act for such Member by proxy. Every proxy must be signed by the Member or his attorney-in-fact and be delivered to the Secretary at the meeting prior to the meeting being called to order. No proxy shall be valid after the date of the meeting of the membership or any adjournment thereof. Every proxy shall be revocable at the pleasure of the Member executing it, except as otherwise provided by law.

Section 4. Members' Right to Approve Certain Actions by Mail/Electronic Referendum Vote. The Board of Directors of CSA may, by resolution or affirmative vote of a majority of the Board as set forth below, initiate a referendum in which the Members shall have the authority to approve or reject by mail or electronic referendum the following:

(a) Any merger, consolidation or dissolution of CSA, subject to the condition that any such action must be carried out pursuant to a plan of merger, consolidation, or dissolution which provides for the uninterrupted exercise of CSA's principal duties with respect to the Community Properties.

(b) Any merger with another property owners' association serving an adjoining tract.

(c) Any amendment to any provision of the 1988 Covenants (except no amendment may alter the election of directors, or impair any right reserved to Members, or create or increase liability of Members or CSA).

(d) Any sale, gift, lease for more than one (1) year, of one percent (1%) or more of the Community Properties, "except to the extent that "minor changes" in the boundaries of said Properties are allowed pursuant to Article II, Section 13 (5) of the 1974 Covenants, which right to make "minor changes" shall vest exclusively with the Board and be freely exercisable by the Board without approval or ratification by the Members.

(e) Any re-designation of one percent (1%) or more of any category (designated in the 1974 Covenants) of the Community Properties.

Section 5. Referendum Call, Approval, and Certification. All mail and/or electronic referendums shall be conducted in accordance with the process provided in the 1974 Covenants, the 1988 Covenants, and these Bylaws. In the event of any conflict, the 1974 covenants shall control.

(a) Call. A resolution calling for a Referendum must be adopted by a favorable vote of a majority of the Residential Directors then in office and a favorable vote of a majority of the Business Directors then in office. In the event of a tie vote of Business Directors, the matter shall be promptly submitted to arbitration in accordance with the rules and regulations of the American Arbitration Association. The decision rendered in such arbitration shall be final and binding upon the Board of Directors.

(b) Approval. A mail/electronic referendum is deemed "approved" if seventy-five percent (75%) or more of the ballots actually returned to CSA are in favor of the proposed action. In order to be counted, any ballot must be returned to CSA or its designated representative within thirty (30) days of the date that the ballot was marked as mailed by the United States Postal Service or via electronic means as specified by CSA.

(c) Certification. No mail/electronic referendum shall be effective unless a statement of the results thereof is:

(1) Signed by the President and Secretary of CSA in their representative capacities.

(2) Sent to the Members by United States mail or by electronic methods.

(3) Recorded in the Office of the Beaufort County Register of Deeds, in the name of CSA as an assignee of Resort's predecessor. Said statements shall include the effective date of the action, the date of the call for referendum, the total number of votes needed to adopt the action, and the total votes cast for and against the action.

Section 6. Voting as a Class. For purposes of voting on all CSA business other than the election of Directors, all Members shall vote together as one (1) class.

Article IV
Meetings of Membership

Section 1. Place of Meeting. Meetings of the Membership shall be held at the principal office of CSA or at such other place within the State of South Carolina as the Board of Directors shall authorize.

Section 2. Annual Meeting. The annual meeting of the Membership shall be held each year at a date determined within the discretion of the Board of Directors. The agenda for such annual meeting shall include such business as may properly come before the meeting, reports on (1) current status and future plans for Sea Pines, (2) actions requiring Membership approval, and (3) the annual report. To the extent practical, the Directors shall schedule the annual meeting of CSA to occur in sequence with or jointly with the annual meeting of the Membership of ASPPPO.

Section 3. Special Meetings. Special meetings of the Membership may be called by the Chair of the Board of Directors, a majority of the Board of Directors, or presentment to the President of CSA of a petition bearing the signatures of no fewer than five percent (5%) of the Residential Members or ten (10) Business Members of the Corporation entitled to vote at such special meeting. Such request and notice of meeting issued pursuant thereto shall state the purpose or purposes of the proposed meeting, and all business transacted at the special meeting shall be confined to the purposes stated in the notice.

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Section 4. Notice of Meeting.

(a) Notice by Mail. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized or qualified to call the meeting, by mailing a copy of such notice, with proper postage affixed, not less than ten (10) but not more than fifty (50) days before such meeting, to each Member to the last known address of the person or entity who appears as Owner of record on the record date for such meeting. Notice to one (1) of two (2) or more co-Owners shall constitute notice to all co-Owners. It shall be the obligation of every Member to promptly notify CSA in writing of any change of address. Notice of each meeting shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose or purposes of the meeting.

(b) Notice by Electronic Methods. Subject to prior approval by the Board, notice of any meeting of the Membership may be made by electronic methods if such notice is sent not less than ten (10) nor more than fifty (50) days prior to the meeting, and includes such information as required in any notice sent pursuant to Section 4(a) of this Article IV, and shall be deemed delivered when entered into an authorized internet service provider addressed to the Members' electronic address as it appears in the records of CSA, or other such electronic address provided to CSA in writing by such Member prior to the fixing of the record date in accordance with Article IV, Section 8 of these Bylaws..

Section 5. Waiver of Notice. Notice of any meeting of the Membership need not be given to any Member who signs a waiver of notice, either in person or by proxy, either before or after the meeting. The attendance, whether in person or by proxy, of any Member at a meeting without protesting the sufficiency of the notice of the meeting prior to the commencement of such meeting shall constitute a waiver of notice under these Bylaws by such Member.

Section 6. Quorum. Unless otherwise provided, any reference hereafter to "votes cast" at a duly called meeting shall be construed to be subject to the quorum requirements established in this section and any other requirements for such "duly called meeting" which may be established by these Bylaws. Prior to the commencement of each meeting, the Secretary shall certify that the required quorum is present either in person or by proxy.

(a) The first time a meeting of the Members of CSA is called to vote on a particular action (other than a vote taken by mail referendum) proposed to be taken by CSA, the presence at the meeting of Members or proxies entitled to cast twenty (20%) percent of the total vote of the Membership shall constitute a quorum.

(b) If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice and the required quorum at such meeting shall be the presence of Members or proxies entitled to cast fifteen (15%) percent of the total vote of the Membership.

(c) If the required quorum is not forthcoming at such second meeting, a third meeting may be called subject to the giving of proper notice and the required quorum at such meeting shall be the presence of Members or proxies entitled to cast ten (10%) percent of the total vote of the Membership of CSA.

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Section 7. Adjournment. Upon the affirmative vote of a majority of Members present and authorized to vote at a Membership meeting, the meeting may be adjourned. In the event of unfinished business, such adjournment may be temporary to a fixed time, date and place, which time, date and place shall be announced at such meeting prior to adjournment, and there shall be no requirement for further notice as to the time and place of such adjourned meeting. Such adjournment shall be for a period not in excess of thirty (30) days. At any such adjourned meeting at which a quorum shall be present, only the business that may have been transacted at the meeting as originally scheduled may properly be transacted.

Section 8. Record Date. For the purpose of determining the Members qualified or entitled to notice of or to vote at any meeting of Members or any adjournment thereof, the Board shall fix a date as the record date for such determination of Members. Such date shall be not more than sixty (60) days nor less than thirty (30) days before the date of such meeting. If no record date is fixed by the Board, the record date for any such purposes shall be thirty (30) days before the date of such meeting.

Section 9. Voting of Members. At all Membership meetings, voting may be by voice vote. However, any Member may demand a recorded vote whereupon such vote shall be taken by ballot, and the secretary shall record the name of each Member voting, the vote of each Member, and, if such vote shall be by proxy, the name of the proxy holder. A complete list of Members entitled to vote at a Membership meeting or any adjournment thereof, arranged in alphabetical order, shall be prepared in accordance with applicable law by the secretary of the Corporation. Such list shall be subject to inspection by any Member upon written demand for the purpose of communication with other members concerning the meeting. Such list shall be available at the principal office of the Corporation beginning the day after notice is given of the meeting for which the list was prepared and continuing through the meeting, or any adjournment thereof. There shall be no cumulative voting.

Section 10. Action of the Membership. Except as otherwise specifically required by these Bylaws, the 1988 Covenants or applicable law, any action requiring Membership approval shall be effective if approved by a majority of those Members present, in person or by proxy, and authorized to vote at a duly noticed meeting at which a quorum was present when the meeting was called to order.

Section 11. Document Access. The following corporate documents shall be made available to Members at the principal office of CSA or via electronic methods, the selection of which shall be at the sole discretion of CSA, unless otherwise required by applicable law:

(a) Principal Sea Pines Covenants and Agreements;

(b) CSA Certificate of Incorporation;

(c) Sea Pines Rules and Regulations;

(d) CSA Policy Statements;

(e) Principal CSA audited Annual Financial Statements;

(f) Board-approved Minutes of Board Meetings and Membership Meetings; and

(g) Any other records required to be maintained and disclosed to Members in accordance with applicable law.

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Article V
Board of Directors

Section 1. General. Except for those powers specifically and exclusively vested with the Membership pursuant to Article HI, Section 4 of these Bylaws and Section 5.8 of the 1988 Covenants, the full and entire management of the affairs and business of CSA shall be vested in the Board of Directors, which shall have and may exercise all of the powers that may lawfully be exercised or performed by CSA. Unless otherwise specified, these powers may be exercised by the vote of a majority of the members of the Board of Directors present at the time of the vote. These powers include, but are not limited to, the following:

(a) By a majority vote of the CSA Board Members then in office, amend these Bylaws;

(b) Establish rules and regulations applicable to the Members, their guests, and visitors;

(c) By the affirmative vote of a majority of the Residential Directors then in office and the affirmative vote of a majority of the Business Directors then in office approve a matter to be submitted to a Referendum of the Members ;

(d) Enforce or defend existing Sea Pines real property covenants by any action at law or in equity, or by arbitration in accordance with applicable law;

(e) By the affirmative vote of a majority of the Residential Directors then in office and the affirmative vote of a majority of the Business Directors then in office approve any merger, consolidation, or dissolution of CSA other than a merger with ASPPPO which shall only require a majority vote of the Directors present at the time of the vote (in addition to the Directors approval, the Members must approve these actions in accordance with applicable law);

(f) Grant easements across, over and through the Community Properties, unless prevented by limitations imposed by applicable recorded covenants;

(g) Hire, dismiss, and determine salary, compensation and benefits for the position of CS A's President;

(h) Approve job descriptions, compensation, other employment arrangements of the department heads and other key employees who report to the President, and if necessary or advisable hire or dismiss department heads and other key employees;

(i) Engage, pay, and contract for community services and such other services, including the services of attorneys, accountants, auditors such other professionals and personnel as are necessary to carry out the duties and responsibilities of CSA;

(j) Determine, levy and collect assessments and/or contributions from Members or non-member entities that have access rights to Sea Pines;

(k) Open and maintain bank or other financial accounts; borrow funds for providing or restoring services for Community Properties;

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(l) Adopt annual budgets and keep and maintain financial records;

(m) By an affirmative vote of a majority of the Residential Directors then in office and the affirmative vote of a majority of the Business Directors then in office, amend Gate Pass Policies, subject, however, to the limitations on CSA's ability to amend Gate Pass Polices contained in applicable agreements or recorded covenants; and

(n) Approve the minutes of the annual Membership meeting.

Section 2. CSA Board of Directors. The CSA Board of Directors shall be comprised of three (3) classes. There shall be nine (9) Residential Directors, four (4) Commercial Directors, and four (4) Resort Directors. Each Director must be at least eighteen (18) years of age and be a CSA Member in good standing, provided, however, that a spouse of a CSA Member may be a Director, and if the CSA Member is a legal entity (e.g., corporation, trust), that CSA Member may designate an individual to serve on its behalf as a Director. Each Director who is in good standing, present, and voting shall have one (1) vote regardless of whether the Director is a Residential, Commercial, or Resort Director.

Section 3. Residential Directors Nomination and Election. Candidates for election as Residential Directors shall be nominated and elected as follows:

(a) Nominating Committee. A Residential Director Nominating Committee shall be appointed by the Chair of the Board subject to the approval of a majority of the Residential Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting. This appointment shall be announced at each annual meeting. The Committee shall consist of a Chairman, who shall be a Residential Director, and two (2) or more Residential Members. The Committee may nominate as many candidates as it shall in its discretion determine, but not less than the number of vacancies to be filled. Such nominations may be made only from among Residential Members, subject to Section 2 of this Article. The list of nominees must be available at "CSA Offices" or by a posting on the CSA web site for review by all Residential Members on or before August 31" prior to the election. In addition, the Members must be informed by a posting on the CSA website at that time of their right to nominate candidates by petition as set forth below.

(b) Nomination by Petition. Any Residential Member may nominate a candidate if

(1) The candidate is a Residential Member in good standing, or the spouse of a Residential Member in good standing, or designee of a Residential Member that is not an individual (e.g., corporation, trust);

(2) The nomination is supported by a petition submitted in accordance with this section bearing the names, signatures, and addresses of at least fifty (50) Residential Members;

(3) The petitioner must establish that the candidate is ready, willing and able to serve; and

(4) The proposed name reaches the Residential Member Nominating Committee by October 1 prior to the election.

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(c) Election. The names of nominees shall appear on the ballot in alphabetical order and the nominees shall be identified as to how nominated. The ballot shall be mailed to all Residential Members between November 1 and December 1 in each year to be returned for receipt by CSA by a date selected by the Board, but no later than December 31. Only Residential Members may vote in the election of Residential Directors and each such Member shall have a number of votes equal to the number of Residential Directors to be elected. There shall be no cumulative voting. The candidates receiving the largest number of votes cast shall be elected to the vacancies to be filled. The newly elected Directors will be installed at the beginning of the first meeting of the Board held after their election. The outgoing Directors shall remain in office until installation of the new incoming Directors.

(d) Residential Directors Term Limits. The term of a newly elected Residential Director will be three (3) years. If a Residential Director serves two (2) consecutive full terms, that Director shall not be eligible for election to the Board of Directors for one (1) calendar year.

Section 4. Commercial Directors Nomination and Election. Candidates for election as Commercial Directors shall be nominated and elected as follows:

(a) Nominating Committee. A Commercial Director Nominating Committee shall be appointed by a majority of the Commercial Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting. This appointment shall be announced at each annual meeting. The Committee shall consist of a Chairman, who shall be a Commercial Director, and two (2) or more Commercial Members subject to Section 2 of this Article. The Committee may nominate as many candidates as it shall in its discretion determine, but not less than the number of vacancies to be filled. Such nominations may be made only from among Commercial Members subject to Section 2 of this Article. The list of nominees must be distributed to Commercial Members on or before August 31st prior to the election. In addition, the Commercial Members must be informed by a posting on the CSA website at that time of their right to nominate candidates by petition as set forth below.

(b) Nomination by Petition. Any Commercial Member may nominate a candidate if:

(1) The candidate is a Commercial Member in good standing, or the spouse of a Commercial Member in good standing, or designee of a Commercial Member that is not an individual (e.g., corporation, trust);

(2) The candidate is supported by a petition bearing the names, signatures, and addresses of at least three (3) Commercial Members;

(3) The petitioner must establish that the candidate is ready, willing and able to serve; and

(4) The proposed name reaches the Commercial Member Nominating Committee by October 1 prior to the election.

(c) Election. The names of nominees shall appear on the ballot in alphabetical order and the nominees shall be identified as to how nominated. The ballot shall be mailed to all Commercial Members between November 1 and December 1 in each year to be returned for

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receipt by CSA by a date selected by the Board, but no later than December 31. Only Commercial Members may vote in the election of Commercial Directors and each such Commercial Director shall have a number of votes equal to the number of Commercial Directors to be elected multiplied by the number of votes to which such Member is entitled under Article III Section 1(b) of these Bylaws. There shall be no cumulative voting. The candidates receiving the largest number of votes cast shall be elected to the vacancies to be filled. The newly elected Directors shall be installed at the beginning of the first meeting of the Board held after their election. The outgoing Directors shall remain in office until installation of the new incoming Directors.

Section 5. Resort Directors Appointment. Resort shall appoint four (4) Resort Directors who shall serve until their replacements are named by Resort.

Section 6. Resignation. A Director may resign from the Board of Directors at any time by giving written notice to the Board, the Chair of the Board, or the Secretary of CSA. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer. The acceptance of the resignation shall not be necessary to make it effective.

Section 7. Removal. Any Residential Director may be removed at any time for cause by a two thirds (2/3rd) vote of the Residential Directors then in office or a two thirds (2/3") vote of the Residential Members, and similarly, any Commercial Director may be removed at any time for cause by a two thirds (2/3") vote of the Commercial Directors then in office or a two thirds (2/3') vote of the Commercial Members.

Section 8. Board Vacancies. Whether or not a quorum exists, vacancies occurring for any reason in the Residential or Commercial classes of Directors may be filled by a vote of a majority of the remaining Directors of the applicable class (i.e., Residential or Commercial) then in office. Directors elected pursuant to this Section shall hold office for the remainder of the unexpired term of the vacant Directorship. Any Residential Directorship being filled must be filled by a Residential Member, and any Commercial Directorship being filled must be filled by a Commercial Member. Vacant Resort Directorships shall be filled by appointment of the Resort. Resort Directors shall not participate in filling a Commercial Directorship vacancy.

Section 9. Scheduled Board Meetings. Regular meetings of the Board shall be held at a time and location as fixed by the Board at its first meeting after the annual election of Directors each year. No further notice is necessary for such regularly scheduled meetings.

Section 10. Special Board Meetings Notice. Special Board meetings may be called by the Chair of the Board or upon written request to the Secretary by at least two (2) Directors. The Board may hold such meetings at CSA's principal office or at such other places, either within or without the State of South Carolina, as it may from time to time determine. Notice of any such meetings shall be given to each Director as soon as reasonably possible, but not less than two (2) days prior to the meeting, and shall contain the date, time, place and purpose of the meeting. Such notice shall be deemed delivered to a Board member when given personally or by mail, telephone, or electronically at or to the address or phone number most recently furnished by the Director to the Secretary of CSA. Notwithstanding the foregoing, if an emergency exists, as determined by the most senior officer of CSA, Chair of the Board, President, Vice Chair, Secretary, Treasurer or most senior CSA Staff Executive overseeing CSA's operations at the time of the emergency, such officer may call an emergency special meeting electronically on twenty-four (24) hours notice by telephone or electronic means and such meeting may be held if a quorum is present regardless of whether notice was received by all Directors.

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Section 11. Quorum. The presence of a majority of the Directors shall constitute a quorum for the transaction of business. Once a quorum is present, it shall not be broken by the subsequent withdrawal of any Director. The Directors remaining, although less than a quorum, may continue to transact business until adjournment.

Section 12. Meeting by Conference Call. Board Members or committee members may participate in their respective meetings by means of electronic telecommunications. The telecommunications method selected must enable all persons participating in the meeting to hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 13. Attendance at Meetings of the Board of Directors. Subject to space availability, each Member may attend and observe meetings of the CSA Board of Directors. Members shall be excluded from executive sessions of the Board. The Board shall have the sole authority to decide when to proceed to executive session.

Section 14. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another date, time and place. Notice of the adjournment shall be given to all Directors who were absent at the time of the adjournment and, unless such date, time and place are announced at the meeting, to all other Directors.

Section 15. Compensation. No compensation shall be paid to the Directors for their services. However, upon written request to the Treasurer, Directors may be reimbursed for expenses incurred in performing their duties. Nothing herein contained shall be construed to preclude any Director from serving CSA in any other capacity and receiving compensation therefor.

Section 16. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he shall register his dissent to such action with the person acting as Secretary of the Corporation.

Section 17. Sureties and Bonds. If so required by the Board of Directors, any officer or agent of CSA shall execute a bond in favor of CSA in such sum and with such surety or sureties as the Board may direct. The bond shall be conditioned upon the officer's or agent's faithful performance of his duties to CSA, including responsibility for negligence and for the accounting of all property, funds or securities of CSA which may come into his possession. The cost of any such bond shall be paid by CSA.

Article VI
Officers

Section 1. Board Elected Officers. At its first meeting after the annual election of Directors each year, the CSA Board shall elect a Chair of the Board, Vice Chair, Secretary, and Treasurer. These officers shall be elected by a majority vote of the Board Members. The officer candidates must have been duly elected and installed as members of the Board and shall be installed as officers immediately after any such election.

Section 2. Nomination of Board Elected Officers. On or before December 1 each year, the Chair of the Board shall appoint a former or outgoing, Chair/Vice Chair, or President/Vice President, who is willing and able to serve, as Chair of the Nominating Committee, for the selection of Board elected officers. The Chair will serve as a nonvoting member of the Committee, except as necessary to break a tie. The makeup of the

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Committee shall be the Chair, two (2) Residential Directors, one (1) Commercial Director, and one (1) Resort Director; none of such Directors shall be then serving as an officer of CSA. The members of the Nominating Committee, other than the Chair, shall be selected by the Chair. The Nominating Committee shall nominate one candidate for each of the four offices listed in Section 1 of Article VI of these Bylaws. The Nominating Committee may nominate one or more of its members as a candidate. The Nominating Committee shall determine that each of its nominees is willing to serve, and shall select the nominees by majority vote. The Nominating Committee shall present its nominees at the first meeting of the Board held after the annual election of Directors each year. At such meeting, any Board member may nominate other candidates for an officer position.

Section 3. Chair of the Board

(a) Responsibilities:

(1) Shall be the principal executive officer of CSA and shall perform all duties incident to the office of Chair of the Board and such other duties as may be prescribed by the Board of Directors from time to time..

(2) Ensure the business and affairs of CSA are conducted consistent with Board approved guidance, policies and procedures.

(3) Establish the agenda for, and preside over, all scheduled and special meetings of the Board and the meetings of the Executive Committee.

(4) Preside at all Membership meetings.

(5) Appoint Chairs of Standing Committees.

(b) Authorities:

(1) Sign with the Secretary or other CSA officers (as authorized by the Board) any deeds, mortgages, bonds, contracts or other instruments that the Board authorizes to be executed.

(2) The above authority is not granted in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of CSA, or shall be required by law to be otherwise signed or executed.

(3) Alone, or in conjunction with the CSA President or other CSA officers, represent CSA in dealings with third parties.

Section 4. Vice Chair. In the absence of the Chair of the Board, the Vice Chair shall perform the duties of the Chair of the Board and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair of the Board. He shall perform such other duties as from time to time may be assigned to him by the Chair of the Board or by the Board of Directors.

Section 5. Secretary.

(a) Responsibilities:

(1) Keep, or cause to be kept, accurate and complete records of all votes and minutes of all meetings of the Board of Directors, the Executive Committee, and the Membership, in books maintained for that purpose or in a computer file or files which can be converted into written form within a reasonable time.. These books shall be kept at the principal office of CSA or other such places as the Board may direct.

(2) Maintain all documents and records of CSA as required by law, the Board of Directors, or the Chair of the Board.

(3) Keep in safe custody the CSA seal. Affix it to any instrument when required.

(4) Maintain a complete and correct list of Members who are in good standing, indicating whether they are Residential Members, Commercial Members, or Resort and such other information as may be requested by the Board of Directors or the Chair of the Board.

(5) Perform such other duties as are incident to the office of Secretary or as are assigned by these Bylaws, the Board of Directors or the Chair of the Board.

(b) Authorities:

(1) Sign with the Chair of the Board or other CSA officers (as authorized by the Board) Board Minutes or other instruments that the Board authorizes to be executed.

Section 6. Treasurer.

(a) Responsibilities:

(1) Keep and maintain, or cause to be kept, accurate and correct records and accounts of the properties and business transactions of CSA including assets, liabilities, receipts, disbursements, and other matters customarily included in financial statements. The books of accounts shall be open to inspection by any CSA Director. They shall be in the corporate books or in a computer file or files which can be converted into written form within a reasonable time.

(2) Deposit, or cause to be deposited, all monies, Member assessments and other valuables in the name of CSA in depositories approved by the CSA Board.

(3) Disburse, or cause to be disbursed, the funds of CSA in accordance with the Board approved budget or as otherwise authorized by the Board.

(4) Render to the Board at regular Board meetings an account of all financial transactions and the financial condition of CSA.

(5) Provide the Members, at least annually, financial statements on the financial condition of CSA.

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(6) Prepare and file, or cause to be prepared and filed, all required tax reports and returns in the form approved by the Board.

(7) Serve as Chair of the Finance Committee.

(8) Request and obtain such reports, statements, and other documents from CSA officers and agents as may be required to meet the responsibilities of the office.

(9) Perform such other duties as are incident to the office of Treasurer or as are assigned by these Bylaws, the Board of Directors, or the Chair of the Board.

(b) Authorities:

(1) Sign with the Chair of the Board or other CSA officers (as authorized by the Board) financial or other instruments that the Board authorizes to be executed.

Section 7. Assistant Officers. The Board of Directors may appoint (or delegate to the Chair of the Board) the right to appoint such other officers and agents as may be necessary or desirable to conduct the business of CSA. Such other officers may include one or more assistant secretaries and assistant treasurers who have the power and authority to act in place of the officer for whom they are appointed as an assistant in the event of the officer's inability or unavailability to act in his official capacity.

Section 8. Removal and Resignation. The Board may remove any officer from office. Any officer may resign at any time by giving written notice to the Board, the Chair of the Board, or the Secretary of CSA. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer. Acceptance of the resignation shall not be necessary to make it effective.

Article VII
President

Section 1. Appointment. The Board, by a majority vote, may from time to time appoint a President of the Corporation who shall be a full-time employee of the Corporation. The President shall serve at the pleasure of the Board, except any termination must be consistent with the terms of any then existing employment agreement.

Section 2. Responsibilities. The President shall be the Chief Operating Officer of the Corporation and shall, subject to the control of the Board and the Chair of the Board, have responsibility for all the day-to-day activities of the Corporation, and all administrative operations below the Board level which include personnel, finance, legal, security and maintenance. The President shall be responsible for overseeing and supervising CSA matters relating to Residential Members, Commercial Members, the Resort, government authorities and other third parties dealing with the Corporation. The Corporation's Director of Safety and Security, Director of Maintenance, Controller, Executive Administrative Assistant and such other corporate officials as deemed appropriate by the Board shall report directly to the President. The President shall perform all duties incident to the office and such other duties as may be prescribed from time to time by the Chair of the Board or by the Board of Directors.

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Section 3. Authority. The President may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any contracts or other instruments which the Board of Directors authorizes to be executed, except in cases where the signing and execution thereof shall be expressly delegated by at least a majority of the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

Article VIII
Committees

Section 1. Executive Committee. There shall be an Executive Committee (ExCom) of the Board, consisting of the Chair of the Board, Vice-Chair, Secretary, Treasurer, and one other member of the Board as appointed by the Chair and approved by the affirmative vote of a majority of the Residential Directors then in office and the affirmative vote of a majority of the Business Directors then in office. The ExCom shall meet upon request by any of its members, and shall have a written statement of responsibilities and authorities that is approved by the CSA Board annually. The ExCom can establish special groups as deemed necessary or appropriate to support ExCom responsibilities.

Section 2. Standing and Special Committees:

(a) The Chair of the Board, with Board approval, may establish such standing and special committees as deemed necessary or appropriate to provide oversight and recommendations concerning the management and oversight of CSA operations and affairs. The Chair of the Board shall appoint the chair person or co-chair person of a committee, one of whom must be a member of the Board. There are four standing committees of the Board which include: Executive, Finance, Governance and Nominating Committees.

(b) The chair of each committee shall appoint members of the committee; such appointees shall be subject to approval by a majority of the Directors then in office. Committees shall have no more than nine (9) members, excluding Board members, unless a larger membership is deemed appropriate for a particular purpose by the Chair of the Board. Members of a committee serve one-year terms and may not serve more than six (6) consecutive terms.

(c) Committee members must be CSA Members provided, however, that a spouse of a Member may be a chair or committee member, and if the Member is not an individual, that Member may designate an individual to serve on its behalf as a chair or committee member.

(d) Each committee shall have a written statement of its responsibilities and authorities. All such statements shall be approved by the Board annually.

Article IX
General Provisions

Section 1. Seal. The seal of CSA shall be in such form as the Board of Directors may from time to time determine. In the event that it is inconvenient to use such a seal at any time, the signature of CSA following the word "Seal" enclosed in parentheses shall be deemed the seal of CSA. The seal shall be in the custody of the Secretary.

Section 2. Indemnification. Every person who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any action, suit, or proceeding, whether civil, criminal, administrative or

investigative, by reason of the fact that said person was acting as a CSA Board Director, elected officer, appointed officer or corporate official with CSA, shall be indemnified and held harmless to the fullest extent legally permissible under and pursuant to the laws of the State of South Carolina against all expenses, liabilities and losses (including without limitation attorney's fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right that may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such Directors, officers or representatives may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any agreement, vote of the Members, provisions of law, or otherwise, as well as their rights under this Article IX.

Section 3. Fiscal Year. The fiscal year of CSA shall be the calendar year unless determined otherwise by resolution by the Board of Directors.

Section 4. Gender Clarification. The use of the masculine gender in these Bylaws includes the female gender and when the context requires, the use of the singular includes the plural.

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CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of COMMUNITY SERVICES ASSOCIATES, INC., a non-profit membership corporation organized under the laws of the State of South Carolina; and

That the foregoing Bylaws constitute the Bylaws of the corporation duly amended at the meeting of the Board of Directors thereof held on the 19th day of November, 2019.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Corporation this 19th day of November, 2019.

Carolyn E Adams

SEAL

Secretary

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STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT	COURT OF COMMON PLEAS CIVIL ACTION NO.: 2020-CP-07-00768
Dana Advocaat, both individually and as Trustee of the Advocaat Living Trust, dated March 7, 2019, Plaintiff, v. Community Services Associates, Inc., Defendant.	**REPLY TO DEFENDANT'S MEMORANDUM IN OPPOSITION TO APPLICATION FOR INSPECTION OF CORPORATE RECORDS**

Since before 2018, CSA has been engaged in a complex game of "hide the ball," with its own members, in which the "ball" is the important document that is the subject of this lawsuit: the 2018 Amendment to the Gate Pass Agreement (the "2018 Amendment") (and any other amendments to the Gate Agreement). In order for this Court to understand the context of this game, it should be aware that—before its 2018 Amendment—the Gate Pass Agreement had been freely provided to CSA's membership; in fact, the Agreement was previously posted on the community website.

The ball was hitherto out in the open, **as it should have been**. It governs the corporation, and it underlies its finances. When CSA apparently amended the document in some important, unknown way that CSA does not want members to know about, it suddenly denied members access to it. Hence, Plaintiff's request to be shown the ball.

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Indeed, the hidden version(s) has been so controversial that a board member actually recused himself from the matter, stating (*inter alia*):

> As a CSA board member, my first duty is to serve the board and I feel that I cannot **lawfully or ethically** take actions **that appear to directly benefit mine or other commercial properties**. For that reason, and on the advice of counsel, I shall recuse myself from board decisions concerning the proposed amendment to the gate fee policy in its current form, and I will not sign it.

Exhibit 1 (emphasis added).

The Gate Pass Agreement, as this Court might surmise from its name, concerns a vital component of Sea Pines Plantation: its gate. The gate is a major source of funding for the community, generating over $3 million per year in funds for CSA. *See* Exhibit 2 (2019 Gate Revenue). The funds are to be used (*inter alia*) for the maintenance of common areas within the Sea Pines development. As CSA explains in its Memorandum in Opposition to Plaintiff's Application to Inspect Corporate Records, the 2018 Amendment is a "contractual agreement[] between CSA and the Resort and Center." *Opposition*, p. 3. What CSA does not mention in its Memorandum in Opposition is that the Resort and

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Center are **members** of CSA,[1] which are heavily involved in the governance of CSA.[2]

The Gate Pass Agreement delineates the collection and spending of **millions of dollars** in funds that are collected by the corporation. The Declarations strictly restrict the use of gate fee funds to "community services" [3]:

> **All** gate fees collected by the Company **shall** be **contributed to** and **used for community services**.[4]

As stated by the recusing board member, the hidden changes "appear to directly benefit mine or other commercial properties"—in direct violation of the mandate of the Covenants. And CSA's Opposition appears to acknowledge an expanded the use of the funds beyond "Community Services": "under the 2018 Amendment, CSA is required to contribute certain sums from gate entry fees for the maintenance and improvement of Sea Pines common areas, and for certain services important to the preservation of Sea Pines as a visitor-friendly, attractive community." *Opposition*, p. 3.

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[1] CSA is a nonprofit corporation, charged with the governance of the Sea Pines Plantation Development on Hilton Head Island, South Carolina. The original developer of Sea Pines Plantation designed it to be comprised of residential units, as well as commercial interests. Each owner of a residential unit is a member of CSA, and the owners of commercial interests within Sea Pines are also members of CSA. In other words—putting into a nutshell what is in actuality a rather complicated corporation—CSA is comprised of several classes of members, including residential and commercial, which together control CSA, are obligated to pay assessments, and which regulate and maintain the development as a whole. *See* Exhibit 3, Declaration of Covenants and Agreement of 1988 for the Transfer of Properties, Reserved Rights and Obligations of Hilton Head Liquidation Corp. to Community Services Associates, Inc.

[2] The Resort is entitled to four seats on CSA's Board of Directors, and the Center is represented on CSA's Board of Directors by the four seats filled by commercial representatives. *See* Exhibit 4, CSA Website.

[3] Exhibit 5: Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc., Sept. 7, 1974, recorded in Deed Book 224, Page 1036, at Art. II, § B(11) (emphasis added).

[4] Community Services is a defined term in the 1974 Declaration: "Community Services" when used herein shall mean land used for **education facilities, fire stations and/or community service maintenance facilities.** *Id.*, Art. II, § A(3) (emphasis added).

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Plaintiff has asked to inspect a contract—to which CSA is a party—which determines the rights, obligations, and liabilities of a corporation of which she is a member. In other words, Plaintiff has asked to inspect a contract which binds her resources, as a member of the corporation. Importantly, South Carolina law provides Plaintiff with the right to see this document.

Plaintiff's right to see the 2018 Amendment is compounded by the fact that CSA is not just any corporation: it is a homeowners' association, membership in which is bound to Plaintiff's real property interest. In other words, Plaintiff has asked to see a contract which binds her property and vests it with rights and obligations.

CSA makes two arguments in opposition to Plaintiff's request to inspect its corporate records, neither of which hold up to logical reasoning, the law itself, nor the clear legislative intent that nonprofit corporations should be forthcoming with their members about the governance, affairs, and finances of the corporation. For the reasons set forth below, as well as in Plaintiff's Application for the Inspection of Corporate Records, this Court should order CSA to allow Plaintiff to inspect the Gate Agreement and its 2018 Amendment.

I. Plaintiff is entitled to inspect the 2018 Amendment because it is a bylaw under the Nonprofit Corporation Act.

The Nonprofit Corporation Act defines "bylaws" as rules "for the regulation or management of the affairs of the corporation irrespective of the name or names by which the rules are designated." S.C. Code § 33-31-140(4).[5] In its *Opposition*, CSA argues that

[5] The statute also does not limit common law rights to inspect corporation records. *Cf. Jolly v. Marion Nat. Bank*, 231 S.E.2d 206, 267 S.C. 681 (S.C. 1976) ("As stated in *Guthrie v. Harkness*, 199 U.S. 148, 26 S.Ct. 4, 50 L.Ed. 130, 'there can be no question that the decisive weight of American

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the purpose of the 2018 Amendment is somehow not to regulate and manage the affairs of the corporation. CSA summarizes its affairs as to: "protect, maintain and enhance the resources of Sea Pines for the benefit of the Sea Pines Community." *Opposition*, p. 2. CSA describes the 2018 Amendment in this way:

> The 2018 Amendment pertains to the prices of gate entry fees from 2018 through 2021. Further, under the 2018 Amendment, **CSA is required to contribute certain sums from gate entry fees for the maintenance and improvement of Sea Pines common areas**, and for certain services important to the preservation of Sea Pines as a visitor-friendly, attractive community.

Opposition p. 3 (emphasis added). Frankly, it is difficult to understand CSA's logic. The 2018 Amendment pertains to a major resource of the corporation (i.e., the gate fees), and it dictates its use for common areas and "certain services." A requirement for the use of corporate resources is plainly a rule for the management of its affairs and thus a bylaw under the Nonprofit Corporation Act. Thus, by CSA's own description, the 2018 Amendment unquestionably sets forth "rules . . . for the regulation or management of the affairs of the corporation."

CSA attempts to make the 2018 Amendment seem innocuous by placing the word "merely" in front of its description of the document. CSA states that the Gate Pass Agreement and its Amendments "merely constitute contractual agreements between CSA and the Resort and Center." (Opposition, p. 5). This benign-seeming description seeks to ignores the fact that the Agreement binds and regulates the corporation and its

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authority recognizes the common law right of the shareholder, for proper purposes . . ., to inspect the books of the corporation of which he is a member'; and, at common law, mandamus is proper to enforce such right of inspection where the writ is sought for a proper and legitimate purpose, 55 C.J.S. Mandamus § 223b.").

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resources—indeed, *millions of dollars* of resources that the Declarations mandate may only be used for "community services."

Further, the 2018 Amendment governs the (contractual) relationship between CSA and several of its own members (i.e., the Resort and the Center), pertaining to those members' special rights. Again, CSA describes the Gate Agreement and its Amendments which Plaintiff seeks to inspect as: "**merely** contracts between CSA and third parties holding special Gate Policy rights for the disposition of gate entry fees, and to set gate entry prices." *Opposition*, p. 5 (emphasis added). Despite this harmless-sounding description, it is readily apparent that the 2018 Amendment regulates the affairs of the corporation and is thus a bylaw which Plaintiff is entitled to inspect.

Finally, that the document is keenly important to the management and affairs of the corporation is apparent in the fact that a substantial amount of time and effort has been spent by CSA in explaining the 2018 Amendment to CSA members, **while denying them the right to inspect it**. *See* Exhibit 6, Letter to Property Owners from CSA President Bret Martin, dated July 12, 2018; *see also*, Exhibit 7, "New Gate Fee Agreement Summary;" *see also* Exhibit 8, "Frequently Asked Questions Regarding the New Gate Fee Agreement." These documents leave no question that the 2018 Amendment to the Gate Agreement regulates the rights, affairs, and obligations of the corporation:

> This is an agreement between parties and each party sought out assurances and benefits from the agreement. All parties have rights and must come to an agreement on how those rights are to be stated and agreed to within the contract. To reach consensus and as part of the agreement certain contributions were written in to protect the interest of all parties.

Exhibit 8, p. 1.

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In sum, Plaintiff has every right, as member of CSA, to inspect the documents (including contracts) that govern CSA's affairs and thus constitute bylaws under a plain reading of the Nonprofit Corporation Act's definition of the term. The Legislature did not intend for Nonprofit governance to be a hidden ball.

II. Plaintiff is entitled to inspect the 2018 Amendment, because it is an accounting record of the corporation, and she has identified a proper purpose to inspect it.

CSA next argues that the Gate Agreement and 2018 Amendment are somehow not accounting records of the corporation because "[T]hey are not cash flow statements, balance sheets, ledgers, journals, canceled checks, loan information, check registers, bank statements, or any other underlying material used to prepare a corporation's financial statements," and because they "do not provide evidence of, or track, gate entry fees collected and/or spent by CSA." *Opposition*, pp. 6-7. These arguments are directly contrary to CSA's own descriptions to its members of the very 2018 Amendment that it refuses to let them inspect.

CSA's President has described the 2018 Amendment in sweeping, momentous terms, and he has made it clear that the agreement underlies the corporation's finances:

> Many of you may already be aware that on July 5th, 2018 the Sea Pines Community Services Associates, (CSA), Board of Directors passed a resolution to enter into an agreement to increase the Sea Pines "daily visitor gate fee" from $6 to $8 . . . **Today, gate fees now far outpace the growth of any other major revenue sources to CSA**. These gate fee increases and the new agreement, updates and confirms all prior gate fee agreements and current policies, and **comprise the largest ongoing revenue increase to any CSA revenue source ever made!** The agreement also provides for the first time, a specified opportunity for additional defined future gate fee increases. These daily gate fee increases will help us **address critical projects for the Sea Pines community**, including funding improvements to increase efficiencies and flow at our gate entrances, repairing and

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> improving our roadways and help to provide for other vital community needs.

See Exhibit 6, Letter from Bret Martin (emphasis added).

CSA has also told its members—without allowing them to inspect the agreement—that the document is "critical" to important projects at Sea Pines:

> Without the agreement we would not have been able to collect the additional funds to help us address critical projects for the Sea Pines community, including funding improvements to increase efficiencies and flow at our gate entrances, repairing and improving our roadways and to help provide for other vital community needs.

Exhibit 7.

Further (while still not permitting them to ever lay eyes on it) CSA has provided its members with a history of the 2018 Amendment, including a "description of the various assigned rights, CSA history and financial impacts of Sea Pines gate fee changes over the years." Exhibit 8, "The History of the Sea Pines Gate Fee and Summary of New Gate Fee Agreement." It is clear from this history that the document Plaintiff seeks to inspect is very much a financial record of the corporation:

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A pathway to $10 for the daily visitor gate fee:

This agreement provides a path to future daily visitor gate fee increases to $9.00 and $10.00. This path requires the volume of daily visitor passes to be maintained at or close to established levels.

Potential for additional income with $1 from $8.00 to $9.00 daily gate fee:

Source: $278,025 +/- based on current volume.

Use: $75,000 = Marketing Fund Contribution

At $9.00 this creates an estimated total annual funding source of approximately $203,025 in revenues to the infrastructure and operating funds of CSA.

Potential for additional income with $1 increase from $9.00 to $10.00 daily gate fee:

Source: $278,025 +/- based on current volume.

Use: $75,000 = Marketing Fund Contribution

At $10.00 this creates an estimated total annual funding source of approximately $203,025 in revenues to the infrastructure and operating funds of CSA.

(Ex. 8). Importantly, without inspecting the 2018 Agreement, Plaintiff cannot understand how the above-described "potential for additional income" might be reached, nor what concessions might have been made in exchange for this potential, by the corporation of which she is a member.

In sum, and for the reasons stated in her previous filings to this Court, Plaintiff is entitled to inspect the very agreement which CSA repeatedly touts as profoundly impacting its financial standing.

III. Plaintiff is entitled to inspect the 2018 Amendment because it seeks to bind her property.

Additionally, Plaintiff's right to inspect the 2018 Amendment is compounded by the fact that the nonprofit corporation of which she is a member is not just any corporation: it is a homeowner's association. Plaintiff's membership in CSA is tied to her property, which is bound by various declarations of covenants and restrictions that run

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with the land. When she purchased property within Sea Pines Plantations, Plaintiff acquired a vested interest in the common areas of the development, as well as the obligation to pay assessments to maintain them. CSA is the entity charged with managing the assessments paid by its members and maintaining the common areas.

As set forth above and in CSA's descriptions attached as exhibits hereto, the Gate Agreement and the 2018 Amendment materially affect her property interest. The agreement is critical to CSA's ability to maintain community infrastructure; the agreement dictates in part the amount of assessments that must be paid by its members; the agreement governs certain amenities of the community; ultimately, the agreement directly affects Plaintiff's property value. In other words, Plaintiff has asked to inspect a contract which binds her property and vests it with rights and obligations. This Court should find that she is entitled to do so.

CONCLUSION

For the reasons set forth above and in her Application for Inspection of Corporate Records, Plaintiff respectfully requests that this Court grant Plaintiff's application, order CSA to allow the inspection of the Requested Records, and order CSA to pay to Plaintiff the costs and attorney's fees incurred in obtaining the Requested Records.

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Respectfully submitted,

FORD WALLACE THOMSON LLC

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Attorneys for the Plaintiff

Charleston, South Carolina
August 2, 2020

EXHIBIT 1

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Dear Mr. Chairman,

After much consideration and consultation with legal counsel I have concluded that I shall recuse myself from matters coming before the CSA Board concerning the currently proposed changes to the Gate Fee Agreement.

I am not opposed to an increase in the gate fee - additional funds are certainly needed to maintain the Sea Pines community - provided that all property owners, including the residential property owners fairly participate. Reasonable increases in the gate fee, conditioned upon, at minimum, the residential owners' voting to increase their assessments and fees, strikes an appropriate balance, in my opinion. This much of the proposed amendment to the gate fee policy I could vote to approve.

Given that we are voting to increase the gate fee to provide extra income for CSA, I do not understand the provision whereby each business in Sea Pines is to receive 250 passes each year at no charge. Estimating 100 individual businesses in Sea Pines multiplied by 250 equates to 25,000 free $8 passes, thereby potentially denying CSA of $200,000 annually as well as placing an additional burden on CSA staff and revenues.

Further, there are other provisions in the proposed amendment I cannot support. For example, under the proposal currently on the table CSA provides indemnity and hold harmless protection to Sea Pines Center for matters, including losses, arising from the amendment. This imposition of a potentially unlimited financial burden upon CSA is unprecedented, unnecessary and not in the best interests of CSA.

Under the current proposal both Sea Pines Center and Sea Pines Resort would be granted control over spending significant portions of the gate fee revenues of CSA. Because these companies derive substantial benefit from this provision, and the indemnification provision for Sea Pines Center, these companies have a direct interest in the approval of the proposed amendment. I question whether individuals representing Sea Pine Center and Sea Pines Resort can lawfully vote on the issue in light of the conflict of interest provisions of the South Carolina Non-Profit Corporation Act. The gate fee approval rights of Sea Pines Center and Sea Pines Resort should simply be a yes or a no vote, not a contract negotiated with benefits apparently tempered to secure a yes vote. I feel that any monies which might be voted on and generated by a gate fee increase should be earmarked as an additional contribution to the current Trolley Marketing Fund, and then dispensed in the same manner as presently exercised.

At the time I acquired property in Sea Pines I received an Absolute Assignment of rights from Sea Pines Plantation Company. Discussions are ongoing between me and representatives of Sea Pines Resort concerning the existence and scope of the rights I acquired under the Absolute Assignment. Some of the provisions of the proposed amendment currently under consideration are inconsistent with my interests under the Absolute Assignment.

As a CSA board member, my first duty is to serve the board and I feel that I cannot lawfully or ethically take actions that appear to directly benefit mine or other commercial properties. For that reason, and on the advice of counsel, I shall recuse myself from board decisions concerning the proposed amendment to the gate fee policy in its current form, and I will not sign it.

Respectfully,
Robert Gossett

cc: CSA Board Members

EXHIBIT 2

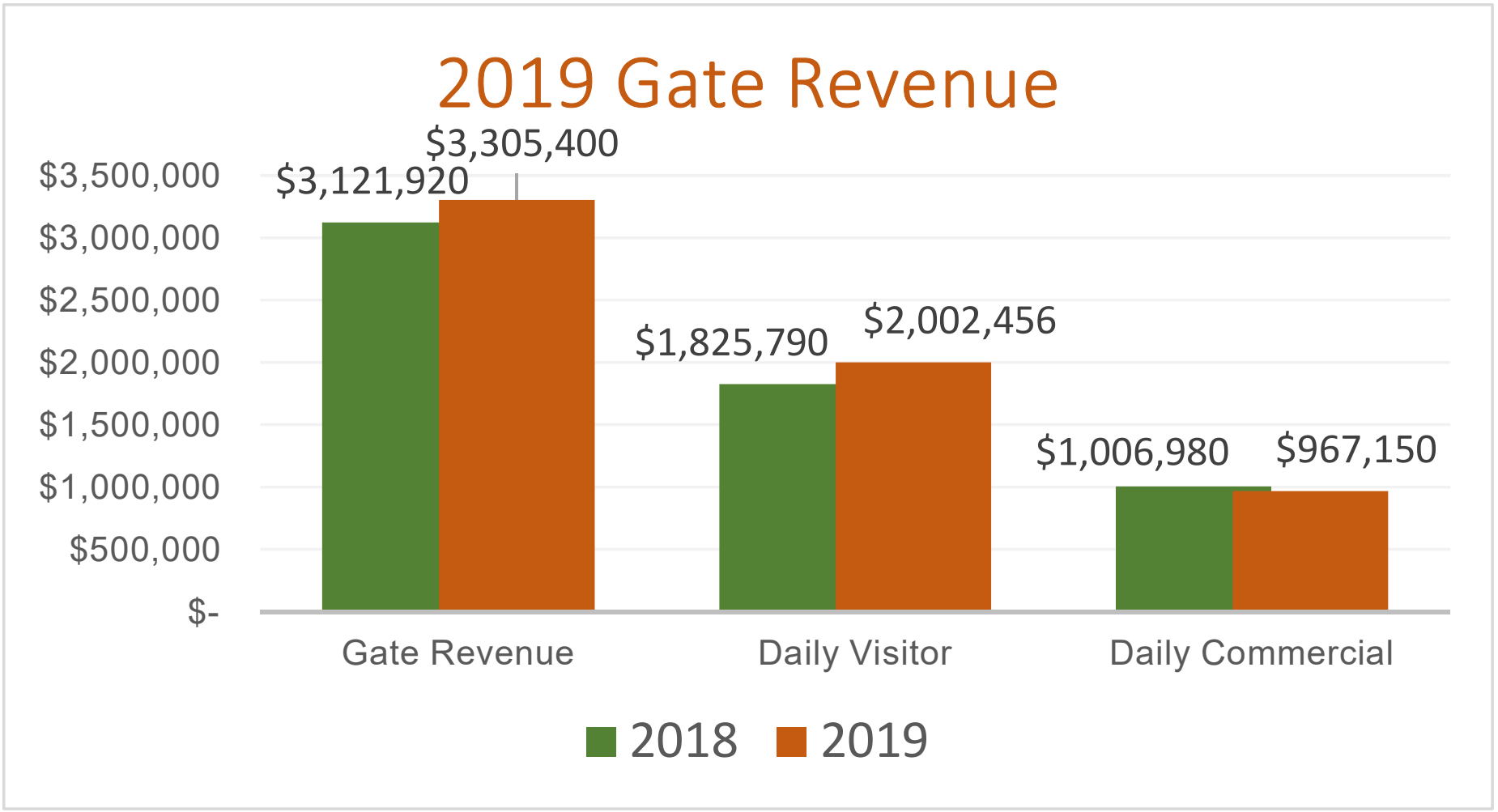

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EXHIBIT 3

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STATE OF SOUTH CAROLINA	)	DECLARATION OF COVENANTS AND AGREEMENT OF 1988 FOR THE TRANSFER OF PROPERTIES, RESERVED RIGHTS AND OBLIGATIONS OF HILTON HEAD LIQUIDATION CORP. TO COMMUNITY SERVICES ASSOCIATES, INC.
	)	
COUNTY OF BEAUFORT	)	

THIS DECLARATION OF COVENANTS AND AGREEMENT dated this 8th day of December, 1988, by and between **R. GEOFFREY LEVY** duly appointed and authorized Liquidating Trustee for Hilton Head Liquidation Corp., formerly known as Sea Pines Plantation Company (hereinafter the "Company") in Case No. 86-03871, United States Bankruptcy Court for the District of South Carolina (hereinafter the "Court"), and **COMMUNITY SERVICES ASSOCIATES, INC.**, a non-profit membership corporation, organized under the laws of the State of South Carolina (hereinafter "CSA").

WITNESSETH:

WHEREAS, the Company and its various affiliates and joint ventures, including but not limited to Sea Pines Land Company, Inc. and Lighthouse Beach Company, from time to time have recorded certain declarations, restrictions and covenants (hereinafter the "Existing Covenants") in the course of its development and the sale of that planned resort\residential community known as Sea Pines Plantation on Hilton Head Island, Beaufort County, South Carolina; and

WHEREAS, as a result of such Existing Covenants and their faithful enforcement by the Company and by the courts of South Carolina, the quality of life of the residents of Sea Pines Plantation and the value of their real property has been significantly enhanced; and

WHEREAS, the Company, its parent and certain of its existing affiliated companies, are presently subject to the jurisdiction of the Court pursuant to Chapter 11 of the Federal Bankruptcy Code; and

WHEREAS, in accordance with that certain Second Amended Joint Plan of Reorganization dated October 13, 1987, which was subsequently approved by Order of the Court, dated October 15,

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1987, the Company has agreed to convey certain categories of property within the Sea Pines Plantation referred to therein as "Community Properties" and the Company also desires to convey certain reserved rights of the Company relating to such Community Properties under the Existing Covenants referred to therein as "Declarant's Rights", all as herein more particularly described, to a not-for-profit entity and\or other appropriate successors, all subject to approval of the Court; and

WHEREAS, in accordance with the Second Amended Joint Plan of Reorganization dated October 13, 1987, all Existing Covenants are continued in full force and effect and were not set aside in such Reorganization; and

WHEREAS, Sea Pines Plantation is a planned community with certain facilities, amenities and services for the benefit of all the owners of real property within such community; and

WHEREAS, all the real property within the Sea Pines Plantation which is intended to benefit from this Declaration and Agreement is owned by more than 6,000 individuals, partnerships, corporations and associations and is used or may be used for single-family residences, multi-family dwelling units, vacation rental homes and villas, business and commercial use, recreational facilities, resort facilities, inns, cemeteries, marinas, golf, tennis, institutional and educational facilities, open spaces, and other purposes as permitted under the Existing Covenants and the Master Plan for Sea Pines Plantation; and

WHEREAS, included in the Existing Covenants, a list of which together with the applicable recording data is attached hereto as Exhibit A, are the Sea Pines Land Company, Inc. Covenants of August 20, 1957 (hereinafter the "SPL Covenants"), which reserve to the Company and its successors the control of the roadways of Sea Pines Plantation and the right to control and administer entry policies into Sea Pines Plantation, subject, however, to the rights of the grantees and successors in title of the property conveyed, subject to the SPL Covenants as set forth in Part I (7) of the SPL Covenants, pursuant to a plan of

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administration as set forth in the Sea Pines Plantation Property Owner Covenants of 1974 (hereinafter the "1974 Covenants"), and all such rights and covenants as currently incorporated in the Sea Pines Plantation Gate Policy, a copy of which is attached hereto as Exhibit F and incorporated herein; and

WHEREAS, heretofore among the functions and duties provided or performed by the Company in connection with its ownership of Sea Pines Plantation were the management and performance of various property management, maintenance and preservation services which have included landscaping of public areas, insect control and road maintenance; and

WHEREAS, the Company did, in Article III, Section C of the 1974 Covenants, assume the obligation of furnishing community services and the responsibility of collecting and administering the Community Services Assessments and other revenues to be used for performance of community services, including revenues to be used for performance of community services, including revenues from Sea Pines entrance gates, assessments by non-participating property owners under previously recorded deed restrictions, and voluntary property owners payments (hereinafter "Community Service Funds"); and

WHEREAS, the Company has caused the aforesaid assessments from property owners (hereinafter "Community Service Assessments") to be deposited in a trust fund (hereinafter the "Trust Fund") maintained at NCNB (formerly Bankers Trust of South Carolina) in accordance with the Irrevocable Trust Agreement of August 1, 1976, between the Company as Grantor, Joseph B. Fraser, Jr., as individual Trustee, and Bankers Trust of South Carolina, as Co-Trustee (hereinafter the "Irrevocable Trust"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, the Company's obligation to provide community services is limited to the extent that said services can be accomplished with the Community Service Funds including payments by the Company and its Successors and Assigns of one-half (1/2) of one (1%) percent of its Adjusted Gross Resort Revenues and one

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(1%) percent of the Adjusted Gross Resort Revenues generated by third party successors as owners pursuant to Article III of the 1974 Covenants and any amendments thereto; and

WHEREAS, the Trust Fund is administered by the Company in conjunction with the budgetary advisory functions of the Sea Pines Plantation Property Owners Advisory Board in accordance with paragraph 10 of the 1974 Covenants and provisions of the 1976 Declaration of Trust; and

WHEREAS, the Company is the record title owner of roadways, bike paths, streets, open spaces, lagoons, ditches, and other properties, real and personal, all as more particularly described in the attached Exhibit C (hereinafter "Community Properties"); and

WHEREAS, the Company is vested with certain residual rights, powers and authority under the Existing Covenants not heretofore assigned to Sea Pines Associates, Inc. and\or its subsidiary, Sea Pines Plantation Company, Inc. (hereinafter collectively "SPPC") and which are assignable at the sole discretion of the Company, subject to the Second Amended Joint Plan of Reorganization; and

WHEREAS, in connection with the reorganization of the Company, the Company has conveyed substantial portions of its real and personal properties to SPPC; and

WHEREAS, in connection with the said conveyance to SPPC, certain Declarant Rights and Easements were also conveyed to SPPC, said conveyed rights and easements more particularly described in the Assignment of Rights and the related Quit Claim Deeds and Easements attached hereto as Exhibit D; and

WHEREAS, the Company, in order to provide continuity of management, protect property rights, preserve and enhance property values and insure the continuation of Sea Pines Plantation as an integrated resort\residential\recreational community and in accordance with this instrument assigns the balance of such functions, including ownership of all real property listed in Exhibit C to a representative organization of property owners formed for the purpose of providing said services

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and holding title to Community Properties and Declarant's Rights as provided in the Declaration and Agreement and as permitted under the Existing Covenants; and

WHEREAS, CSA is a not-for-profit corporation formed for the specific eleemosynary purposes as hereinafter described.

NOW, THEREFORE, for and in consideration of the premises, the Company and CSA declare that the Community Properties, the remaining Declarant Rights, and such other rights and easements as are conveyed hereunder shall be held, occupied and used subject to this Declaration and Agreement. The benefits of this Declaration and Agreement and the negative burden of this Declaration and Agreement shall touch and concern and run with the land and rights herein described. The parties further agree as follows:

ARTICLE I

1.0 Company agrees to transfer to CSA and CSA agrees to accept the Community Properties now owned by the Company described in Exhibit C.

ARTICLE II

2.0 Company agrees to assign and transfer to CSA the rights, duties and obligations of the Company as set forth in Existing Covenants, except those exclusively transferred to SPPC in accordance with the Assignment of Rights recorded in Deed Book 490 at Page 897 in the Office of the Registrar of Mesne Conveyances for Beaufort County, South Carolina.

2.1 CSA agrees not to transfer any present or future private road transferred to it by this Declaration and Agreement by the Company to any public body other than that certain portion of Greenwood Drive from Sea Pines Circle to an area in front of the present Sea Pines Security Building site.

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2.2 Notwithstanding anything herein to the contrary, the aforesaid conveyance of Declarant's Rights shall be subject to all preexisting conveyance of Declarant's Rights to SPPC to be exercised solely by SPPC, or, at the assignee's election jointly with CSA as may have been conveyed to SPPC under the November 1987 Assignment of Rights attached hereto as Exhibit D.

ARTICLE III

3.0 The Company and CSA acknowledge and agree that the gate policy attached to the Assignment of Rights attached hereto as Exhibit D represents gate entry policy for Sea Pines Plantation in effect as of the date of this Declaration and Agreement. CSA agrees that it shall continue to adhere to and enforce the gate entry policy as attached to the Assignment of Rights from the Company to SPPC attached hereto as Exhibit D unless amended in accordance with the bylaws of CSA and/or this Declaration and Agreement. Notwithstanding anything herein to the contrary, the gate policy as to SPPC shall not be changed pursuant to paragraph 8 of Exhibit D without the consent of SPPC.

ARTICLE IV

4.0 Company and CSA acknowledge that upon execution of this Declaration and Agreement by them, the Company shall convey and CSA shall accept only those properties described in Exhibit C and not those portions of Lighthouse Road and Deer Island Road previously conveyed by Company to SPPC; however, as additional consideration for this

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Declaration and Agreement and the transfer by Company, CSA agrees that if, at any time hereafter, SPPC, their successors or assigns, shall convey said property to CSA, then CSA shall accept title to same provided such roads were constructed to minimum acceptable construction standards to which other roads have been constructed, even if said roads have been relocated and\or reconfigured and it shall hold said property subject to the terms and conditions of this Declaration and Agreement.

ARTICLE V

5.0 Community Services Associates, Inc. membership and voting rights in CSA shall be as follows:

5.1 Automatic Memberships. Every owner shall be a member of CSA. For purposes of this Declaration and Agreement, owner shall be defined as follows:

Owner - The owner as shown by the real estate records in the Office of the Clerk of Court for Beaufort County, South Carolina, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any residential lands or commercial lands situated within Sea Pines, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, or holder of a security deed, its successors or assigns, unless or until such mortgagee has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure and has held such title for a

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period of one (1) year; nor shall the term owner mean or refer to any lessee or tenant of an owner. In the event that there is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, a long term contract of sale covering any real property within Sea Pines, the owner of such lot or parcel of land shall be the purchaser under the said contract and not the fee simple 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 nine (9) months from the date of the contract and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property. Notwithstanding the method or manner of the title vesting ownership, there shall be only one (1) membership and all persons or entities holding title to a parcel of property shall collectively be referred to as owner and\or member; i.e., interval ownership.

5.2 Voting Rights. The association shall have two (2) types of regular voting membership. Members are divided into classes for the purposes of computing voting rights and shall vote as a class for election of Directors.

5.2.1 Class A - Class A members are those owners of single-family lots, single-family dwelling units and multi-family dwelling units. A Class A member shall be entitled to a maximum of one (1) vote for

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each single-family lot (i.e., unimproved lot), single-family dwelling unit or multi-family dwelling unit.

5.2.2 Class B - Class B members are those owners other than Class A members, including owners of business land, as described at Exhibit E and commercial properties and parcels held for development who are obligated to contribute Community Service Assessments based on Adjusted Gross Resort Revenues as set forth in Article III, Section B of the 1974 Covenants and any other owner of the aforesaid properties who obligates himself/itself to contribute Community Service Funds in accordance with any subsequent plan for Community Service Assessments adopted by CSA, its successors or assigns.

5.2.3 Each Class B member is entitled to one (1) vote plus one (1) vote for each $500 of assessments over and above the first $500 in Community Service Assessments paid in the prior assessment year into the Trust Fund. In computing the number of votes of a Class B member, the amount of assessments shall be rounded off to the nearest $500. For example, a Class B member who pays $749 in assessments will have one (1) vote;

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a Class B member who pays $751 in assessments will have two (2) votes.

5.2.4 Notwithstanding anything herein to the contrary, voting privileges of Class A members and Class B members shall be subject to suspension for nonpayment of Community Service Assessments in accordance with the Bylaws of CSA.

5.3 In the event of multiple owners of any class of property (i.e., fiduciaries, joint tenants, tenants by the entirety, tenants in common, tenants in partnership or in any other manner of joint or common ownership), the vote appertaining thereto shall be exercised as such multiple owners of such lot or dwelling unit themselves determine and advise the secretary or assistant secretary of CSA prior to any annual or special meeting of the members of CSA, or the counting of any vote. In the absence of such advice, the vote appertaining to such class of property shall be suspended in the event that more than one person seeks to exercise it. The principle of this paragraph shall apply to execution of proxies, mail referenda, waivers, consents or objections and for the purposes of ascertaining the presence of a quorum.

5.4 The CSA Board of Directors shall be comprised of two classes, Class A and Class B. Class A shall consist of nine (9) directors elected by Class A members. Class B shall consist of eight (8) directors, four (4) of such

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directors to be designated by SPPC or its successors and four (4) of such directors to be elected by owners of commercial property, as hereinafter defined (other than SPPC) in Sea Pines Plantation.

5.5 The original Class A directors (nine (9) directors) shall consist of those persons who are, at the adoption of these Bylaws, members of the board of directors of ASPPPO and their term on the Corporation's Board of Directors shall expire at the same time as their term on the ASPPPO board.

Nomination for election to the Board of Directors for the Class A Nominating Committee shall be made by the Class A Nominating Committee. The Class A Nominating Committee shall consist of a Chairman, who shall be a Class A director (as herein defined) and two or more Class A members. The Class A Nominating Committee shall be appointed by a majority of the Class A directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Class A Nominating Committee shall make as many nominations of Class A members for election of Class A directors as it shall in its discretion determine, but not less than the number of Class A vacancies that are to be filled. Such nominations may be made only from among Class A members.

In addition to the nominees of the Class A Nominating Committee, a Class A member may

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submit the name of a candidate if (i) that name is supported by a petition bearing the names of at least fifty (50) Class A members, (ii) petitioner establishes that his/her candidate is ready, willing and able to serve, and (iii) the proposed name reaches the Class A Nominating Committee by October 1 to be included in the ballot for election of Class A directors. If such candidate is submitted, then the names of nominees will appear on the ballot in alphabetical order and the nominees will be identified as to how they were nominated. The ballot shall be mailed to all Class A members between November 1 and December 1 in each year and returned by December 31.

5.6 Prior to nomination and election as below, an Interim Class B Board of Directors, representing those commercial interests other than SPPC or SPA, shall be installed. These four (4) Class B directors, shall endeavor to nominate and elect the initial four (4) Class B directors, and shall do so within six (6) weeks time from their election to such Interim Board. At such time as the four directors have been nominated and elected as such, they shall serve until their successors have been chosen, pursuant to the below and the Bylaws of CSA.

In conjunction with the first annual meeting of the members, nomination for election to the Board of Directors for the Class B directors (other than those Class B directors designated by SPPC) shall be made by the Class B Nominating Committee. The

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four (4) SPPC Class B Directors shall be designated by SPPC and notice thereof shall be provided in writing to the Secretary of CSA prior to the annual meeting of members of CSA. The Class B Nominating Committee shall consist of a Chairman, who shall be a Class B director (other than a Class B director designated by SPPC) and two (2) or more Class B members. The Class B Nominating Committee shall be appointed by a majority of the Class B directors (other than those Class B directors designated by SPPC) prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Class B Nominating Committee shall make as many nominations of Class B members for election of Class B directors as it shall in its discretion determine, but not less than the number of Class B vacancies that are to be filled (other than those vacancies to be filed by SPPC). Such nominations may be made only from among Class B members.

In addition to the nominees of the Class B Nominating Committee, a Class B member may submit the name of a candidate if (i) that name is supported by a petition bearing the names of at least three (3) Class B members, (ii) petitioner establishes that his/her candidate is ready, willing, and able to serve, and (iii) the proposed name reaches the Class B Nominating Committee by October 1 to be included in the ballot for election of

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Class B directors. If such candidate is submitted, then the names of nominees will appear on the ballot in alphabetical order and the nominees will be identified as to how they were nominated. The ballot shall be mailed to all Class B members between November 1 and December 1 in each year and returned by December 31.

5.7 A member, by virtue of ownership of real properties falling within each class, may vote in each class in accordance with the provisions of this Declaration and Agreement.

5.8 Member's Right to Approve Certain Actions by Mail Referendum. The Board of Directors of CSA may, by resolution adopted by a majority of favorable votes of Class A directors and a majority of favorable votes of Class B directors, initiate a mail referendum in which members of CSA shall collectively have the power to approve or reject: (a) any merger of CSA with another property owner's association serving an adjoining tract; (b) amendments to any provision of this Declaration and Agreement except that no amendment may alter the directors elections or impair any right reserved to the property owners in Sea Pines Plantation or which may create or increase any liability of said property owners or CSA; (c) other fundamental and material actions designated in the CSA bylaws as actions for which mail referendum must be held; and (d) the sale or redesignation of one (1%) percent or more of the Community Properties. In the event of a

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tie vote of Class B directors, such matter(s) as are the subject(s) of the tie vote shall be promptly submitted to arbitration in accordance with the rules and regulations of the American Arbitration Association. The decision rendered in such arbitration shall be final and binding upon the Board of Directors. Provided, however, that any merger between CSA and the Association of Sea Pines Plantation Property Owners, Inc. and the Advisory Board and the Irrevocable Trust shall require only a simple majority vote of CSA's Board of Directors.

5.9 Whenever a mail referendum is conducted and unless the CSA bylaws provide otherwise, such referendum shall be deemed to be "Approved" and shall be deemed to be authorized by the members in the event that seventy-five (75%) percent or more of the votes actually returned to CSA within the specified time shall be in favor of such action. The mail referendum described herein shall be pursuant to and in accordance with the 1974 Covenants and anything to the contrary herein notwithstanding, this paragraph shall not alter or amend the 1974 Covenants relating to mail referendum.

5.10 In order to be counted, any mail referendum ballots must be returned to CSA within thirty (30) days of the date the ballot was postmarked as mailed by CSA.

5.11 No mail referendum shall be effective unless a statement of the results thereof, signed by the president and secretary of CSA in their representative capacities, is mailed to

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members in the manner provided in this Article, and said statement is recorded in the name of CSA as an assignee of the Company. Said statements 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.

5.12 Quorum Required for Any Action Authorized at Regular or Special Meetings of CSA. The first time a meeting of the members of CSA is called to vote on a particular action (other than a mail referendum matter) proposed to be taken by CSA, the presence at the meeting of members or proxies entitled to cast twenty (20%) percent of the total vote of the membership shall constitute a quorum. If the required quorum is not forthcoming at any such meeting, a second meeting may be called subject to the giving of proper notice, and the required quorum at such meeting shall be the presence of members or proxies entitled to cast fifteen (15%) percent of the total vote of the membership of CSA. If the required quorum is not forthcoming at the second meeting, a third meeting may be called subject to the giving of proper notice, and the required quorum at such meeting shall be presence of members or proxies entitled to cast ten (10%) percent of the total vote for the membership of CSA. Unless otherwise provided, any reference hereafter to "votes cast at a duly called meeting" shall be construed to be subject to the quorum

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requirements established by this section and any other requirements for such "duly called meeting" which may be established by the bylaws of CSA.

5.14 Proxies. Every member entitled to vote at a meeting of the membership or to express consent or dissent to action without a meeting may authorize another person or persons to act for him by proxy. Every proxy must be signed by the member or his attorney-in-fact and delivered to the secretary at the meeting prior to or during the roll call, or be returned to CSA with the signed consent or dissent to action without a meeting. No proxy shall be valid after the date of the next meeting of the membership or any adjournment thereof. Every proxy shall be revocable at the pleasure of the member executing it, except as otherwise provided by law.

ARTICLE VI

6.0 This Declaration and Agreement shall run with and bind the land described at Exhibit C and shall inure to the benefit of and be enforceable by CSA and the owners of real property within Sea Pines Plantation whose rights as established hereunder have been breached, their respective legal representatives, heirs, successors and assigns, for a period of twenty-five (25) years from the date this Declaration and Agreement is recorded. Upon the expiration of said twenty-five (25) year period, this Declaration and Agreement shall be automatically renewed and extended for

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successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited, with this Agreement being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, this Declaration and Agreement can only be modified, changed or terminated in accordance with Section 5.7 of Article V of this Declaration and Agreement. Enforcement of the within Declaration and Agreement shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenants or restrictions, either to restrain violation or to recover damages, and against the land; and failure by any participating owner or the Company to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce the same hereafter.

ARTICLE VII

7.0 All delinquent Community Service Assessments shall earn interest at the legal rate and the delinquent member shall be responsible for all costs of collection, including reasonable attorneys' fees and court costs.

ARTICLE VIII

8.0 CSA agrees to indemnify and hold harmless the former Trustee, John F. Curry, R. Geoffrey Levy, and any successor Trustee, and any and all members of the CSA Board of Directors, past, present and future, personally and

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acting on behalf of the Company and the Company from and against any and all liability, damages, claims, cost and expenses, including attorneys' fees, resulting from possible claims, causes of action or potential litigation of any nature whatsoever incurred by the Trustee personally and acting on behalf of the Company and the Company in connection with the within Declaration and Agreement, the Bylaws of CSA, and the resulting transfer of the roads, open spaces and certain rights within Sea Pines Plantation. Provided, however, CSA reserves the right to engage and disengage all attorneys, investigators and other professionals, and to settle, try or compromise any and all actions or matters for which it is requested to provide indemnification pursuant to this item.

IN WITNESS WHEREOF, the parties have executed this Declaration and Agreement as of the day and year first above written.

WITNESSES:

HILTON HEAD LIQUIDATION CORP., formerly known as Sea Pines Plantation Company

By: R. Geoffrey Levy, Liquidating Trustee

COMMUNITY SERVICES ASSOCIATES, INC.

By:

Attest: Howard A. Blair

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me Marc Punteveri, who, on oath, says that s/he saw the within named HILTON HEAD LIQUIDATION CORP. (formerly known as Sea Pines Plantation Company), a South Carolina corporation, by R. Geoffrey Levy, its Liquidating Trustee, sign the within Declaration of Covenants and Agreement, and N/A, its N/A, attest the same, and that s/he with Lynn Davis Jarrell witnessed the execution thereof.

SWORN TO BEFORE ME
this 8th day of December, 1988

Lynn Davis Jarrell
Notary Public for South Carolina
My Commission Expires: 3-14-95

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me V. Timothy Reynolds, who, on oath, says that s/he saw the within named **COMMUNITY SERVICES ASSOCIATES, INC.**, a non-profit membership corporation organized under the laws of the State of South Carolina, by Howard V. Smith sign the within Declaration of Covenants and Agreement and _____ Howard A. Blair, its Vice President, attest the same, and that s/he with Roberts Vaux witnessed the execution thereof.

V. Tim

SWORN TO BEFORE ME
this 8 day of December, 1988

Robin Vaux
Notary Public for South Carolina
My Commission Expires: 7/29/92

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EXHIBIT A

List of Existing Covenants and recording data:

Sea Pines Land Company, Inc., Covenants of August 20, 1967

Sea Pines Plantation Property Owners Covenants of 1974

EXHIBIT B

Irrevocable Trust Agreement of August 1, 1976 between Sea Pines Plantation Company, Joseph B. Fraser, Jr., as individual Trustee, and Bankers Trust of South Carolina, as Co-Trustee.

EXHIBIT C

Real Property Listing (Community Properties)
Sea Pines Plantation Gate Policy

EXHIBIT D

Assignment of Rights
Quit Claim Deeds
Easements

EXHIBIT E

Description of the business lands and commercial properties as designated in the 1974 Covenants

EXHIBIT F

Sea Pines Plantation Gate Policy

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EXHIBIT 3a

EXHIBIT B

Irrevocable Trust Agreement

ORIGINAL DOCUMENT
POOR CONTRAST OR CONDITION

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STATE OF SOUTH CAROLINA)
) IRREVOCABLE TRUST AGREEMENT
COUNTY OF BEAUFORT)

TRUST AGREEMENT, made August 1, 1976, between SEA PINES PLANTATION COMPANY, a South Carolina Corporation, hereinafter called the "Grantor," and JOSEPH B. FRASER, Jr., hereinafter called the "Individual Trustee" and BANKERS TRUST OF SOUTH CAROLINA, a South Carolina Banking Corporation, having its principal place of business in Columbia, South Carolina, hereinafter called the "Corporate Trustee," said Individual and Corporate Trustees being hereinafter collectively called the "Trustees."

WHEREAS, the Grantor entered into Agreements dated June 17, 1974, with certain owners of property located within Sea Pines Plantation and implemented such Agreements by executing a document entitled "Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.," on September 7, 1974, and thereafter recorded same in Deed Book 224 at Page 1036 and following; and

WHEREAS, said Agreements and Declaration provide for the establishment of a Community Fund for those services, hereinafter more particularly described in paragraph (1) hereof and referred to herein as Community Services, important to the maintenance and preservation of an attractive community and to maintain the general safety of Sea Pines Plantation; and

WHEREAS, Participating Property Owners referred to in said Declaration and Sea Pines Plantation Company and the heirs, successors and assigns of each, respectively, are annually assessed to maintain such Fund in a manner delineated therein, and others, not Participating Property Owners, are also annually assessed for such purpose in the manner delineated in their respective agreements related thereto, hereinafter called "Non-Participants;" and

WHEREAS, Grantor currently maintains the real property described therein and the assets of the Community Fund for the mutual benefit of Grantor, Participating Property Owners and Non-Participants; and

WHEREAS, the Grantor wishes to assign and convey to the Trustees the cash and securities presently in the Community Fund plus anticipated future Community Services assessments for the term of this Trust;

NOW, THEREFORE, the Grantor hereby assigns to the Trustees herein named the property described in Schedule A attached hereto and made a part hereof, (which Schedule includes no land, buildings or real estate), together with all sums owed and all amounts to be paid to the Community Fund or to the Grantor for the purpose of funding the Community Fund for a twenty-five (25) year period commencing September 7, 1974, under the Declaration of Covenants and Restrictions referenced above, plus the full period of renewal or renewal thereof, for the purposes and on the conditions hereinafter stated:

(1) On or before October 1 of each year, the Grantor shall submit to the Property Owners Advisory Board (referred to in said Agreements dated June 17, 1974, and in said Declaration of Covenants and Restrictions) and to the Trustees a General Community Fund Budget for the following calendar year showing month by month the amount of anticipated expenditures for Community Services of

ORIGINAL DOCUMENT
POOR CONTRAST OR CONDITION

the same nature as, and covering areas similar to, those theretofore rendered as shown in the monthly reports of Sea Pines Community Service Operations theretofore furnished to said Advisory Board, plus such other Community Services as are mutually agreeable to the Grantor and a majority of said Advisory Board. Between October 1 and December 31 of each such year said Budget may be revised and resubmitted from time to time, but by December 31 shall be submitted in final form.

Said General Community Fund Budget shall be based on the Community Fund's estimated annual receipts for the calendar year covered by said Budget and in the aggregate shall not provide for expenditures in excess of eighty-five (85%) per cent (or such other percentage as is mutually agreeable to the Grantor and a majority of said Advisory Board) of said estimated receipts. Within such overall limitations, said monthly budgeted expenditures may be adjusted upward or downward from time to time by the Grantor as circumstances may require by advising the Trustees and said Advisory Board thereof.

The balance of said estimated receipts, plus any actual receipts during such calendar year in excess thereof, may be used for Community Services as directed by a majority of said Advisory Board.

(2) The Corporate Trustee shall receive, hold and administer the trust property as described in Schedule "A" hereof, and annual additions thereto by way of Grantor's, Participating Property Owners' and Non-Participants' assessments and otherwise and after charging a proper Corporate Trustee's fee as hereinafter provided shall within the limitations above prescribed, on or about the last day of each month, transfer to the account of the Grantor a sum equal to the amount budgeted as aforesaid for expenditures for Community Services during the following month, adjusted upward in the amount requested by the Grantor not exceeding the difference, if any, between the total expenditures budgeted and the total amount of transfers to the Grantor's account, computed in each instance for the period from the beginning of the current calendar year to and including the preceding month.

(3) In making such transfers, the Corporate Trustee may conclusively rely on a letter or other form of written resolution cosigned by a designated officer of the Grantor and any two (2) members of the Property Owners Advisory Board that such payments are for the purposes and within the limitations heretofore prescribed for such payments. In the event of disagreement, Grantor, the Trustees and the Property Owners Advisory Board shall submit the issue to binding arbitration under the rules of the American Arbitration Association, and the arbitrators shall be required to rule within twenty (20) days thereof.

(4) Upon the expiration of this Trust Agreement, plus any renewal period thereof, this Trust shall terminate, and the net proceeds thereof shall be utilized to satisfy the duties and responsibilities of the Grantor, its successors and assigns, under the Agreements dated June 17, 1974, and the Declaration of Covenants and Restrictions referenced herein.

(5) This Trust is irrevocable.*

*but it may be modified from time to time in accordance with requirements of the United States Internal Revenue Code and other Federal and State legislation which would effect the character of taxation applied to this trust.

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ORIGINAL DOCUMENT
POOR CONTRAST OR CONDITION

(6) In the management, care and disposition of the Trust assets, the Trustees, and their successors in office shall have all powers granted by the laws of the State of South Carolina, as well as the power to execute such instruments as they may deem necessary or proper, including, but not limited to, the following powers, all of which may be exercised without order of or report to any court:

(a) The Trustees shall hold, manage, care for and protect the trust property and collect the income therefrom all in accordance with the Trustees' best judgment and discretion. The Corporate Trustee may cause any securities or other property, real or personal, to be held or registered in the name of the Corporate Trustee, or in the name of a nominee, or in such other form as the Corporate Trustee deems best, without disclosing the trust relationship.

(b) Notwithstanding anything to the contrary contained herein, only the Corporate Trustee is authorized to invest and reinvest the trust assets and only in U. S. Government bonds and other federally guaranteed bills, notes and securities, and shall account monthly to the Grantor and the Property Owners Advisory Board.

(c) The Corporate Trustee shall receive as compensation for its services hereunder such amounts as shall become due from time to time in accordance with the schedule as set out in a letter from the Corporate Trustee to the Grantor dated March 8, 1976, a copy of which is attached hereto, and any successor Corporate Trustee shall be compensated not in excess of such Trustee's published schedule of fees in effect at the time the services are rendered. The Individual Trustee shall receive no compensation for his services hereunder.

(d) The appointment of Bankers Trust of South Carolina as Corporate Trustee hereunder shall include any bank or trust company with which it may be hereunafter merged or consolidated; and all successor Corporate Trustees shall have all the duties, rights, powers, titles, discretion and immunities herein given to the original Corporate Trustee. In addition, said Advisory Board shall have the right at any time to remove the Corporate Trustee then serving and to designate a successor Corporate Trustee, which shall be a banking institution having assets in excess of Ten Million ($10,000,000.00) Dollars. The Individual Trustee hereunder shall be a person from time to time holding a position of a senior officer of the Grantor who may from time to time be designated by the Grantor to be said Individual Trustee by notice thereof given to the Corporate Trustee and said Advisory Board, such person presently being JOSEPH B. FRASER, Jr. No successor Corporate or Individual Trustee shall be obliged to examine the accounts, records and acts of the previous Corporate or Individual Trustee, nor shall such successor Corporate or Individual Trustee in any way or manner be responsible for any act or omission to act on the part of any previous Corporate or Individual Trustee.

IN WITNESS WHEREOF, The Grantor has caused this instrument to be executed pursuant to a resolution duly adopted by its Board of Directors, and the Trustees have accepted on the date first above written, which instrument shall be binding on the successor and assigns of the Grantor and the Trustees.

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BANKERS TRUST OF SOUTH CAROLINA
SCHEDULE OF FEES AS TRUSTEE FOR
THE SEA PINES PROPERTY OWNER ASSOCIATION

March 8, 1976

ANNUAL FEE

On Principal

$5.00 per thousand on first $250,000
$4.00 per thousand on next $250,000
$3.00 per thousand on all over $500,000

On Income

-No Charge-

Minimum Annual Charge

$500.00

Expenses

In the performance of our services, we shall be entitled to reimbursement for all reasonable out-of-pocket expenses incurred.

In nearly all cases the foregoing will be the actual charges for our services. However, conditions may require the performance of extraordinary services and in such instances an additional appropriate fee will be charged.

Our standard fee includes the furnishing of monthly accountings to the Association. An additional charge of $50.00 per accounting will be made for any accountings requested on a period other than the regular monthly cycle.

Our fees will be charge directly against the income of the account on a quarter annual basis beginning three months from the date of the account inception.

We reserve the right to adjust this fee schedule accordingly subsequent to sixty days written notice to the Property Owners Association.

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ORIGINAL DOCUMENT
POOR CONTRAST OR CONDITION

SCHEDULE A

The following assets shall constitute the corpus of the Trust dated August 1, 1976, having as Grantor, Sea Pines Plantation Company and as Individual and Corporate Co-Trustees, Joseph P. Fraser, Jr. and Bankers Trust of South Carolina, respectively:

(1) $132,511.29 Cash
194,995.00 U.S.T. Bills face amount $200,000.00
$327,506.29

representing the balance on August 13, 1976 (the date of funding said Trust) of Community Services Funds in the possession of Bankers Trust of South Carolina;

(2) Accounts receivable for 1975 and 1976 unpaid assessments for Community Services which become due in those calendar years and which on August 31, 1976 (the ending date of the Performance Summary of Sea Pines Community Services Operations for the month of August, 1976) amounted to:

$ 23,981.00 - 1975 assessments
53,974.00 - 1976 assessments
$ 77,955.00 ;

(3) All assessments, contributions and payments related to the funding of Community Services which may become due or may be made until expiration of said Trust, plus any renewal period thereof,

(a) under agreements of Participating Property Owners, and under agreements of the Grantor, contained in said Agreements and Declaration referred to in the first preamble of said Trust,

(b) under agreements of Non-Participants referred to in the second preamble to said Trust,

(c) under any other agreements, and

(d) voluntarily; and

(4) Such additional sums as Grantor may identify during term of said Trust as amounts properly allocated for funding of Community Services.

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EXHIBIT C

Real Property Description

All those certain pieces, parcels, strips, gores, easements, rights-of-way, open spaces, lagoons, parks and other lands and any and all improvements thereon, if any, located in that certain subdivision known as Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, being the following - described property, to-wit:

(1) All of the paved roads, streets and alleyways and all of the right of ways of said paved roads, streets and alleyways, most of which are more particularly described in the current Sea Pines Master Plan, a copy of which is attached hereto and incorporated herein by reference, and the recorded plats of the subdivisions within said plantation.

(2) All of the Beach Dunes Trust Lands designated as such on any presently - recorded plats, including the following:

Subdivision Name	Plat Book & Page Number
Bald Eagle Road	13 @ 49
Beach Lagoon	26 143
Belted Kingfisher	13 51
Black Duck	14 66
Black Skimmer	12 14
Brown Pelican	16 57
Canvasback	16 20
Cedar Waxwing	13 46
Green Heron Road	11 4
Greenwing Teal	24 89
Grey Widgeon	24 190
Land's End	27 197
Laughing Gull	24 63
Marsh Wren Road	24 187
Oyster Catcher	26 25
Painted Bunting	24 60
Piper Plover	24 88
Ruddy Turnstone	12 97
Sandhill Crane Road	24 188
Seaside Sparrow	24 191
Snowy Egret	12 14
Solitary Sandpiper	19 162
Surf Scooter I	21 95
Surf Scooter II	25 82
Surf Scooter III	13 52
Turtle Lane Club I	26 191
Turtle Lane Club II	28 6

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Whistling Swan		18	88
Wood Ibis		26	138
South Beach Villas		18	131
Sound Villas		21	115
Beachside Tennis		28	84
Mallard Road		13	17
Duck Hawk Road	(Deed)	90	194

(3) All of the Conservancy and Open Space which is designated as such on any presently - recorded plats, including the following:

Name	Plat Book & Page Number
Audubon Pond I	26 @ 35
Audubon Pond II	22 195
Bateau Road	22 204
Baynard Creek	22 193
Baynard Cove II	23 2
Baynard Cove IV	23 3
Baynard Oaks I	23 1
Baynard Oaks II	23 61
Baynard Oaks III	23 4
Beach Lagoon	23 62
Club Course I	23 5
Club Course II	23 6
Club Course Dr. & Ln.	22 198
Deer Island	23 63
Deer Run Lane	23 63
Governor's Road I	23 5
Governor's Road II	23 6
Greenwood Dr. & Ct.	23 4
Greenwood For. I. & II.	23 7
Greenwood Gate Villas	22 222
Gull Point	24 79
Harbour Town Marsh	23 65
H.T. Patio Lots	23 68
H.T. Townhouses	23 61
Harleston Green	23 60
Heritage Woods I	22 203
Heritage Woods II	23 66
Heritage Woods III	23 64
Ivy Road	22 200
Lawton Villas	23 62
Lawton Woods	23 65
Live Oak Road	23 7
Magnolia Crescent	23 8
Marsh View Road	23 8
Newhall Road	23 10
Otter Road	22 201
13th Fairway O.S.	23 9
Pine Island	23 9
Plantation Drive	22 197

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Plantation Lane	23	66
Planter's Woods	23	67
Marsh View & 4th G.C.	23	68
Red Maple Road	22	199
St. Andrew's Pl.	22	196
Sea Marsh G. C.	23	69
Sea Pines Dr. I	22	190
Sea Pines Dr. II	23	11
South Beach	23	69
Spanish Moss Road	23	67
Stoney Cr.	22	190
Tupelo Road	22	195
Twin Pines Road	22	191
Willow Oak Rd. & Ct.	22	194
Willow Oak Rd. West I	22	192
Willow Oak Rd. West II	23	59
Wren Dr.	22	193
Service Area	23	70

(4) The Gate houses on Greenwood Drive and Sea Pines Drive.

(5) The Sea Pines Security Station and the walks, drives and parking lots immediately adjacent thereto, and all land upon which same sits.

AND ALSO, the road and right-of-way from Sea Pines Circle to the Greenwood Gate House, most of which lies outside of Sea Pines Plantation.

LESS AND EXCEPT all portions of the above-referenced parcels heretofore conveyed to third parties and not now owned by the Company as well as Lot 32, Otter Road, Club Course Subdivision, and SUBJECT TO all interests in the above-referenced parcels heretofore conveyed to third parties, including all rights, easements, and other interests heretofore conveyed by the Trustee to Sea Pines Plantation Company, Inc. by the Assignment of Rights recorded in Deed Book 490 at Page 712, Easements recorded in Deed Book 490 at Pages 755, 760, 766, 771, 784 and 789, and Quitclaim Deeds recorded in Deed Book 490, Pages 599 and 603, Beaufort County, South Carolina R.M.C.'s Office.

In accordance with Sections 48-39-270 through 48-39-360, Code of Laws of South Carolina 1976, as amended, the Property described in this Deed has been determined to be located in close proximity to the Atlantic Ocean and possibly seaward of the setback lines as defined in said Sections. South Carolina law strictly regulates whether or not existing structures and other improvements in this area can be modified and/or reconstructed in the event of the loss by fire or other natural causes, whether any new structures or other improvements are allowed to be constructed in this area, and if allowable, the size and location of any such new structures or other improvements. The location of set back lines is determined by scientific methodology and extends landward from a predetermined baseline a distance equal to the product obtained by multiplying the average annual erosion rate by 40. Additionally, the elevation of any

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allowed classification of the Property under the Federal Emergency Act. It is recommended that the Grantee of this Property consult legal counsel prior to making or modifying any improvements on any Property seaward of setback lines within the State of South Carolina.

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EXHIBIT C

GATE POLICY

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GATE POLICY

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SECTION IV

POLICY FOR ISSUANCE OF GATE PASSES

4.01 Visitor Passes (Non-Commercial)

4.01.1 No Charge.

Visitor Passes can be authorized for the following individuals and their guests at no charge:

- Sea Pines Property Owners
- Long Term Renters in Sea Pines
- Employees of the Company (herein defined in Section 4.01.1.6), or other businesses operating commercial lands within Sea Pines Plantation who contribute to the Community Trust Fund according to the provisions of the 1974 Covenants or according to other provisions as contained herein.
- Clients of and/or Real Estate Agents showing property under special circumstances.
- Clients of participating commercial land owners and businesses (see 4.03.4).

4.01.1.1 Sea Pines Property Owners.

When a Property Owner arrives at the Security Office or Sea Pines Welcome Center desiring a temporary pass (arrived with a rental vehicle, traveling with friends, etc.) they should present a Property Owner's ID with their picture on it for verification. If they have one of the old ID's (without a picture) another form of ID should be required and then the Property Owner listing should be checked. The ID's (with the pictures on them) that are not expired are to be honored when carried by the Property Owner without further ID or checking.

4.01.1.2 Government Officials.

U.S. Government Officials, State of South Carolina Officials, Beaufort County Officials and Town of Hilton Head Officials showing valid identification will be admitted through the Gates without having to return to the Security Office to be cleared. If they do go to the Security Office, on presentation of proper identification as an Official of one of the above agencies, they will be issued a daily Gate Pass. Vehicles having an official seal of any of the above agencies as well as vehicles with the following special decals, (1) Utility Company, (2) Hilton Head Holdings and (3) Town of Hilton Head, will be admitted through the Gates without the need for a daily pass.

4.01.1.3 Marriott Ownership Resorts, Inc. (herienafter called "MORI").

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MORI is defined as the Time Share units at Monarch, Swallowtail, Spicebush and some units in the following:

Ketch Court	Plantation Club Villas
Twin Oaks	Port Villas
Racquet Club	Night Heron

MORI will periodically draw passes from the Sea Pines Welcome Center based on their anticipated needs. The owner of the Time Share will receive a pass at the Marriott Welcome Center Office for the length of their stay in the Plantation. (MORI Owners DO NOT receive Sea Pines Property Owner Decals). The passes will be stamped "MARRIOTT GUEST".

Short Term Rentals of MORI are those who rent for one or more nights and are given the same pass as an owner since they are placed in a vacant owner unit or an unsold MORI owned unit.

"TOUR PROSPECTS" are those brought in by MORI to take the Sales Tour and are given a $3.00 daily pass already purchased by MORI.

4.01.1.4 Seascape Owners.

Only original owners of Seascape will be issued free passes. They must present an original owner's ID card. They cannot get guest passes for their friends or guests.

4.01.1.5 Harbour Town Merchants Courtesy Pass.

If a guest comes to the gate with one of the Harbour Town Merchants Courtesy Passes, the guest will be turned into the Officer on duty and the person allowed to enter the Plantation during the hours of 9:00 A.M. and 5:00 P.M., Monday thru Friday.

4.01.1.6 Sea Pines Plantation Company, Inc. (the "Company").

Wherever used in this Gate Policy the term "Company" shall mean SEA PINES PLANTATION COMPANY, INC., a South Carolina corporation, its subsidiaries, successors and assigns including Sea Pines Real Estate Companies, Inc. and all related entities.

The Company has the right to cause the issuance, at no charge to the Company, of annual gate passes for all Company Directors, Officers and employees, to include Company consultants, real estate sales agents and contractors other than those serving in a temporary capacity, in which case temporary passes may be issued. The Company further reserves the right to issue annual or temporary passes to a limited number of Public Officials holding either Town, County, State or Federal Office. The above-described passes will be issued by the Sea Pines Security Office upon the request and authorization of designated Company Officials.

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The Company has the right to issue or cause to be issued at no charge to the Company, temporary guest passes to the following categories of Company guests or business clients:

a. Company lodging guests.
b. Business clients of the Company.
c. Real Estate clients of the Company.
d. Visiting VIP's and social guests at company sponsored functions.

The above categories of passes will be issued at the Company managed Welcome Center unless otherwise agreed to by the Company and/or its successors. In addition to the above gate pass authority, Paragraphs 4.01.1; 4.01.1.4; 4.01.1.6; and 4.01.1.7 are applicable to the Company and its tenants. In the event of sale of the Company or its major assets, its successors shall have all the rights, privileges and obligations as expressed in this policy, subject to their acceptance and adherence to the terms of funding Community Services, stated in Article III, Paragraph B of the Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc. dated September 7, 1974.

4.01.1.7 Company Real Estate Clients.

All requests must come from Company Sales Agents and given to the Welcome Center Real Estate Receptionist.

The passes are good for one day only if picked up before 2:00 P.M. After that, the pass will be issued for two days (the current and the following day).

The receptionist will log the agent and client's name for follow-up by the Broker-in-Charge.

This temporary pass is for Company prospects only. Each agent is urged to tour with the prospect personally.

4.02 General Information for Temporary Passes.

4.02.1 Who Can Arrange for Passes.

Passes can be arranged for guests either in person at the Sea Pines Welcome Center or by telephone (785-8004) by Sea Pines Property Owners, Long Term Renters in Sea Pines, MORI Time Share Owners and by Company and its employees. Passes are to be issued for a period not to exceed two (2) weeks.

4.02.2 Renewal of Passes.

When passes are issued at the Welcome Center, if they are subject to

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renewal, it will be indicated on the reverse side with a large "R" and the issuing employee's initial.

4.02.3 Issuing of Passes at the Security Office.

Passes may be issued by the Security Office to Sea Pines Property Owners only, while they are traveling in rented/borrowed vehicles or they do not have proper documentation for the issuance of Property Owner Decals. Other passes as may be authorized by the Director.

4.02.4 Colors for Temporary Passes.

The following color for temporary passes will be used for the month indicated unless otherwise instructed by the Director. The color will be issued as indicated starting the FIRST of every month.

January/July	RED
February/August	GREEN
March/September	YELLOW
April/October	ORANGE
May/November	BEIGE
June/December	BLUE

4.03 Daily Commercial Passes.

Basically are issued to anyone not covered in the above instructions.

4.03.1 $3.00 Daily Pass.

Is the charge for four (4) wheel vehicles used by:

All construction workers not working for Sea Pines Company itself.
Contractors and Island Resident Guests.
Tennis or Golf patrons.
Charter Boat patrons.
Retail or Restaurant Customers and visitors or tourists not otherwise provided for herein.

4.03.2 $15.00 Daily Pass.

Is the charge for commercial vehicles with more than four (4) wheels, excluding buses. (see below)

4.03.3 Special Temporary Pass for Contractors.

A pass will be issued to contractors who have purchased the proper commercial decal but due to an accident, breakdown, etc. do not have that vehicle available for a limited time (not to exceed seven days). The Gate Officers will admit them for the period shown on the pass. All passes will be dated and signed by Security Office personnel.

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4.04 $25.00 Bus Passes.

All buses that do not have a permanent Commercial Decal are charged $25.00 for a daily pass. Buses are required to use the Greenwood Gate for entry except for those groups sponsored by the Hilton Head Inn/Sea Scape Guest Convention Services and cleared by proper authority, who may use the Ocean Gate.

4.04.1 Special Information

Bus Drivers and/or Tour Guides will be given the following information (as a printed handout by the duty Dispatcher) together with their daily pass:

"Welcome to Sea Pines Plantation:

There are a few rules we ask you and your group to follow while visiting us:

A. You are authorized to discharge/pickup your passengers at the Sea Pines Center, Harbour Town or South Beach Marina Conference Center only.

After discharging your passengers, you are to exit the plantation via the Greenwood Gate and park outside the Plantation until time to pickup your passengers.

B. Use the Greenwood Gate only, proceed on Greenwood Drive to Greenwood Circle. If you are going to either the Sea Pines Center or Harbour Town, take the first exit (Lighthouse Rd). If you are going to South Beach Marina, take the second exit (Greenwood Drive), proceed to South Sea Pines Drive, then on to South Beach Marina.

C. There are no tours of the Plantation allowed, remain on the above roads as directed.

D. Do not park along roadsides, Beach walkways or in residential areas.

E. Camping and picnics are prohibited.

F. This pass is not valid for swimming pools, playgrounds, fishing or Beach Club facilities.

G. It is a violation of FEDERAL LAW to feed or otherwise disturb alligators.

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4.05 Bicyclist Passes.

The bicycle paths located within Sea Pines Plantation were constructed with "private" moneys and as such are for the enjoyment of Sea Pines Property Owners, their dependents and guests (of property Owners and/or rental agencies) while residing within Sea Pines Plantation. "Outside" bicycles are not allowed entry.

4.05.1 Sea Pines Owners/Dependents and Guests While Residing in Plantation.

A bicyclist, upon departing from the Plantation, will receive a temporary pass from the Gate Officer which will allow them to re-enter the Plantation with their bicycle. This pass is ONLY for property owners, their dependents and guests (of property owners and/or rental agencies) while temporarily residing within Sea Pines Plantation.

4.06 Entry for Special Sports Events.

Free guest entry into Sea Pines will be granted upon authcrization by Company to all ticket holders, authorized guests, participants, sponsors, volunteers and equipment or service suppliers for major annual sports events such as the MCI Heritage Golf Classic; the Family Circle Tennis Tournament; the International Seniors Golf Tournament and to a limited number of other sports events sponsored by the Company or its successor.

4.07 Entry for Scheduled, Civic, Cultural, Religious or Educational Meetings or Events.

Free guest passes will be issued upon a list of names delivered to the Security Office forty-eight (48) hours in advance along with the name and description of the event and its purpose submitted by the Sponsoring Property Owner.

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SECTION V

POLICY FOR ISSUANCE OF DECALS

5.01 General Information

The issuance of decals will be under the control of the Company Administrative Office and will be governed by the following policies:

5.01.1 Definition of 'Commercial' Type Vehicle

For the purposes of this manual and for the issuance of decals, the following are defined as 'Commercial' vehicles and will be issued "Commercial Decals":

a. All flat-bed/stake body trucks.
b. All trucks with a load capacity of more than 1½ tons.
c. All vehicles with permanent lettering/logos on them.
d. All vehicles utilized in providing a delivery service of supplies or equipment to property owners, long term residents, commercial establishments, etc.
e. All vehicles utilized in providing a service to property owners, long term residents, commercial establishments, etc. within Sea Pines Plantation for a livelihood/profit.
f. All vehicles utilized in providing transportation, tours, and sight-seeing services. (See paragraph 5.07.1)
g. All vehicles with work accessories attached or fastened thereto i.e., ladders, pipe racks, tool boxes, etc.
h. In the event of a vehicle not specifically falling within the categories, the Director of Sea Pines Security or an authorized Sea Pines Security Officer will make the final determination as to whether or not the vehicle should be classified as a "Commercial" type.

5.01.2 Definition of Recreational (RV) Vehicle

For the purposes of this manual, a vehicle that is either towed or self propelled, designed with living and sleeping facilities, and/or equipped with water/sewage/electrical hookups, considered to be a self-contained unit, is deemed to be a Recreational Vehicle and as such is not entitled to receive a decal.

A recreational Vehicle may be authorized entry into the Plantation for a maximum of four (4) hours for the purposes of loading and unloading only.

Some vans have large, picture type, side windows and are "fancied up" on the inside and may be classified as an RV for the purchase of a state vehicle licenses, however, as long as they do not project an image of a living and sleeping facility, they will not be treated as

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an RV.

5.01.3 Vehicles Not Authorized to Park Overnight in the Plantation

a. Commercial vehicles (see paragraph 5.01.1 above)
b. Recreational (RV) vehicles (see paragraph 5.01.2 above)
c. Dune Buggies (Not allowed entry at any time)
d. Motorcycles (Not allowed entry at any time)
e. Trailers of any kind, except by special permission when they are allowed to remain overnight on an unimproved lot while construction is being completed on that lot.
f. Boats of any kind, unless they can be placed within a closed garage.
g. Campers of any kind.

For a user fee, these vehicles (except boats) may be parked in an area Sea Pines Security has provided for the storage of these vehicles.

5.02 Property Owner Decals

5.02.1 Eligibility

Limited to Property Owners only.

Property owner decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.02.2 Number Authorized

No limit to number of decals issued, subject to the vehicles being registered in the name of the Property Owner/Spouse. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.02.3 Verification

Verification of property ownership will be done by the Administrative Office Staff. If the verification cannot be done by records held in the administrative office, Property Records (ext 454) will be called and verification requested from that office. If verification still cannot be accomplished, the property owner will be requested to furnish copies of the Closing Statement, Partnership Agreements, Deeds, etc. Decals will not issued until verification of property ownership is completed.

5.02.4 Documents required

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be registered to the property

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owner and/or spouse. If it is a company owned vehicle, it must be verified that the vehicle is for the private full time use of the property owner and not a 'Company Pool' vehicle.

5.02.5 How issued

The decal may be issued in person or by mail provided the above procedures have been completed.

5.02.6 Expiration

These decals will expire when determined by the Sea Pines Company in coordination with the Association of Sea Pines Property Owners and the Director of Security. (Usually every three to four years)

5.02.7 Charge

There is no charge to the Property Owner for their decal or replacement.

5.03 Dependent Decals

5.03.1 Eligibility

Must be a dependent child or step-child, unmarried, 21 years old or less (23 if still in college) of a Property Owner, living full time with parents, and other family members living in household full time.

Dependent decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.03.2 Number Authorized

No limit to number issued , subject to vehicles being registered in the name of the dependent. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.03.3 Verification

Verification of dependency will be done by the Administrative Office Staff. If the verification cannot be done by records held in the administrative office, the Property Owner will be contacted and requested to apply for their child and other family members.

5.03.4 Documents required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the dependent child. The application for a decal must be counter-signed by the parent (Property Owner).

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5.03.5 How Issued

The decal may be issued in person or by mail provided the above procedures have been completed.

5.03.6 Expiration

These decals will expire annually, on the last day of November.

5.03.7 Charge

There is no charge to the dependent for their decal or replacements.

5.04 Relative Decals

5.04.1 Eligibility

Limited to immediate family members of a Property Owner. "Immediate family member" is defined as the mother, father, sister, or brother of a Property Owner. Also included as an "immediate family member" are the children of Property Owners in any or all of the following categories:

1. Married
2. Over the age of
3. Not living full time with parents

Relative decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.04.2 Number Authorized

Two (2) decals may be issued for the family of each relative. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.04.3 Verification

Verification will be accomplished by the Administrative Office Staff. If the verification cannot be done by records held in the administrative office, the Property Owner will be contacted and requested to apply for their relative.

5.04.4 Documents Required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the relative applying. The application must be counter-signed by the Property

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Owner.

5.04.5 How Issued

The decals must be applied for in person at the administrative office by the Property Owner.

5.04.6 Expiration

These decals will expire annually, on the last day of November.

5.04.7 Charge

There is a $3.00 charge for each decal issued. A replacement charge of $1.00 will be collected together with the old decal (or pieces).

5.05 Company Employees

5.05.1 Full Time Employees

5.05.1.1 Eligibility

Must be an employee of Company.

Employee decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use with the Plantation, it is for the employee's transportation to and from work.

5.05.1.2 Number Authorized

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.05.1.3 Verification

Verification of employment will be accomplished by the Administrative Office Staff, either by viewing an Employee's ID, or checking the printout of all employees. If verification cannot be accomplished by the above, the Human Resources Office (ext 372) will be contacted.

5.05.1.4 Documents Required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for a decal must be counter-signed by the employee's supervisor or the Director, Human Resources Office (or authorized staff member, Human

Resources Office).

5.05.1.5 How Issued

Each new employee may be issued one decal by the Director, Human Resources Office (or authorized staff member) at the time of employment. Once completed, copies of the application will be forwarded to the Security Administrative Office.

All other employee decals (additions, renewals, deletions, changes, replacements, etc.) will be issued by the Security Administrative Office staff. During the annual renewal period, separate instructions will be published to all departments.

5.05.1.6 Expiration

These decals will expire annually, on the last day of November.

Upon termination of an employee, the decals must be scraped and returned to the Human Resources Office before the employee can be cleared. The Human Resources Office will notify the Security Administrative Office of the termination in order that the records can be adjusted.

5.05.1.7 Charge

There is no charge to the employee for their decal or a replacement.

5.05.2 Summer Seasonal Employees

5.05.2.1 Eligibility

Must be an employee of Company who has been hired as a "Summer Seasonal" employee.

Employee decals will not be issued for 'commercial type vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is for the employee's transportation to and from work.

5.05.2.2 Number Authorized

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.05.2.3 Verification

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Verification of employment will be accomplished by the Administrative Office Staff, either by viewing an Employee's ID, or checking the printout of all employees. If verification cannot be accomplished by the above, the Human Resources Office (ext 372) will be contacted.

5.05.2.4 Documents Required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for a decal must be counter-signed by the employee's supervisor or the Director, Human Resources Office (or authorized staff member, Human Resources Office).

5.05.2.5 How Issued

Each new 'Summer Seasonal' employee may be issued one decal by the Director, Human Resources Office (or authorized staff member) at the time of employment, the decal will be cut in half to designate it as a 'SUMMER SEASONAL EMPLOYEE' decal. Once completed, copies of the application will be forwarded to the Security Administrative Office.

All other employee decals (additions, renewals, deletions, changes, replacements, etc.) will be issued by the Security Administrative Office staff.

5.05.2.6 Expiration

These decals will expire as of September 15 each year. Upon termination of an employee, the decals must be scraped and returned to the Human Resources Office before the employee can be cleared. The Human Resources Office will notify the Security Administrative Office of the termination in order that records can be adjusted.

5.05.2.7 Charge

There is no charge to the employee for their decal or a replacement.

5.06 Long Term Renter Decal

5.06.1 Eligibility

Limited to Long Term Renters whose names appear on a written Lease Agreement. Also included are those renters at "Harbour House" who do not have a written Lease Agreement and whose names are on file in the Security Administrative Office.

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A Long Term Renter is defined as one who has a written Lease Agreement for six (6) months or more at the time they apply for a decal.

Long Term Renter Decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.06.2 Number Authorized

No limit to number of decals issued, subject to the vehicle being registered in the name as shown on the Lease Agreement. If a replacement decal is needed, the old decal (or pieces) must be returned to the Security Administrative Office.

5.06.3 Verification

Verification of a Long Term Renter will be accomplished by the Administrative Office Staff.

5.06.4 Documents Required

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be registered to the Long Term Renter (or spouse) and/or children (living full time with the renter). A copy of the Lease Agreement must be presented. If the vehicle is a company owned vehicle, it must be verified that the vehicle is for the private full time use of the renter and not a 'Company Pool' vehicle.

5.06.5 How Issued

The decal must be applied for in person at the administrative office.

5.06.6 Expiration

These decals will expire annually, on the last day of November.

5.06.7 Charge

There is no charge to the Long Term Renter for their decal or replacement.

5.07 Island Resident Decals

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5.07.1 Eligibility

Limited to those individuals who do not live in Sea Pines Plantation, but do live on Hilton Head Island or surrounding area at least six (6) months of the year. New applications must be signed by two (2) Sea Pines Property Owners, with address and phone number.

Local transportation, tour and sight-seeing companies may receive an "Island Resident Decal" vice a "Commercial Decal" upon their application for and the approval of their request by the Director of Security. His decision is final in this determination.

Island Resident Decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation except as provided for in the paragraph above.

5.07.2 Number Authorized

No limit to number of decals issued.

5.07.3 Verification

Verification will be the responsibility of the Administrative Office Staff.

5.07.4 Documents Required

A completed Decal Application with the required signatures.

5.07.5 How Issued

The decal must be applied for in person at the Administrative Office.

5.07.6 Expiration

These decals will expire annually, on the last day of November.

5.07.7 Charge

There is a charge for these decals which is determined prior to November 1st of each year.

5.08 Island Clergy (Island Resident Decal)

5.08.1 Eligibility

Limited to those individuals who are ministers of an organized church on Hilton Head.

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Island Clergy decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation, rather, they are intended to be used by the Clergy to visit with their church members.

5.08.2 Number Authorized

Limited to one (1) decal.

5.08.3 Verification

Verification will be the responsibility of the Administrative Office Staff.

5.08.4 Documents Required

A completed Decal Application and a valid vehicle registration (or a copy) which must be in either the name of the minister or in the name of the church.

5.08.5 How Issued

The decal must be applied for in person at the Administrative Office.

5.08.6 Expiration

These decals will expire annually, on the last day of November.

5.08.7 Charge

There is no charge for these decals.

5.09 Sea Brook Residents (Former Sea Pines Property Owners)

5.09.1 Property Owner Decals are authorized for those individuals who were former owners in Sea Pines Plantation, but now live in Sea Brook. All other residents of Sea Brook are eligible for 'Island Resident' Decals and will be charged the same as other desiring an Island Resident Decal.

Property Owner Decals for this category will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.09.2 Number Authorized

Limited to two (2) decals. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

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5.09.3 Verification

Verification will be the responsibility of the Administrative Office Staff.

5.09.4 Documents Required

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be in the name of the former property owner (or spouse) and the address on the registration be for Sea Brook.

5.09.5 How Issued

The decal must be issued in person or by mail provided the above procedures have been completed.

5.09.6 Expiration

These decals will expire when determined by the Association of Sea Pines Property Owners and the Director of Security. (Usually every three to four years.)

5.09.7 Charge

There is no charge to the former owner for their decal or replacement.

5.10 Six Oaks Cemetery Plot Owners

5.10.1 Eligibility

Island Resident Decals are authorized to the Principal Heir of a deceased buried in the Six Oaks Cemetery. (Other family members will be issued a One-day Pass as needed.)

Decals for Six Oaks Cemetery Plot Owners will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.10.2 Number Authorized.

Limited to one (1) decal. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.10.3 Verification.

Verification will be the responsibility of the Administrative Office Staff. (Check with the Asst V.P. of Community Services)

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5.10.4 Documents Required.

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be registered in the name of the owner of the plot(s).

5.10.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been completed.

5.10.6 Expiration.

These decals will expire annually, on the last day of November.

5.10.7 Charge.

There is no charge to the owner of a plot(s) for their decal or replacement.

5.11 Seascape Owners (Original).

5.11.1 Eligibility.

Island Resident Decals are authorized for those individuals who are original owners of Seascape property.

A decal will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.11.2 Number Authorized.

Limited to two (2) decals. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.11.3 Verification.

Verification will be the responsibility of the Administrative Office Staff thru the use of the Property Owner's Computer Printout. This is accomplished by reading the "Account #" which is an eight (8) digit numeric code. (i.e., 7-00000-01; 7-00000-02; 7-00000-03. The portion underlined indicates the number of times the property has been owned, 01 is the first (original) owner).

5.11.4 Documents Required.

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be in the name of the Seascape property owner (or spouse).

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5.11.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been completed.

5.11.6 Expiration.

These decals will expire when determined by the Association of Sea Pines Property Owners and the Director of Security. (Usually every three to four years)

5.11.7 Charge.

There is no charge to the Seascape owner for their decal or replacement.

5.12 Sea Pines Public Service District Employee (Island Resident Decals).

5.12.1 Eligibility.

Must be an employee of Sea Pines Public Service District.

Island Resident decals will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is for the employee's transportation to and from work.

5.12.2 Number Authorized.

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.12.3 Verification.

Verification of employment will be accomplished by the Administrative Office Staff, of the Sea Pines Public Service District.

5.12.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must presented. The vehicle must be registered to the employee (or spouse). The application for a decal must be countersigned by the employee's supervisor.

5.12.5 How Issued.

Must be applied for either by the Supervisor or in person at the Administrative Office.

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During the annual renewal period, separate instructions will be furnished to the Sea Pines Public Service Administrative Office.

5.12.6 Expiration.

These decals will expire annually, on the last day of November.

Upon termination of an employee, the decals must be scraped and returned to the Security Department Administrative Office.

5.12.7 Charge.

There is no charge to the employee for their decal or a replacement.

5.13 Sea Pines-Forest Beach Fire Department Employees (Island Resident Decals.

5.13.1 Eligibility.

Must be an employee of Sea Pines-Forest Beach Fire Department.

Island Resident decals will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is for the employee's transportation to and from work.

5.13.2 Number Authorized.

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.13.3 Verification.

Verification of employment will be acccmplished by the Administrative Office Staff, of the Sea Pines Forest-Beach Fire Department.

5.13.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the e@ployee (or spouse). The application for a decal must be countersigned by the Chief/Asst. Chief (or their authorized representative) of the Sea Pines-Forest Beach Fire Department.

5.13.5 How Issued.

Must be applied for either by the Supervisor or in person at the Administrative Office.

During the annual renewal period, separate instructions will be

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furnished to the Sea Pines-Forest Beach Fire Department.

5.13.6 Expiration.

These decals will expire annually, on the last day of November.

Upon termination of an employee, the decal must be scraped and returned to the Security Department Administrative Office.

5.13.7 Charge.

There is no charge to the employee for their decal or a replacement.

5.14 Commercial Decals.

Commercial decals authorize entry Monday thru Saturday, 7:00 a.m. to 7:00 p.m. Entry is not allowed on Sunday or between the hours of 7:00 p.m. to 7:00 a.m. except as authorized by the the Director of Security. A special "strip" may be authorized in some cases which will allow entry from 7:00 a.m. to 9:30 p.m. and Monday thru Sunday. Other persons wishing to enter the Plantation after these hours, and for business purposes only, must stop at the Security office for clearance.

5.14.1 Definition.

A commercial decal is required by all persons doing business inside Sea Pines Plantation.

5.14.2 Number Authorized.

There is no restriction on the number of commercial decals, except as noted.

5.14.3 Expiration.

Commercial decals will expire annually, on the last day of November.

5.14.4 Charge.

Charges for commercial decals are placed in six (6) general categories:

	ANNUAL CHARGE.
Employees of Sea Pines Property Owners	$ 0.00
Newspaper Delivery Persons	0.00
Employees of Sea Pines Merchants	25.00
Autos, pick-up trucks and similar size vehicles	50.00
Vehicles with six (6) wheels (Dual wheel)	150.00
Vehicles with more than (6) wheels	250.00

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The above charges are normally pro-rated (half-price) in June of each year. (Employees of Sea Pines Merchants to the next highest dollar.)

5.14.5 Employees of Sea Pines Property Owners.

5.14.5.1 Eligibility

Limited to those individuals who work for one or more Sea Pines Property Owner a minimum of three days per week. To include but not limited to, maids. Nurses in special cases as approved by the Director.

A decal in this category will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is intended for the employees transportation to and from work.

5.14.5.2 Number Authorized.

Limited to one decal. If a replacement is needed, the old decal (or pieces) must be turned in at the Security Administrative Office. This decal cannot be placed on a "commercial type" vehicle, (i.e. vehicles with logos, or more than 4 wheels, etc.)

5.14.5.3 Verification.

Verification will be accomplished by the Administrative Office Staff.

5.14.5.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for the decal must be countersigned by the Sea Pines Property Owner(s), indicating the number of days per week the applicant works for them and in what capacity.

5.14.5.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been complied with.

5.14.6 Employees of Sea Pines Merchants.

5.14.6.1 Eligibility.

Limited to those individuals who are employees of one of the following:

Baileys
Capin's Pharmacy
Camp Hilton Head
Cafe Europa

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C.Q's
Dimatech
Fashion Court
Grocery Bag
Harbour Lights
Harbour Town Grill
Harbour Town Crafts
Harbour Town Marina
Knickers
Le Petit Bateau
Marriott Ownership Resorts, Inc. ("MORI")
Slight Indulgence
Sandpiper
University Shop
Crazy Crab
Demers Gallery
Gatlin's Fine Food
Hales
Harbour Town Bike Rental
Harbour Town Wine & Spirits
Harbour Town Antiques
Harbour Shop
Land's End Tavern
Signes
Shoes, Etc.

A decal in this category will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is intended for the employees transportation to and from work.

5.14.6.2 Number Authorized.

Limited to one decal. If a replacement is needed, the old decal (or pieces) must be turned in at the Security Administrative Office. This decal cannot be placed on a "commercial type" vehicle, (i.e. vehicles with logos, or more than 4 wheels, etc.)

5.14.6.3 Verification.

Verification will be accomplished by the Administrative Office Staff.

5.14.6.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for the decal must be countersigned by the Sea Pines Merchant, indicating if the employee is required to work on Sundays (so a strip may be issued if needed).

5.14.6.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been complied with.

5.15 MOPED Decals

Specific instructions regarding the issuance of permits for the operation of MOPEDS within Sea Pines Plantation are contained in Section VII of this manual. General instructions for the issuance of decals are listed below:

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5.15.1 Eligibility.

Decals will be issued only to Sea Pines Plantation property owners and a number of employees equal to those currently having MOPED licenses.

5.15.2 Number Authorized.

Limited to a total of 150 MOPEDS within the Plantation at any one time.

5.15.3 Verification.

Verification of eligibility will be the responsibility of the Administrative Office Staff. A physical inspection of the MOPED will be made by an authorized Sea Pines Security Officer to determine the brake horse power and condition of the vehicle for safe operation within the Plantation and to insure that it complies with the provisions of Section VII of this manual.

5.15.4 Documents Required.

To receive a decal, proof of ownership by a person eligible as provided for in paragraph 5.13.1 above may be required.

5.15.5 How Issued.

The decal must be issued in person in order that the physical inspection of the MOPED may be accomplished.

5.15.6 Expiration.

These decals will expire annually, on the last day of November.

5.15.7 Charge.

There is no charge for these decals.

J, S & P/J P S

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EXHIBIT 3b

EXHIBIT D

Assignment of Rights

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1227 J.S & P/J P

903

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ASSIGNMENT OF RIGHTS

THIS ASSIGNMENT OF RIGHTS (hereinafter "Assignment"), made this 17th day of November, 1987, by and between JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, debtor in Case Number: 86-03871, United States Bankruptcy Court, District of South Carolina, and HILTON HEAD LIQUIDATION CORP. f/k/a SEA PINES PLANTATION COMPANY, debtor in Case Number: 86-03885, United States Bankruptcy Court, District of South Carolina, (hereinafter "Assignor") and SEA PINES PLANTATION COMPANY, INC., a South Carolina corporation (hereinafter "Assignee"),

W I T N E S S E T H:

WHEREAS, on October 22, 1987 Assignor and Sea Pines Associates, Inc., a South Carolina corporation (hereinafter "Buyer") did enter into an agreement entitled "Asset Purchase Agreement" (hereinafter "Agreement") wherein Buyer agreed to purchase and Assignor agreed to sell certain assets in Sea Pines Plantation (hereinafter "Sea Pines Plantation") consisting of real and personal property, tangible and intangible, owned by the Trustee for the above-referenced debtor corporations (hereinafter "Assets") pursuant to and in accordance with Orders of United States District Judge Solomon Blatt, Jr. dated October 22, and October 26, 1987, as part of that certain adversary proceeding entitled "John F. Curry, Trustee, Plaintiff, vs. Beaufort County Treasurer, et al., Defendants" (Case Number: 87-0232), United States Bankruptcy Court, District of South Carolina, arising out of the Chapter 11 bankruptcy proceedings involving

INITIALS

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Gardner-Matthews Plantation Company (Case No. 86-03801), Hilton Head Hotel Company (Case No. 86-03803), Vacation Resorts Holding, Inc. (Case No. 86-03804), Vacation Resorts, Inc. (Case No. 86-03805) and Hilton Head Holdings Corporation (Case No. 86-03871), Debtors, which orders authorized sale of the Assets free and clear of liens, encumbrances and other interests; and

WHEREAS, Buyer has assigned all of its rights and interests in and to said Agreement to Assignee herein; and

WHEREAS, pursuant to the Agreement, Assignor must convey to Assignee certain rights, powers and privileges originally held by the Sea Pines Plantation Company, its successors and assigns (hereinafter "Company") and now held by Assignor pursuant to recorded covenants and restrictions encumbering the lands of Sea Pines Plantation including the "Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.", dated September 7, 1974 as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 224 at Page 1036 (hereinafter "74 Covenants"), the "Declaration of Rights, Restrictions, Affirmative Obligations, Conditions, etc. which Constitute the Covenants, Running with certain Lands of Sea Pines Plantation Company" dated April 1, 1970 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 173 at Page 46 (hereinafter "Class "A" Covenants"), the "Restatement and Assignment of Rights, Restrictions, Affirmative Obligations and Conditions which Constitute Covenants Running with the Land in Sea Pines Plantation" dated February 8, 1984 and recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina in Deed Book 390 at Page 179 (hereinafter "Restatement"); and the "Memorandum of Agreement" executed between the Company and the Association of Sea Pines

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Plantation Property Owners dated February 8, 1984 (hereinafter "Memorandum of Agreement"); and

WHEREAS, the parties acknowledge that said rights, powers and privileges are valuable and ownership, management and control of same is essential to Assignee in order to effectively manage, own and operate the Assets;

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Assignor does hereby quit claim grant, bargain and assign to Assignee, without any recourse whatsoever, (i) all of its rights as "Company" pursuant to the above-referenced Covenants and Restrictions as hereinafter set forth, and (ii) all other rights Assignor may have necessary and incidental to the proper ownership, management and operation of the Assets, including the following specified rights, powers and privileges:

1. In accordance with the terms of the Agreement, Assignor intends to convey and/or assign to the NFP Entity, the common properties and the responsibility to operate and maintain same and to perform certain community services as referred to in the 74 Covenants. If, at any time hereafter, the NFP Entity, or its assignee or successor, fails (in the reasonable discretion of Assignee) to perform community services as referenced above, in an adequate and timely manner, in all or in any portions of Sea Pines Plantation, then Assignee shall have the right (but not the duty) after fifteen (15) days written notice to and failure to cure or diligently commence to cure such lack of performance within ten (10) days of receipt of such notice on the part of the NFP Entity or its assignee or successor, to perform, correct or otherwise cause the

performance of the particular community service and to credit the actual cost of such performance against any community services assessment or adjusted gross resort revenue contribution as defined in the 74 Covenants and as may be due from Assignee. The transfer of the obligation and responsibility to perform Community Services to the NFP Entity or any other assignment by Assignor shall be subject to rights of Assignee as set forth herein.

2. Those certain rights and privileges reserved to the "Company" by Article II, Section C(1) of the 74 Covenants to make "minor changes" in golf course land and any other land use category as defined in the 74 Covenants with regard to the property to be conveyed by Assignor to Assignee as set forth in the Agreement.

3. All of its "right of repurchase," in regard to all properties within Sea Pines Plantation as more particularly described in any Restrictions and/or Declarations of record in Beaufort County, South Carolina including those certain Declarations, Covenants and/or Restrictions recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina in Deed Book 172 at Page 316, Deed Book 260 at Page 1143, Deed Book 209 at Page 1745, and in Deed Book 173 at Page 46; and like Declaration of Covenants of the Sea Pines Plantation Company as Declarant for Class "A" Single Family Residential Areas and Multi-Family Residential Areas within Sea Pines Plantation.

4. All rights reserved unto the "Company" in the Restatement except those granted by Paragraph 3(h) including but not limited to the right to approve the consolidation or subdivision of any lots or other parcels in Sea Pines Plantation. The creation of any density units arising out of the consolidation of lots shall be owned or used at the discretion of Assignee,

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subject however, to the provisions of the Sea Pines Master Plan and recorded covenants and any other applicable restrictions or laws or ordinances.

5. In order to provide adequate run-off of surface water consistent with sound golf course management principles, the right (but not the duty) to direct and control the water level of all lagoons and drainage canals within Sea Pines Plantation that affect the golf course drainage and the right to control all Drains, (as defined in Article II, Paragraph 1 of the 74 Covenants), tidal gates, risers, pumps, valves and any and all other drainage control devices or equipment which are essential to raising or lowering water levels affecting drainage of the golf courses. This right to control drainage includes the right (but not the duty) to maintain all lagoons, water courses, ditches, channels, pipes, culverts, trenches, and all equipment or machinery associated with any and all portions of the drainage system within Sea Pines Plantation that affects the golf courses. Any conveyance by the Assignor of any properties in Sea Pines Plantation to the NFP Entity or any other entity or person shall be made subject to the rights set forth herein.

6. The right to connect roads and driveways, rights-of-ways and easements constructed by Assignee or on property owned by Assignee within Sea Pines Plantation with any other roads or rights-of-ways within Sea Pines Plantation (and the right to install curb cuts on such rights-of-ways), and the right to relocate roadways, easements and rights-of-ways to the extent any such relocation shall not affect the rights of other owners of property within Sea Pines Plantation, and the right to make connections with and to all existing utilities and drainage facilities within Sea Pines Plantation.

7. All rights under the Class "A" Covenants and any and all Sea Pines

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Plantation restrictive covenants related to the ownership and operation of the golf courses and other recreational amenities being purchased by Assignee.

8. Assignor recognizes and acknowledges the necessity of clearly setting forth the rights of Assignee in and to the roadways, entrance ways and gates of Sea Pines Plantation, to enable Assignee to operate its Assets and to achieve optimum revenues and cash flows and to promote the use of its recreational and resort facilities including golf courses, tennis courts, beach facilities, and lodging facilities, consistent with the purpose, intent and scheme of development as set forth in the 74 Covenants. Assignor has the right to establish and control gate policies and assign same in accordance with the 74 Covenants. In recognition of the rights of Assignor set forth herein, Assignor does agree, with respect to the Assets being acquired by Assignee, to restrict its rights and the rights of any of its successors or assigns to change the gate policy in any manner that would in any way adversely affect Assignee's ability to own and operate its Assets within Sea Pines Plantation that it is acquiring from Assignor. Accordingly, by and through these presents, Assignor does establish and designate that certain gate policy which is attached to this Assignment as Exhibit "A" (hereinafter "Policy") as the existing gate policy currently being adhered to in Sea Pines Plantation. Assignor hereby assigns to Assignee, its successors and assigns, its rights of access through the gates of Sea Pines Plantation and over the roadways within Sea Pines Plantation as set forth in the Policy, and hereby covenants that neither Assignor nor any successor of Assignor to either its rights to control gate policy or as owner of the fee in the roadways and gates within Sea Pines Plantation, will impose or institute any change to the Policy that in any way further restricts Assignee or

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Assignee's guests, agents, invitees, employees, contractors, subcontractors, successors, assigns or other persons consistent with the Policy, from entering through the gates of Sea Pines Plantation and traveling over any of the roadways within Sea Pines Plantation to reach, utilize and enjoy any of the Assets, unless such action or change is consented to in writing by Assignee. Examples of actions that would be deemed to be unauthorized restrictions of Assignee's rights to access would include but not be limited the following:

i. The imposition of any higher fees to enter the gates of Sea Pines for Assignees, its successors, assigns, agents, employees, contractors, subcontractors, invitees, or any other authorized personnel of Assignee entering Sea Pines Plantation for use of or service to the Assets.

ii. The re-routing or special routing of traffic attempting to reach the Assets.

iii. Any requirement to obtain any special decals or authority except as set forth in the Policy.

iv. Any limitation on the time that access is allowed beyond that set forth in the Policy.

v. The requirement of any special advance notice to enter the gates beyond those set forth in the Policy.

Contemporaneous with the execution of this Assignment of Rights, Assignor shall grant to Assignee, its successors or assigns, an easement appurtenant to all of its Assets within Sea Pines Plantation consistent with the provisions herein. Any subsequent conveyance by Assignor of any of its rights to control the gate policies for Sea Pines Plantation or any conveyance of Assignor of the roadways and gates of Sea Pines Plantation shall be made subject to this Assignment of Rights, the Policy attached hereto and the easement

granted by Assignor to Assignee as more fully described above and as set out in a separate document entitled "Easement for Access."

9. All of Assignor's rights as Company under the 74 Covenants to call and/or approve a "Referendum" as defined in the 74 Covenants.

10. The non-exclusive assignment of Assignor's rights, if any, to enforce all covenants and restrictions affecting any properties in and outside Sea Pines Plantation, save and excepting any covenants and restrictions affecting subdivisions commonly known as Point Comfort and North or South Forest Beach.

11. All rights Assignor may have to the extent not inconsistent with any covenants, regulations, agreements, laws, ordinances or otherwise to license and maintain real estate and rental offices within the improvements and on any properties being purchased by Assignee.

12. All rights of ownership in the most current Master Plan of Sea Pines Plantation including the right to initiate, seek and/or approve any proposed change in such and the rights to any and all approvals and/or development rights granted by any regulatory authority and the right, in the event of an appeal of a decision of the Sea Pines Architectural Review Board, for Assignee to appoint an arbitrator to hear such appeal, to the extent such right currently exists in Assignor pursuant to the ASPPPO Settlement Agreement.

13. Assignor's non-exclusive right to plant trees, plants and shrubs; to provide and ensure adequate drainage ways, canals or lagoons; to cut fire breaks; to utilize controlled burning to prevent build-up of excessive "ground fuel" and underbrush contributing to severe damage from uncontrolled forest fires, as described in Article II(8)(1) of the 74 Covenants.

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14. The non-exclusive right to make minor changes in the boundaries of the various categories of designated areas as defined in and limited by Article II(B)(5) of the 74 Covenants.

15. All rights of reversion and/or other future interests in real property, contract rights, personal property or intangibles which are not disposed of upon the winding-up of the Bankruptcy Estate and the dissolution of Hilton Head Liquidation Corp.

The preamble to this Assignment is incorporated herein by reference.

All references to Assignee are intended to include Assignee, its successors and assigns and Buyer, its successors and assigns.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed as of the day and year first above written.

WITNESSES:

Carol P. Cramer

Louise R. Lund

ASSIGNOR:

By: John F. Curry

JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation

PINE:RIGHTS1-3:11/15/87bsl
(9th draft)

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EXHIBIT "A"

GATE POLICY

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GATE POLICY

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SECTION IV

POLICY FOR ISSUANCE OF GATE PASSES

4.01 Visitor Passes (Non-Commercial)

4.01.1 No Charge.

Visitor Passes can be authorized for the following individuals and their guests at no charge:

- Sea Pines Property Owners
- Long Term Renters in Sea Pines
- Employees of the Company (herein defined in Section 4.01.1.6), or other businesses operating commercial lands within Sea Pines Plantation who contribute to the Community Trust Fund according to the provisions of the 1974 Covenants or according to other provisions as contained herein.
- Clients of and/or Real Estate Agents showing property under special circumstances.
- Clients of participating commercial land owners and businesses (see 4.03.4).

4.01.1.1 Sea Pines Property Owners.

When a Property Owner arrives at the Security Office or Sea Pines Welcome Center desiring a temporary pass (arrived with a rental vehicle, traveling with friends, etc.) they should present a Property Owner's ID with their picture on it for verification. If they have one of the old ID's (without a picture) another form of ID should be required and then the Property Owner listing should be checked. The ID's (with the pictures on them) that are not expired are to be honored when carried by the Property Owner without further ID or checking.

4.01.1.2 Government Officials.

U.S. Government Officials, State of South Carolina Officials, Beaufort County Officials and Town of Hilton Head Officials showing valid identification will be admitted through the Gates without having to return to the Security Office to be cleared. If they do go to the Security Office, on presentation of proper identification as an Official of one of the above agencies, they will be issued a daily Gate Pass. Vehicles having an official seal of any of the above agencies as well as vehicles with the following special decals, (1) Utility Company, (2) Hilton Head Holdings and (3) Town of Hilton Head, will be admitted through the Gates without the need for a daily pass.

4.01.1.3 Marriott Ownership Resorts, Inc. (herienafter called "MORI").

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MORI is defined as the Time Share units at Monarch, Swallowtail, Spicebush and some units in the following:

Ketch Court	Plantation Club Villas
Twin Oaks	Port Villas
Racquet Club	Night Heron

MORI will periodically draw passes from the Sea Pines Welcome Center based on their anticipated needs. The owner of the Time Share will receive a pass at the Marriott Welcome Center Office for the length of their stay in the Plantation. (MORI Owners DO NOT receive Sea Pines Property Owner Decals). The passes will be stamped "MARRIOTT GUEST".

Short Term Rentals of MORI are those who rent for one or more nights and are given the same pass as an owner since they are placed in a vacant owner unit or an unsold MORI owned unit.

"TOUR PROSPECTS" are those brought in by MORI to take the Sales Tour and are given a $3.00 daily pass already purchased by MORI.

4.01.1.4 Seascape Owners.

Only original owners of Seascape will be issued free passes. They must present an original owner's ID card. They cannot get guest passes for their friends or guests.

4.01.1.5 Harbour Town Merchants Courtesy Pass.

If a guest comes to the gate with one of the Harbour Town Merchants Courtesy Passes, the guest will be turned into the Officer on duty and the person allowed to enter the Plantation during the hours of 9:00 A.M. and 5:00 P.M., Monday thru Friday.

4.01.1.6 Sea Pines Plantation Company, Inc. (the "Company").

Wherever used in this Gate Policy the term "Company" shall mean SEA PINES PLANTATION COMPANY, INC., a South Carolina corporation, its subsidiaries, successors and assigns including Sea Pines Real Estate Companies, Inc. and all related entities.

The Company has the right to cause the issuance, at no charge to the Company, of annual gate passes for all Company Directors, Officers and employees, to include Company consultants, real estate sales agents and contractors other than those serving in a temporary capacity, in which case temporary passes may be issued. The Company further reserves the right to issue annual or temporary passes to a limited number of Public Officials holding either Town, County, State or Federal Office. The above-described passes will be issued by the Sea Pines Security Office upon the request and authorization of designated Company Officials.

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The Company has the right to issue or cause to be issued at no charge to the Company, temporary guest passes to the following categories of Company guests or business clients:

a. Company lodging guests.
b. Business clients of the Company.
c. Real Estate clients of the Company.
d. Visiting VIP's and social guests at company sponsored functions.

The above categories of passes will be issued at the Company managed Welcome Center unless otherwise agreed to by the Company and/or its successors. In addition to the above gate pass authority, Paragraphs 4.01.1; 4.01.1.4; 4.01.1.6; and 4.01.1.7 are applicable to the Company and its tenants. In the event of sale of the Company or its major assets, its successors shall have all the rights, privileges and obligations as expressed in this policy, subject to their acceptance and adherence to the terms of funding Community Services, stated in Article III, Paragraph B of the Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc. dated September 7, 1974.

4.01.1.7 Company Real Estate Clients.

All requests must come from Company Sales Agents and given to the Welcome Center Real Estate Receptionist.

The passes are good for one day only if picked up before 2:00 P.M. After that, the pass will be issued for two days (the current and the following day).

The receptionist will log the agent and client's name for follow-up by the Broker-in-Charge.

This temporary pass is for Company prospects only. Each agent is urged to tour with the prospect personally.

4.02 General Information for Temporary Passes.

4.02.1 Who Can Arrange for Passes.

Passes can be arranged for guests either in person at the Sea Pines Welcome Center or by telephone (785-8004) by Sea Pines Property Owners, Long Term Renters in Sea Pines, MORI Time Share Owners and by Company and its employees. Passes are to be issued for a period not to exceed two (2) weeks.

4.02.2 Renewal of Passes.

When passes are issued at the Welcome Center, if they are subject to

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renewal, it will be indicated on the reverse side with a large "R" and the issuing employee's initial.

4.02.3 Issuing of Passes at the Security Office.

Passes may be issued by the Security Office to Sea Pines Property Owners only, while they are traveling in rented/borrowed vehicles or they do not have proper documentation for the issuance of Property Owner Decals. Other passes as may be authorized by the Director.

4.02.4 Colors for Temporary Passes.

The following color for temporary passes will be used for the month indicated unless otherwise instructed by the Director. The color will be issued as indicated starting the FIRST of every month.

January/July	RED
February/August	GREEN
March/September	YELLOW
April/October	ORANGE
May/November	BEIGE
June/December	BLUE

4.03 Daily Commercial Passes.

Basically are issued to anyone not covered in the above instructions.

4.03.1 $3.00 Daily Pass.

Is the charge for four (4) wheel vehicles used by:

All construction workers not working for Sea Pines Company itself.
Contractors and Island Resident Guests.
Tennis or Golf patrons.
Charter Boat patrons.
Retail or Restaurant Customers and visitors or tourists not otherwise provided for herein.

4.03.2 $15.00 Daily Pass.

Is the charge for commercial vehicles with more than four (4) wheels, excluding buses. (see below)

4.03.3 Special Temporary Pass for Contractors.

A pass will be issued to contractors who have purchased the proper commercial decal but due to an accident, breakdown, etc. do not have that vehicle available for a limited time (not to exceed seven days). The Gate Officers will admit them for the period shown on the pass. All passes will be dated and signed by Security Office personnel.

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4.04 $25.00 Bus Passes.

All buses that do not have a permanent Commercial Decal are charged $25.00 for a daily pass. Buses are required to use the Greenwood Gate for entry except for those groups sponsored by the Hilton Head Inn/Sea Scape Guest Convention Services and cleared by proper authority, who may use the Ocean Gate.

4.04.1 Special Information

Bus Drivers and/or Tour Guides will be given the following information (as a printed handout by the duty Dispatcher) together with their daily pass:

"Welcome to Sea Pines Plantation:

There are a few rules we ask you and your group to follow while visiting us:

A. You are authorized to discharge/pickup your passengers at the Sea Pines Center, Harbour Town or South Beach Marina Conference Center only.

After discharging your passengers, you are to exit the plantation via the Greenwood Gate and park outside the Plantation until time to pickup your passengers.

B. Use the Greenwood Gate only, proceed on Greenwood Drive to Greenwood Circle. If you are going to either the Sea Pines Center or Harbour Town, take the first exit (Lighthouse Rd). If you are going to South Beach Marina, take the second exit (Greenwood Drive), proceed to South Sea Pines Drive, then on to South Beach Marina.

C. There are no tours of the Plantation allowed, remain on the above roads as directed.

D. Do not park along roadsides, Beach walkways or in residential areas.

E. Camping and picnics are prohibited.

F. This pass is not valid for swimming pools, playgrounds, fishing or Beach Club facilities.

G. It is a violation of FEDERAL LAW to feed or otherwise disturb alligators.

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4.05 Bicyclist Passes.

The bicycle paths located within Sea Pines Plantation were constructed with "private" moneys and as such are for the enjoyment of Sea Pines Property Owners, their dependents and guests (of property Owners and/or rental agencies) while residing within Sea Pines Plantation. "Outside" bicycles are not allowed entry.

4.05.1 Sea Pines Owners/Dependents and Guests While Residing in Plantation.

A bicyclist, upon departing from the Plantation, will receive a temporary pass from the Gate Officer which will allow them to re-enter the Plantation with their bicycle. This pass is ONLY for property owners, their dependents and guests (of property owners and/or rental agencies) while temporarily residing within Sea Pines Plantation.

4.06 Entry for Special Sports Events.

Free guest entry into Sea Pines will be granted upon authorization by Company to all ticket holders, authorized guests, participants, sponsors, volunteers and equipment or service suppliers for major annual sports events such as the MCI Heritage Golf Classic; the Family Circle Tennis Tournament; the International Seniors Golf Tournament and to a limited number of other sports events sponsored by the Company or its successor.

4.07 Entry for Scheduled, Civic, Cultural, Religious or Educational Meetings or Events.

Free guest passes will be issued upon a list of names delivered to the Security Office forty-eight (48) hours in advance along with the name and description of the event and its purpose submitted by the Sponsoring Property Owner.

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SECTION V

POLICY FOR ISSUANCE OF DECALS

5.01 General Information

The issuance of decals will be under the control of the Company Administrative Office and will be governed by the following policies:

5.01.1 Definition of 'Commercial' Type Vehicle

For the purposes of this manual and for the issuance of decals, the following are defined as 'Commercial' vehicles and will be issued "Commercial Decals":

a. All flat-bed/stake body trucks.
b. All trucks with a load capacity of more than 1½ tons.
c. All vehicles with permanent lettering/logos on them.
d. All vehicles utilized in providing a delivery service of supplies or equipment to property owners, long term residents, commercial establishments, etc.
e. All vehicles utilized in providing a service to property owners, long term residents, commercial establishments, etc. within Sea Pines Plantation for a livelihood/profit.
f. All vehicles utilized in providing transportation, tours, and sight-seeing services. (See paragraph 5.07.1)
g. All vehicles with work accessories attached or fastened thereto i.e., ladders, pipe racks, tool boxes, etc.
h. In the event of a vehicle not specifically falling within the categories, the Director of Sea Pines Security or an authorized Sea Pines Security Officer will make the final determination as to whether or not the vehicle should be classified as a "Commercial" type.

5.01.2 Definition of Recreational (RV) Vehicle

For the purposes of this manual, a vehicle that is either towed or self propelled, designed with living and sleeping facilities, and/or equipped with water/sewage/electrical hookups, considered to be a self-contained unit, is deemed to be a Recreational Vehicle and as such is not entitled to receive a decal.

A recreational Vehicle may be authorized entry into the Plantation for a maximum of four (4) hours for the purposes of loading and unloading only.

Some vans have large, picture type, side windows and are "fancied up" on the inside and may be classified as an RV for the purchase of a state vehicle licenses, however, as long as they do not project an image of a living and sleeping facility, they will not be treated as

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an RV.

5.01.3 Vehicles Not Authorized to Park Overnight in the Plantation

a. Commercial vehicles (see paragraph 5.01.1 above)
b. Recreational (RV) vehicles (see paragraph 5.01.2 above)
c. Dune Buggies (Not allowed entry at any time)
d. Motorcycles (Not allowed entry at any time)
e. Trailers of any kind, except by special permission when they are allowed to remain overnight on an unimproved lot while construction is being completed on that lot.
f. Boats of any kind, unless they can be placed within a closed garage.
g. Campers of any kind.

For a user fee, these vehicles (except boats) may be parked in an area Sea Pines Security has provided for the storage of these vehicles.

5.02 Property Owner Decals

5.02.1 Eligibility

Limited to Property Owners only.

Property owner decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.02.2 Number Authorized

No limit to number of decals issued, subject to the vehicles being registered in the name of the Property Owner/Spouse. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.02.3 Verification

Verification of property ownership will be done by the Administrative Office Staff. If the verification cannot be done by records held in the administrative office, Property Records (ext 454) will be called and verification requested from that office. If verification still cannot be accomplished, the property owner will be requested to furnish copies of the Closing Statement, Partnership Agreements, Deeds, etc. Decals will not issued until verification of property ownership is completed.

5.02.4 Documents required

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be registered to the property

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owner and/or spouse. If it is a company owned vehicle, it must be verified that the vehicle is for the private full time use of the property owner and not a 'Company Pool' vehicle.

5.02.5 How issued

The decal may be issued in person or by mail provided the above procedures have been completed.

5.02.6 Expiration

These decals will expire when determined by the Sea Pines Company in coordination with the Association of Sea Pines Property Owners and the Director of Security. (Usually every three to four years)

5.02.7 Charge

There is no charge to the Property Owner for their decal or replacement.

5.03 Dependent Decals

5.03.1 Eligibility

Must be a dependent child or step-child, unmarried, 21 years old or less (23 if still in college) of a Property Owner, living full time with parents, and other family members living in household full time.

Dependent decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.03.2 Number Authorized

No limit to number issued , subject to vehicles being registered in the name of the dependent. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.03.3 Verification

Verification of dependency will be done by the Administrative Office Staff. If the verification cannot be done by records held in the administrative office, the Property Owner will be contacted and requested to apply for their child and other family members.

5.03.4 Documents required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the dependent child. The application for a decal must be counter-signed by the parent (Property Owner).

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5.03.5 How Issued

The decal may be issued in person or by mail provided the above procedures have been completed.

5.03.6 Expiration

These decals will expire annually, on the last day of November.

5.03.7 Charge

There is no charge to the dependent for their decal or replacements.

5.04 Relative Decals

5.04.1 Eligibility

Limited to immediate family members of a Property Owner. "Immediate family member" is defined as the mother, father, sister, or brother of a Property Owner. Also included as an "immediate family member" are the children of Property Owners in any or all of the following categories:

1. Married
2. Over the age of
3. Not living full time with parents

Relative decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.04.2 Number Authorized

Two (2) decals may be issued for the family of each relative. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.04.3 Verification

Verification will be accomplished by the Administrative Office Staff. If the verification cannot be done by records held in the administrative office, the Property Owner will be contacted and requested to apply for their relative.

5.04.4 Documents Required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the relative applying. The application must be counter-signed by the Property

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Owner.

5.04.5 How Issued

The decals must be applied for in person at the administrative office by the Property Owner.

5.04.6 Expiration

These decals will expire annually, on the last day of November.

5.04.7 Charge

There is a $3.00 charge for each decal issued. A replacement charge of $1.00 will be collected together with the old decal (or pieces).

5.05 Company Employees

5.05.1 Full Time Employees

5.05.1.1 Eligibility

Must be an employee of Company.

Employee decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use with the Plantation, it is for the employee's transportation to and from work.

5.05.1.2 Number Authorized

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.05.1.3 Verification

Verification of employment will be accomplished by the Administrative Office Staff, either by viewing an Employee's ID, or checking the printout of all employees. If verification cannot be accomplished by the above, the Human Resources Office (ext 372) will be contacted.

5.05.1.4 Documents Required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for a decal must be counter-signed by the employee's supervisor or the Director, Human Resources Office (or authorized staff member, Human

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Resources Office).

5.05.1.5 How Issued

Each new employee may be issued one decal by the Director, Human Resources Office (or authorized staff member) at the time of employment. Once completed, copies of the application will be forwarded to the Security Administrative Office.

All other employee decals (additions, renewals, deletions, changes, replacements, etc.) will be issued by the Security Administrative Office staff. During the annual renewal period, separate instructions will be published to all departments.

5.05.1.6 Expiration

These decals will expire annually, on the last day of November.

Upon termination of an employee, the decals must be scraped and returned to the Human Resources Office before the employee can be cleared. The Human Resources Office will notify the Security Administrative Office of the termination in order that the records can be adjusted.

5.05.1.7 Charge

There is no charge to the employee for their decal or a replacement.

5.05.2 Summer Seasonal Employees

5.05.2.1 Eligibility

Must be an employee of Company who has been hired as a "Summer Seasonal" employee.

Employee decals will not be issued for 'commercial type vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is for the employee's transportation to and from work.

5.05.2.2 Number Authorized

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.05.2.3 Verification

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Verification of employment will be accomplished by the Administrative Office Staff, either by viewing an Employee's ID, or checking the printout of all employees. If verification cannot be accomplished by the above, the Human Resources Office (ext 372) will be contacted.

5.05.2.4 Documents Required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for a decal must be counter-signed by the employee's supervisor or the Director, Human Resources Office (or authorized staff member, Human Resources Office).

5.05.2.5 How Issued

Each new 'Summer Seasonal' employee may be issued one decal by the Director, Human Resources Office (or authorized staff member) at the time of employment, the decal will be cut in half to designate it as a 'SUMMER SEASONAL EMPLOYEE' decal. Once completed, copies of the application will be forwarded to the Security Administrative Office.

All other employee decals (additions, renewals, deletions, changes, replacements, etc.) will be issued by the Security Administrative Office staff.

5.05.2.6 Expiration

These decals will expire as of September 15 each year. Upon termination of an employee, the decals must be scraped and returned to the Human Resources Office before the employee can be cleared. The Human Resources Office will notify the Security Administrative Office of the termination in order that records can be adjusted.

5.05.2.7 Charge

There is no charge to the employee for their decal or a replacement.

5.06 Long Term Renter Decal

5.06.1 Eligibility

Limited to Long Term Renters whose names appear on a written Lease Agreement. Also included are those renters at "Harbour House" who do not have a written Lease Agreement and whose names are on file in the Security Administrative Office.

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A Long Term Renter is defined as one who has a written Lease Agreement for six (6) months or more at the time they apply for a decal.

Long Term Renter Decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.06.2 Number Authorized

No limit to number of decals issued, subject to the vehicle being registered in the name as shown on the Lease Agreement. If a replacement decal is needed, the old decal (or pieces) must be returned to the Security Administrative Office.

5.06.3 Verification

Verification of a Long Term Renter will be accomplished by the Administrative Office Staff.

5.06.4 Documents Required

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be registered to the Long Term Renter (or spouse) and/or children (living full time with the renter). A copy of the Lease Agreement must be presented. If the vehicle is a company owned vehicle, it must be verified that the vehicle is for the private full time use of the renter and not a 'Company Pool' vehicle.

5.06.5 How Issued

The decal must be applied for in person at the administrative office.

5.06.6 Expiration

These decals will expire annually, on the last day of November.

5.06.7 Charge

There is no charge to the Long Term Renter for their decal or replacement.

5.07 Island Resident Decals

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5.07.1 Eligibility

Limited to those individuals who do not live in Sea Pines Plantation, but do live on Hilton Head Island or surrounding area at least six (6) months of the year. New applications must be signed by two (2) Sea Pines Property Owners, with address and phone number.

Local transportation, tour and sight-seeing companies may receive an "Island Resident Decal" vice a "Commercial Decal" upon their application for and the approval of their request by the Director of Security. His decision is final in this determination.

Island Resident Decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation except as provided for in the paragraph above.

5.07.2 Number Authorized

No limit to number of decals issued.

5.07.3 Verification

Verification will be the responsibility of the Administrative Office Staff.

5.07.4 Documents Required

A completed Decal Application with the required signatures.

5.07.5 How Issued

The decal must be applied for in person at the Administrative Office.

5.07.6 Expiration

These decals will expire annually, on the last day of November.

5.07.7 Charge

There is a charge for these decals which is determined prior to November 1st of each year.

5.08 Island Clergy (Island Resident Decal)

5.08.1 Eligibility

Limited to those individuals who are ministers of an organized church on Hilton Head.

Island Clergy decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation, rather, they are intended to be used by the Clergy to visit with their church members.

5.08.2 Number Authorized

Limited to one (1) decal.

5.08.3 Verification

Verification will be the responsibility of the Administrative Office Staff.

5.08.4 Documents Required

A completed Decal Application and a valid vehicle registration (or a copy) which must be in either the name of the minister or in the name of the church.

5.08.5 How Issued

The decal must be applied for in person at the Administrative Office.

5.08.6 Expiration

These decals will expire annually, on the last day of November.

5.08.7 Charge

There is no charge for these decals.

5.09 Sea Brook Residents (Former Sea Pines Property Owners)

5.09.1 Property Owner Decals are authorized for those individuals who were former owners in Sea Pines Plantation, but now live in Sea Brook. All other residents of Sea Brook are eligible for 'Island Resident' Decals and will be charged the same as other desiring an Island Resident Decal.

Property Owner Decals for this category will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.09.2 Number Authorized

Limited to two (2) decals. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

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5.09.3 Verification

Verification will be the responsibility of the Administrative Office Staff.

5.09.4 Documents Required

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be in the name of the former property owner (or spouse) and the address on the registration be for Sea Brook.

5.09.5 How Issued

The decal must be issued in person or by mail provided the above procedures have been completed.

5.09.6 Expiration

These decals will expire when determined by the Association of Sea Pines Property Owners and the Director of Security. (Usually every three to four years.)

5.09.7 Charge

There is no charge to the former owner for their decal or replacement.

5.10 Six Oaks Cemetery Plot Owners

5.10.1 Eligibility

Island Resident Decals are authorized to the Principal Heir of a deceased buried in the Six Oaks Cemetery. (Other family members will be issued a One-day Pass as needed.)

Decals for Six Oaks Cemetery Plot Owners will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.10.2 Number Authorized.

Limited to one (1) decal. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.10.3 Verification.

Verification will be the responsibility of the Administrative Office Staff. (Check with the Asst V.P. of Community Services)

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5.10.4 Documents Required.

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be registered in the name of the owner of the plot(s).

5.10.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been completed.

5.10.6 Expiration.

These decals will expire annually, on the last day of November.

5.10.7 Charge.

There is no charge to the owner of a plot(s) for their decal or replacement.

5.11 Seascape Owners (Original).

5.11.1 Eligibility.

Island Resident Decals are authorized for those individuals who are original owners of Seascape property.

A decal will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.11.2 Number Authorized.

Limited to two (2) decals. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.11.3 Verification.

Verification will be the responsibility of the Administrative Office Staff thru the use of the Property Owner's Computer Printout. This is accomplished by reading the "Account #" which is an eight (8) digit numeric code. (i.e., 7-00000-01; 7-00000-02; 7-00000-03. The portion underlined indicates the number of times the property has been owned, 01 is the first (original) owner).

5.11.4 Documents Required.

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be in the name of the Seascape property owner (or spouse).

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5.11.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been completed.

5.11.6 Expiration.

These decals will expire when determined by the Association of Sea Pines Property Owners and the Director of Security. (Usually every three to four years)

5.11.7 Charge.

There is no charge to the Seascape owner for their decal or replacement.

5.12 Sea Pines Public Service District Employee (Island Resident Decals).

5.12.1 Eligibility.

Must be an employee of Sea Pines Public Service District.

Island Resident decals will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is for the employee's transportation to and from work.

5.12.2 Number Authorized.

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.12.3 Verification.

Verification of employment will be accomplished by the Administrative Office Staff, of the Sea Pines Public Service District.

5.12.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must presented. The vehicle must be registered to the employee (or spouse). The application for a decal must be countersigned by the employee's supervisor.

5.12.5 How Issued.

Must be applied for either by the Supervisor or in person at the Administrative Office.

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During the annual renewal period, separate instructions will be furnished to the Sea Pines Public Service Administrative Office.

5.12.6 Expiration.

These decals will expire annually, on the last day of November.

Upon termination of an employee, the decals must be scraped and returned to the Security Department Administrative Office.

5.12.7 Charge.

There is no charge to the employee for their decal or a replacement.

5.13 Sea Pines-Forest Beach Fire Department Employees (Island Resident Decals.

5.13.1 Eligibility.

Must be an employee of Sea Pines-Forest Beach Fire Department.

Island Resident decals will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is for the employee's transportation to and from work.

5.13.2 Number Authorized.

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.13.3 Verification.

Verification of employment will be accomplished by the Administrative Office Staff, of the Sea Pines Forest-Beach Fire Department.

5.13.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the e@ployee (or spouse). The application for a decal must be countersigned by the Chief/Asst. Chief (or their authorized representative) of the Sea Pines-Forest Beach Fire Department.

5.13.5 How Issued.

Must be applied for either by the Supervisor or in person at the Administrative Office.

During the annual renewal period, separate instructions will be

furnished to the Sea Pines-Forest Beach Fire Department.

5.13.6 Expiration.

These decals will expire annually, on the last day of November.

Upon termination of an employee, the decal must be scraped and returned to the Security Department Administrative Office.

5.13.7 Charge.

There is no charge to the employee for their decal or a replacement.

5.14 Commercial Decals.

Commercial decals authorize entry Monday thru Saturday, 7:00 a.m. to 7:00 p.m. Entry is not allowed on Sunday or between the hours of 7:00 p.m. to 7:00 a.m. except as authorized by the the Director of Security. A special "strip" may be authorized in some cases which will allow entry from 7:00 a.m. to 9:30 p.m. and Monday thru Sunday. Other persons wishing to enter the Plantation after these hours, and for business purposes only, must stop at the Security office for clearance.

5.14.1 Definition.

A commercial decal is required by all persons doing business inside Sea Pines Plantation.

5.14.2 Number Authorized.

There is no restriction on the number of commercial decals, except as noted.

5.14.3 Expiration.

Commercial decals will expire annually, on the last day of November.

5.14.4 Charge.

Charges for commercial decals are placed in six (6) general categories:

	ANNUAL CHARGE.
Employees of Sea Pines Property Owners	$ 0.00
Newspaper Delivery Persons	0.00
Employees of Sea Pines Merchants	25.00
Autos, pick-up trucks and similar size vehicles	50.00
Vehicles with six (6) wheels (Dual wheel)	150.00
Vehicles with more than (6) wheels	250.00

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The above charges are normally pro-rated (half-price) in June of each year. (Employees of Sea Pines Merchants to the next highest dollar.)

5.14.5 Employees of Sea Pines Property Owners.

5.14.5.1 Eligibility

Limited to those individuals who work for one or more Sea Pines Property Owner a minimum of three days per week. To include but not limited to, maids. Nurses in special cases as approved by the Director.

A decal in this category will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is intended for the employees transportation to and from work.

5.14.5.2 Number Authorized.

Limited to one decal. If a replacement is needed, the old decal (or pieces) must be turned in at the Security Administrative Office. This decal cannot be placed on a "commercial type" vehicle, (i.e. vehicles with logos, or more than 4 wheels, etc.)

5.14.5.3 Verification.

Verification will be accomplished by the Administrative Office Staff.

5.14.5.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for the decal must be countersigned by the Sea Pines Property Owner(s), indicating the number of days per week the applicant works for them and in what capacity.

5.14.5.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been complied with.

5.14.6 Employees of Sea Pines Merchants.

5.14.6.1 Eligibility.

Limited to those individuals who are employees of one of the following:

Baileys
Capin's Pharmacy
Camp Hilton Head
Cafe Europa

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C.Q's
Dimatech
Fashion Court
Grocery Bag
Harbour Lights
Harbour Town Grill
Harbour Town Crafts
Harbour Town Marina
Knickers
Le Petit Bateau
Marriott Ownership Resorts, Inc. ("MORI")
Slight Indulgence
Sandpiper
University Shop
Crazy Crab
Demers Gallery
Gatlin's Fine Food
Hales
Harbour Town Bike Rental
Harbour Town Wine & Spirits
Harbour Town Antiques
Harbour Shop
Land's End Tavern
Signes
Shoes, Etc.

A decal in this category will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is intended for the employees transportation to and from work.

5.14.6.2 Number Authorized.

Limited to one decal. If a replacement is needed, the old decal (or pieces) must be turned in at the Security Administrative Office. This decal cannot be placed on a "commercial type" vehicle, (i.e. vehicles with logos, or more than 4 wheels, etc.)

5.14.6.3 Verification.

Verification will be accomplished by the Administrative Office Staff.

5.14.6.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for the decal must be countersigned by the Sea Pines Merchant, indicating if the employee is required to work on Sundays (so a strip may be issued if needed).

5.14.6.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been complied with.

5.15 MOPED Decals

Specific instructions regarding the issuance of permits for the operation of MOPEDS within Sea Pines Plantation are contained in Section VII of this manual. General instructions for the issuance of decals are listed below:

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5.15.1 Eligibility.

Decals will be issued only to Sea Pines Plantation property owners and a number of employees equal to those currently having MOPED licenses.

5.15.2 Number Authorized.

Limited to a total of 150 MOPEDS within the Plantation at any one time.

5.15.3 Verification.

Verification of eligibility will be the responsibility of the Administrative Office Staff. A physical inspection of the MOPED will be made by an authorized Sea Pines Security Officer to determine the brake horse power and condition of the vehicle for safe operation within the Plantation and to insure that it complies with the provisions of Section VII of this manual.

5.15.4 Documents Required.

To receive a decal, proof of ownership by a person eligible as provided for in paragraph 5.13.1 above may be required.

5.15.5 How Issued.

The decal must be issued in person in order that the physical inspection of the MOPED may be accomplished.

5.15.6 Expiration.

These decals will expire annually, on the last day of November.

5.15.7 Charge.

There is no charge for these decals.

J.S&P/JPS

EXHIBIT 3c

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EXHIBIT D

Quit-Claim Deed

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

QUIT-CLAIM DEED

WHEREAS, John F. Curry, Trustee in Bankruptcy for Hilton Head Holdings Corporation, and Hilton Head Liquidation Corporation (formerly known as Sea Pines Plantation Company) SEND GREETING:

NOW, KNOW ALL MEN BY THESE PRESENTS, that John F. Curry the said Trustee in Bankruptcy for Hilton Head Holdings Corporation, and Hilton Head Liquidation Corp. (formerly known as Sea Pines Plantation Company) in consideration of the sum of Ten and No/100 Dollars ($10.00) to me in hand paid at and before the sealing and delivery of these presents by Sea Pines Plantation Company, Inc., (the receipt whereof is hereby acknowledged) have remised, released and forever quit-claimed, and by these present do remise, release and forever quit-claimed unto the said Sea Pines Plantation Company, Inc.:

ALL that certain piece, parcel, and tract of land, situate, lying and being in the Harbour Town area of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, generally known and described as the Deer Island Road, said road more particularly shown and described as a twenty foot (20') wide roadway for vehicular and pedestrian ingress and egress on a plat entitled "A Plat of ~~2.215~~ 2.309 Acres, ~~Lighthouse Beach Company~~, Harbour Town Tract, a Section of Sea Pines Plantation, said Plat dated November 9, 1987, as prepared by Terry G. Hatchell, S.C. R.L.S. #11059, said Plat recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina in Plat Book 35 at Page 68.

For a more specific reference as to metes and bounds, reference is herewith craved to said Plat.

AND ALSO, all that portion of Lighthouse Road, lying north of the intersection of Lighthouse Road and Lighthouse Lane, within the Harbour Town area of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, said area more particularly shown and described on a plat entitled "A Composite Map of Harbour Town, a Section of Sea Pines

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Plantation", said Plat dated July, 1974, as prepared by Jerry L. Richardson, S.C. R.L.S. #4784, with said Plat recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina in Plat Book 24 at Page 115.

For a more specific reference as to metes and bounds, reference is herewith craved to said Plat.

TOGETHER with all of Grantor's rights appurtenant thereto including, without limitation, the right to relocate or reconfigure such roads to the extent such right may exist and the right at any future time to convey such roads to a not-for-profit entity for its ownership and maintenance.

The within conveyance is subject to all covenants, restrictions, liens and other encumbrances of record, and subject to all rights of ingress and egress reserved to or serving owners of property within Sea Pines Plantation and provided further that such roads shall continue to be maintained through community services as part of the Sea Pines Plantation road system in accordance with the 1974 Covenants applicable to Sea Pines Plantation.

TOGETHER with all and singular the rights, members, hereditaments and appurtenance to the said premises belonging or in anywise incident or appertaining:

TO HAVE AND TO HOLD all and singular the said premises before mentioned unto the said Sea Pines Plantation Company, Inc., heirs and assigns, forever so that neither I the said Trustee nor any other person or persons, claiming under me shall at any time hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part of parcel thereof, forever.

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ORIGINAL DOCUMENT
POOR CONTRAST OR CONDITION

Witness _____ hand and seal this 17th day of October in the year of our Lord one thousand nine hundred and eighty-seven and in the two hundred and twelve year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND PUBLISHED
IN THE PRESENCE OF:

Carl P Pierce

Louise R. Lund

JOHN F. CURRY, Trustee in Bankruptcy
for Hilton Head Holdings Corporation

[PINE:DEED.2:11/16/87pm]

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ORIGINAL DOCUMENT
POOR CONTRAST OR CONDITION

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

QUIT-CLAIM DEED 603

WHEREAS, John F. Curry, Trustee in Bankruptcy for Hilton Head Holdings Corporation, and Hilton Head Liquidation Corporation, f/k/a Sea Pines Plantation Company, SEND GREETING:

NOW, KNOW ALL MEN BY THESE PRESENTS, that John F. Curry the said Trustee in Bankruptcy for Hilton Head Holdings Corporation, and Hilton Head Liquidation Corp., f/k/a Sea Pines Plantation Company, (collectively the "Bankruptcy Estates") in consideration of the sum of Ten and No/100 Dollars ($10.00) to me in hand paid at and before the sealing and delivery of these presents by Sea Pines Plantation Company, Inc., the receipt whereof is hereby acknowledged, have remised, released and forever quit-claimed, and by these presents do remise, release and forever quit-claim unto the said Sea Pines Plantation Company, Inc.:

ALL those certain pieces, parcels, strips and gores of land, (collectively "Parcels") located and lying in Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina as follows:

(i) Those Parcels lying between any golf course boundary line and any adjacent or contiguous lot line or villa parcel line and any other parcels that are not platted and shown as Conservation Open Space, Trust Land and Beach Walkways, Wetland Conservancy or Rights-of-Ways and Easements on a map of Sea Pines Plantation filed October 9, 1974, with the Association of Sea Pines Property Owners, Inc., and as described in the Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc., dated September 7, 1974, and recorded in Deed Book 224 at Page 1036 in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina.

(ii) Any Parcels lying and being within the boundaries of Sea Pines Plantation owned by the Grantor at the time of the earlier occurrence of (i) the winding-up of the Bankruptcy Estates and the dissolution of the Grantor(s); or (ii) five (5) years from the date of execution of this deed. All such interest and title shall automatically vest in

INITIALS

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POOR CONTRAST OR CONDITION

Grantee (without further action of Grantor) upon the earlier happening of the specified events.

(iii) All rights of reversion and/or other future interests of the Grantor in real property wherever situate, owned, held or vested in the Grantor at the earlier occurrence of (i) the winding-up of the Bankruptcy Estates and the dissolution of the Grantor(s); or (ii) five (5) years from the date of execution of this Deed. All such interest and title shall automatically vest in Grantee (without further action of Grantor) upon the earlier happening of the specified events.

TOGETHER with all and singular the rights, members, hereditaments and appurtenance to the said premises belonging or in anywise incident or appertaining:

TO HAVE AND TO HOLD all and singular the said premises before mentioned unto the said Sea Pines Plantation Company, Inc., heirs and assigns, forever--so that neither I the said Trustee nor any other person or persons, claiming under me shall at any time hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part of parcel thereof, forever.

Witness my hand and seal this 17th day of November in the year of our Lord one thousand nine hundred and eighty-seven and in the two hundred and twelfth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND PUBLISHED IN THE PRESENCE OF:

Carol P. Garner

Louise R. Lund

Carol P. Garner

Louise R. Lund

GRANTORS:

By: John F. Curry
JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation

By: John F. Curry
JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Liquidation Corp. f/k/a Sea Pines Plantation Company

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STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF BEAUFORT)

PERSONALLY appeared before me, the undersigned witness, who, on oath, states that s/he saw the within named Louise R. Lund sign seal and its act and deed, deliver the within written Deed; and that s/he with the other witness whose signature appears above, witnessed the execution thereof.

Louise R. Lund

J. S & P/J P S

SWORN TO before me this 17th
day of November A.D. 1987

(L.S.)
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 11/4/93

JSP

FILED AT 4:51 O'CLOCK BEAUFORT COUNTY S C RECORDED IN BOOK 496 PAGE
NOV 17 1987 603
S/Lloyd Dalton
REGISTER OF MESNE CONVEYANCE

PINE:DEED.1:11-16-87:mjb

RECORDED THIS 23rd DAY
OF November 1987
BOOK 1 PAGE 618
FEES, $
Mary Ann Graybill
AUDITOR, BEAUFORT COUNTY, S. C.

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EXHIBIT D

EASEMENTS

ELECTRONICALLY FILED - 2020 Aug 03 12:35 PM - BEAUFORT - COMMON PLEAS - CASE#2020CP0700768

STATE OF SOUTH CAROLINA)
)
) EASEMENT OVER GOLF COURSE MAINTENANCE AREAS, ETC.
COUNTY OF BEAUFORT)

THIS GRANT OF EASEMENT, (hereinafter "Easement") made this 17th day of November, 1987 by and between JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, debtor in Case Number: 86-03871, United States Bankruptcy Court, District of South Carolina, and HILTON HEAD LIQUIDATION CORP. f/k/a SEA PINES PLANTATION COMPANY, debtor in Case Number: 86-03885, United States Bankruptcy Court, District of South Carolina, (hereinafter "Grantor") and SEA PINES PLANTATION COMPANY, INC., a South Carolina corporation (hereinafter "Grantee").

W I T N E S S E T H:

WHEREAS, on October 22, 1987 Grantor and Sea Pines Associates, Inc., a South Carolina corporation (hereinafter "Buyer") did enter into an agreement entitled "Asset Purchase Agreement" (hereinafter "Agreement") wherein Buyer agreed to purchase and Grantor agreed to sell certain assets in Sea Pines Plantation Company consisting of real and personal property, tangible and intangible, owned by the Trustee for the above-referenced debtor corporations (hereinafter "Assets") pursuant to and in accordance with Orders of United States District Judge Solomon Blatt, Jr. dated October 22, and October 26, 1987, as part of that certain adversary proceeding entitled "John F. Curry, Trustee, Plaintiff, vs. Beaufort County Treasurer, et al., Defendants" (Case Number: 87-0232), United States Bankruptcy Court, District of South Carolina, arising

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out of the Chapter 11 bankruptcy proceedings involving Gardner-Matthews Plantation Company (Case No. 86-03801), Hilton Head Hotel Company (Case No. 86-03803), Vacation Resorts Holding, Inc. (Case No. 86-03804), Vacation Resorts, Inc. (Case No. 86-03805) and Hilton Head Holdings Corporation (Case No. 86-03871), Debtors, which orders authorized sale of the Assets free and clear of liens, encumbrances and other interests; and

WHEREAS, Grantor has assigned all of its rights and interests in and to said Agreement to Grantee herein; and

WHEREAS, pursuant to the Agreement, Grantor must convey to Grantee certain rights, powers, privileges and easements originally held by the Sea Pines Plantation Company, its successors and assigns (hereinafter "Company") and now held by Grantor pursuant to recorded covenants and restrictions encumbering the lands of Sea Pines Plantation including the "Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.", dated September 7, 1974 as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 224 at Page 1036 (hereinafter "74 Covenants"), the "Declaration of Rights, Restrictions, Affirmative Obligations, Conditions, etc. which Constitute the Covenants, Running with certain Lands of Sea Pines Plantation Company" dated April 1, 1970 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 173 at Page 46 (hereinafter "Class "A" Covenants"), the "Restatement and Assignment of Rights, Restrictions, Affirmative Obligations and Conditions which Constitute Covenants Running with the Land in Sea Pines Plantation" dated February 8, 1984 and recorded in the Office of the Register

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of Mesne Conveyance for Beaufort County, South Carolina in Deed Book 390 at Page 179 (hereinafter "Restatement"); and the "Memorandum of Agreement" executed between the Company and the Association of Sea Pines Plantation Property Owners (hereinafter "ASPPO"), dated February 8, 1984; and

WHEREAS, the parties acknowledge the said rights, powers, privileges and easements are valuable and ownership, management and control of same is essential to Grantee in order to effectively manage, own and operate the Assets; and

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby quit claim, grant, bargain, assign and transfer, without any recourse whatsoever, unto Grantee, its successors, assigns, subcontractors and licensees, invitees and guests, all of its right and title in and to the following easement or easements which are deemed appurtenant to and for the benefit of properties of Grantee herein otherwise described as the Assets and are to run with the land:

A non-exclusive golf course maintenance easement in and over the "Golf Course Maintenance Area", which easement is more particularly described in Article III, Section 3, of the Class "A" Covenants.

AND ALSO, a non-exclusive easement to use and enjoy open space areas as set out in Article V, Section 10 of said Class "A" Covenants;

AND ALSO, a non-exclusive easement over, across and through all lands within Sea Pines Plantation to plant trees, plants and shrubs; to

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provide and ensure adequate drainageways, canals or lagoons; to cut fire breaks; and to utilize control burning to prevent build-up of excessive "ground fuel" and underbrush contributing to severe damage from uncontrolled forest fires as more fully described in Article II(B)(1) of the 74 Covenants.

TOGETHER with all and singular rights, members, hereditaments and appurtenances belonging or in anyway incident and pertaining to the easement set forth herein;

TO HAVE AND TO HOLD all and singular said easements unto Grantee, its successors, assigns, subcontractors and licensees, forever.

IN WITNESS WHEREOF, Grantor has caused this Easement to be executed as of the day and year first above written.

WITNESSES:

Carol P. Garner

Louise R. Lund

GRANTOR:

By: John F. Curry

JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation

[PINE:EASEMENT5-6:11/14/87bsl]
(8th draft)

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STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF BEAUFORT)

PERSONALLY appeared before me, the undersigned witness, who, on oath, says that s/he saw the within named JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, sign, seal, and as his act and deed, deliver the within written Instrument, and that s/he, with the other witness whose signature appears above, witnessed the execution thereof.

Louise R. Lund

SWORN to before me this 17th
day of November, 1987.

Notary Public for South Carolina
My Commission Expires: 11/4/93

J, S & P/J P S

JSP

FILED AT 4:52 O'CLOCK P.M. BEAUFORT COUNTY S. C. RECORDED IN BOOK 490 PAGE NOV 17 1987 755
S/Lloyd Dalton
REGISTER OF MESNE CONVEYANCE

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760

STATE OF SOUTH CAROLINA)
) EASEMENT FOR ACCESS
COUNTY OF BEAUFORT)

THIS GRANT OF EASEMENT, (hereinafter "Easement") made this 17th day of November, 1987 by and between JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, debtor in Case Number: 86-03871, United States Bankruptcy Court, District of South Carolina, and HILTON HEAD LIQUIDATION CORP. f/k/a SEA PINES PLANTATION COMPANY, debtor in Case Number: 86-03885, United States Bankruptcy Court, District of South Carolina, (hereinafter "Grantor") and SEA PINES PLANTATION COMPANY, INC., a South Carolina corporation (hereinafter "Grantee").

W I T N E S S E T H:

WHEREAS, on October 22, 1987 Grantor and Sea Pines Associates, Inc., a South Carolina corporation (hereinafter "Buyer") did enter into an agreement entitled "Asset Purchase Agreement" (hereinafter "Agreement") wherein Buyer agreed to purchase and Grantor agreed to sell certain assets in Sea Pines Plantation Company consisting of real and personal property, tangible and intangible, owned by the Trustee for the above-referenced debtor corporations (hereinafter "Assets") pursuant to and in accordance with Orders of United States District Judge Solomon Blatt, Jr. dated October 22, and October 26, 1987, as part of that certain adversary proceeding entitled "John F. Curry, Trustee, Plaintiff, vs. Beaufort County Treasurer, et al., Defendants" (Case Number: 87-0232), United States Bankruptcy Court, District of South Carolina, arising out of the Chapter 11 bankruptcy proceedings involving Gardner-Matthews

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Plantation Company (Case No. 86-03801), Hilton Head Hotel Company (Case No. 86-03803), Vacation Resorts Holding, Inc. (Case No. 86-03804), Vacation Resorts, Inc. (Case No. 86-03805) and Hilton Head Holdings Corporation (Case No. 86-03871), Debtors, which orders authorized sale of the Assets free and clear of liens, encumbrances and other interests; and

WHEREAS, Grantor has assigned all of its rights and interests in and to said Agreement to Grantee herein; and

WHEREAS, pursuant to the Agreement, Grantor must convey to Grantee certain rights, powers, privileges and easements originally held by the Sea Pines Plantation Company, its successors and assigns (hereinafter "Company") and now held by Grantor pursuant to recorded covenants and restrictions encumbering the lands of Sea Pines Plantation including the "Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.", dated September 7, 1974 as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 224 at Page 1036 (hereinafter "74 Covenants"), the "Declaration of Rights, Restrictions, Affirmative Obligations, Conditions, etc. which Constitute the Covenants, Running with certain Lands of Sea Pines Plantation Company" dated April 1, 1970 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 173 at Page 46 (hereinafter "Class "A" Covenants"), the "Restatement and Assignment of Rights, Restrictions, Affirmative Obligations and Conditions which Constitute Covenants Running with the Land in Sea Pines Plantation" dated February 8, 1984 and recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina in Deed Book 390 at

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Page 179 (hereinafter "Restatement"); and the "Memorandum of Agreement" executed between the Company and the Association of Sea Pines Plantation Property Owners (hereinafter "ASPPO"), dated February 8, 1984; and

WHEREAS, the parties acknowledge the said rights, powers, privileges and easements are valuable and ownership, management and control of same is essential to Grantee in order to effectively manage, own and operate the Assets; and

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby quit claim, grant, bargain, assign and transfer, without any recourse whatsoever, unto Grantee, its successors, assigns, subcontractors and licensees, invitees and guests, the following easement or easements on, over, under and through the properties of Grantor, which easements are appurtenant to and for the benefit of properties of Grantee herein otherwise described as the Assets and are to run with the land:

A perpetual non-exclusive easement of access, ingress and egress over, across, under, and through all existing, proposed and future road-ways and right-of-ways within Sea Pines Plantation and outside of Sea Pines Plantation including, but not being limited to, roadways and right-of-ways owned and/or controlled by Grantor leading into the main entrance ways into Sea Pines Plantation.

AND ALSO, a non-exclusive easement in and to the entrance gates, gate houses and roadways of Sea Pines Plantation as presently located or as

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may hereafter be situate consistent with and in furtherance of its rights, powers and privileges as more fully described in that document entitled "Assignment of Rights" dated the 17th day of November, 1987, and recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina, in Deed Book 490 at Page 712 which document was executed by Grantor to Grantee herein, pursuant to and in accordance with the existing gate policy referred to therein and attached thereto as Exhibit "A."

AND ALSO, a non-exclusive perpetual easement over, under, on and through those certain properties within Sea Pines Plantation identified as the parking lots at Harbour Town Club House and Harbour Town Golf Links, the Sea Pines Racquet Club parking lot, the Press/Pro-Am parking area, the Harbour Town general parking lot, the parking lot of Sunday Park in Harbour Town, the vacant lot across from the Harbour Town Clubhouse to the extent of Grantor's interest therein, if any, the open spaces along Lawton Stables, open spaces along Greenwood Drive, Lighthouse Road and adjacent to Harbour Town Golf Links and Clubhouse, for the purpose of occasional use in connection with sporting, cultural or other major events such as golf tournaments and tennis tournaments conducted within Sea Pines Plantation.

TOGETHER with all and singular rights, members, hereditaments and appurtenances belonging or in anyway incident and pertaining to the easement set forth herein;

TO HAVE AND TO HOLD all and singular said easements unto Grantee, its successors, assigns, subcontractors and licensees, forever.

ORIGINAL DOCUMENT
POOR CONTRAST OR CONDITION

IN WITNESS WHEREOF, Grantor has caused this Easement to be executed as of the day and year first above written.

WITNESSES:

Louise R. Lund

GRANTOR:

By: John F. Curry
JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation

[PIN::EASEMENT.3-.4:11/14/87bsl]
(8th draft)

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ORIGINAL DOCUMENT
POOR CONTRAST OR CONDITION

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF BEAUFORT)

PERSONALLY appeared before me, the undersigned witness, who, on oath, says that s/he saw the within named JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, sign, seal, and as his act and deed, deliver the within written Instrument, and that s/he, with the other witness whose signature appears above, witnessed the execution thereof.

Louise R. Lund

J. S & P/J P S

SWORN to before me this 17th day of November, 1987.

Notary Public for South Carolina
My Commission Expires: 11/4/93

JSP

FILED AT 4:52 O'CLOCK BEAUFORT COUNTY S.C. NOV 17 1987 AT 4:52 P.M. 760
S/ Boyd Dalla
REGISTER OF MESNE CONVEYANCE

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STATE OF SOUTH CAROLINA)
) EASEMENT FOR UTILITIES
COUNTY OF BEAUFORT)

THIS GRANT OF EASEMENT, (hereinafter "Easement") made this 14th day of November, 1987 by and between JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, debtor in Case Number: 86-03871, United States Bankruptcy Court, District of South Carolina, and HILTON HEAD LIQUIDATION CORP. f/k/a SEA PINES PLANTATION COMPANY, debtor in Case Number: 86-03885, United States Bankruptcy Court, District of South Carolina, (hereinafter "Grantor") and SEA PINES PLANTATION COMPANY, INC., a South Carolina corporation (hereinafter "Grantee").

W I T N E S S E T H:

WHEREAS, on October 22, 1987 Grantor and Sea Pines Associates, Inc., a South Carolina corporation (hereinafter "Buyer") did enter into an agreement entitled "Asset Purchase Agreement" (hereinafter "Agreement") wherein Buyer agreed to purchase and Grantor agreed to sell certain assets in Sea Pines Plantation consisting of real and personal property, tangible and intangible, owned by the Trustee for the above-referenced debtor corporations (hereinafter "Assets") pursuant to and in accordance with Orders of United States District Judge Solomon Blatt, Jr. dated October 22, and October 26, 1987, as part of that certain adversary proceeding entitled "John F. Curry, Trustee, Plaintiff, vs. Beaufort County Treasurer, et al., Defendants" (Case Number: 87-0232), United States Bankruptcy Court, District of South Carolina, arising out of the Chapter 11 bankruptcy proceedings involving Gardner-Matthews

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Plantation Company (Case No. 86-03801), Hilton Head Hotel Company (Case No. 86-03803), Vacation Resorts Holding, Inc. (Case No. 86-03804), Vacation Resorts, Inc. (Case No. 86-03805) and Hilton Head Holdings Corporation (Case No. 86-03871), Debtors, which orders authorized sale of the Assets free and clear of liens, encumbrances and other interests; and

WHEREAS, Buyer has assigned all of its rights and interests in and to said Agreement to Grantee herein; and

WHEREAS, pursuant to the Agreement, Grantor must convey to Grantee certain rights, powers, privileges and easements originally held by the Sea Pines Plantation Company, its successors and assigns (hereinafter "Company") and now held by Grantor pursuant to recorded covenants and restrictions encumbering the lands of Sea Pines Plantation including the "Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.", dated September 7, 1974 as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 224 at Page 1036 (hereinafter "74 Covenants"), the "Declaration of Rights, Restrictions, Affirmative Obligations, Conditions, etc. which Constitute the Covenants, Running with certain Lands of Sea Pines Plantation Company" dated April 1, 1970 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 173 at Page 46 (hereinafter "Class "A" Covenants"), the "Restatement and Assignment of Rights, Restrictions, Affirmative Obligations and Conditions which Constitute Covenants Running with the Land in Sea Pines Plantation" dated February 8, 1984 and recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina in Deed Book 390 at

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Page 179 (hereinafter "Restatement"); and the "Memorandum of Agreement" executed between the Company and the Association of Sea Pines Plantation Property Owners dated February 8, 1984 (hereinafter "Memorandum of Agreement"); and

WHEREAS, the parties acknowledge the said rights, powers, privileges and easements are valuable and ownership, management and control of same is essential to Grantee in order to effectively manage, own and operate the Assets; and

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby quit claim, grant, bargain, assign and transfer, without any recourse whatsoever, unto Grantee, its successors, assigns, subcontractors and licensees, invitees and guests, all of its right and title in and to the following easement which is deemed appurtenant to and for the benefit of properties of Grantee herein otherwise described as the Assets and to run with the land:

ALL of Grantor's easement rights as set out in Article II, Section b(iv) of the 74 Covenants over, upon, under and through all of the lands known as Sea Pines Plantation and any other lands contemplated by the said 74 Covenants.

TOGETHER with all and singular rights, members, hereditaments and appurtenances belonging or in anyway incident and pertaining to the easement set forth herein;

TO HAVE AND TO HOLD all and singular said easements unto Grantee,

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its successors, assigns, subcontractors and licensees, forever.

IN WITNESS WHEREOF, Grantor has caused this Easement to be executed as of the day and year first above written.

WITNESSES:

Linda L. Gillis

Louise R. Lund

GRANTOR:

By: John F. Curry
JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation

[PINE:EASEMENT3-4:11/13/87bsl]
(8th draft)

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) PROBATE

PERSONALLY appeared before me, the undersigned witness, who, on oath, says that s/he saw the within named JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, sign, seal, and as his act and deed, deliver the within written Instrument, and that s/he, with the other witness whose signature appears above, witnessed the execution thereof.

Louise R. Lund

SWORN to before me this 17th
day of November, 1987.

Notary Public for South Carolina
My Commission Expires: 11/1/93

J. S & P/J P S

JSP

FILED AT 4:52 O'CLOCK BEAUFORT COUNTY S.C. RECORDED IN BOOK 490 PAGE
NOV 17 1987 766
S/ Lloyd Dotter
REGISTER OF MESNE CONVEYANCE

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STATE OF SOUTH CAROLINA)
) EASEMENT OVER OPEN SPACE AND COMMON AREAS (MISCELLANEOUS)
COUNTY OF BEAUFORT)

THIS GRANT OF EASEMENT, (hereinafter "Easement") made this 17th day of November, 1987 by and between JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, debtor in Case Number: 86-03871, United States Bankruptcy Court, District of South Carolina, and HILTON HEAD LIQUIDATION CORP. f/k/a SEA PINES PLANTATION COMPANY, debtor in Case Number: 86-03885, United States Bankruptcy Court, District of South Carolina, (hereinafter "Grantor") and SEA PINES PLANTATION COMPANY, INC., a South Carolina corporation (hereinafter "Grantee").

W I T N E S S E T H:

WHEREAS, on October 22, 1987 Grantor and Sea Pines Associates, Inc., a South Carolina corporation (hereinafter "Buyer") did enter into an agreement entitled "Asset Purchase Agreement" (hereinafter "Agreement") wherein Buyer agreed to purchase and Grantor agreed to sell certain assets in Sea Pines Plantation consisting of real and personal property, tangible and intangible, owned by the Trustee for the above-referenced debtor corporations (hereinafter "Assets") pursuant to and in accordance with Orders of United States District Judge Solomon Blatt, Jr. dated October 22, and October 26, 1987, as part of that certain adversary proceeding entitled "John F. Curry, Trustee, Plaintiff, vs. Beaufort County Treasurer, et al., Defendants" (Case Number: 87-0232), United States Bankruptcy Court, District of South Carolina, arising out of the Chapter 11 bankruptcy proceedings involving Gardner-Matthews Plantation Company (Case

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No. 86-03801), Hilton Head Hotel Company (Case No. 86-03803), Vacation Resorts Holding, Inc. (Case No. 86-03804), Vacation Resorts, Inc. (Case No. 86-03805) and Hilton Head Holdings Corporation (Case No. 86-03871), Debtors, which orders authorized sale of the Assets free and clear of liens, encumbrances and other interests; and

WHEREAS, Buyer has assigned all of its rights and interests in and to said Agreement to Grantee herein; and

WHEREAS, pursuant to the Agreement, Grantor must convey to Grantee certain rights, powers, privileges and easements originally held by the Sea Pines Plantation Company, its successors and assigns (hereinafter "Company") and now held by Grantor pursuant to recorded covenants and restrictions encumbering the lands of Sea Pines Plantation including the "Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.", dated September 7, 1974 as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 224 at Page 1036 (hereinafter "74 Covenants"), the "Declaration of Rights, Restrictions, Affirmative Obligations, Conditions, etc. which Constitute the Covenants, Running with certain Lands of Sea Pines Plantation Company" dated April 1, 1970 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 173 at Page 46 (hereinafter "Class "A" Covenants"), the "Restatement and Assignment of Rights, Restrictions, Affirmative Obligations and Conditions which Constitute Covenants Running with the Land in Sea Pines Plantation" dated February 8, 1984 and recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina in Deed Book 390 at

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Page 179 (hereinafter "Restatement"); and the "Memorandum of Agreement" executed between the Company and the Association of Sea Pines Plantation Property Owners dated February 8, 1984 (hereinafter "Memorandum of Agreement"); and

WHEREAS, the parties acknowledge the said rights, powers, privileges and easements are valuable and ownership, management and control of same is essential to Grantee in order to effectively manage, own and operate the Assets; and

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby quit claim, grant, bargain, assign and transfer, without any recourse whatsoever, unto Grantee, its successors, assigns, subcontractors and licensees, invitees and guests, the following easement or easements on, over, under and through the properties of Grantor, which easements are appurtenant to and for the benefit of properties of Grantee herein otherwise described as the Assets and are to run with the land:

Any Easement owned, held, shared or possessed by Grantor as more fully shown, described or otherwise indicated on those certain plats (hereinafter "Plats") recorded in the records of the Office of Register of Mesne Conveyance for Beaufort County, South Carolina, as shown on Exhibit "A" attached hereto.

All Easements granted and assigned hereunder are for those uses and purposes as designated on the afore-referenced Plats and such other uses

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currently being made of such easements by Grantor. The Grantee has the right (but not the duty) to maintain such easements.

AND ALSO, a non-exclusive easement over and across all areas within Sea Pines Plantation identified as Conservation Open Space, Trust Land and Beach Walkways, Wetland Conservation and Rights-of-Way and Easements which are currently being used for golf cart paths, pedestrian easements, bike paths, breezeways, view easements, walkways, golf ball retrieval, access and signage. These easements are for the uses and purposes currently being made of the Easements and the Grantee has the right (but not the duty) to maintain such easement areas.

TOGETHER with all and singular rights, members, hereditaments and appurtenances belonging or in anyway incident and pertaining to the easement set forth herein;

TO HAVE AND TO HOLD all and singular said easements unto Grantee, its successors, assigns, subcontractors and licensees, forever.

IN WITNESS WHEREOF, Grantor has caused this Easement to be executed as of the day and year first above written.

WITNESSES:

Mark P. Clement

Louise R. Lund

GRANTOR:

By: John F. Curry
JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation

[PINE:EASEMENT.1-.2:11/14/87bsl]
(7th draft)

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1297

775

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF BEAUFORT)

PERSONALLY appeared before me, the undersigned witness, who, on oath, says that s/he saw the within named JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, sign, seal, and as his act and deed, deliver the within written Instrument, and that s/he, with the other witness whose signature appears above, witnessed the execution thereof.

Louise R. Lund

SWORN to before me this 17th

day of November, 1987.

Notary Public for South Carolina
My Commission Expires: 1/4/93

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STATE OF SOUTH CAROLINA)
) EASEMENT FOR DRAINAGE CONTROL
COUNTY OF BEAUFORT)

THIS GRANT OF EASEMENT, (hereinafter "Easement") made this 17th day of November, 1987 by and between JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, debtor in Case Number: 86-03871, United States Bankruptcy Court, District of South Carolina, and HILTON HEAD LIQUIDATION CORP. f/k/a SEA PINES PLANTATION COMPANY, debtor in Case Number: 86-03885, United States Bankruptcy Court, District of South Carolina, (hereinafter "Grantor") and SEA PINES PLANTATION COMPANY, INC., a South Carolina corporation (hereinafter "Grantee").

W I T N E S S E T H:

WHEREAS, on October 22, 1987 Grantor and Sea Pines Associates, Inc., a South Carolina corporation (hereinafter "Buyer") did enter into an agreement entitled "Asset Purchase Agreement" (hereinafter "Agreement") wherein Buyer agreed to purchase and Grantor agreed to sell certain assets in Sea Pines Plantation consisting of real and personal property, tangible and intangible, owned by the Trustee for the above-referenced debtor corporations (hereinafter "Assets") pursuant to and in accordance with Orders of United States District Judge Solomon Blatt, Jr. dated October 22, and October 26, 1987, as part of that certain adversary proceeding entitled "John F. Curry, Trustee, Plaintiff, vs. Beaufort County Treasurer, et al., Defendants" (Case Number: 87-0232), United States Bankruptcy Court, District of South Carolina, arising out of the Chapter 11 bankruptcy proceedings involving Gardner-Matthews Plantation Company (Case

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No. 86-03801), Hilton Head Hotel Company (Case No. 86-03803), Vacation Resorts Holding, Inc. (Case No. 86-03804), Vacation Resorts, Inc. (Case No. 86-03805) and Hilton Head Holdings Corporation (Case No. 86-03871), Debtors, which orders authorized sale of the Assets free and clear of liens, encumbrances and other interests; and

WHEREAS, Buyer has assigned all of its rights and interests in and to said Agreement to Grantee herein; and

WHEREAS, pursuant to the Agreement, Grantor must convey to Grantee certain rights, powers, privileges and easements originally held by the Sea Pines Plantation Company, its successors and assigns (hereinafter "Company") and now held by Grantor pursuant to recorded covenants and restrictions encumbering the lands of Sea Pines Plantation including the "Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.", dated September 7, 1974 as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 224 at Page 1036 (hereinafter "74 Covenants"), the "Declaration of Rights, Restrictions, Affirmative Obligations, Conditions, etc. which Constitute the Covenants, Running with certain Lands of Sea Pines Plantation Company" dated April 1, 1970 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 173 at Page 46 (hereinafter "Class "A" Covenants"), the "Restatement and Assignment of Rights, Restrictions, Affirmative Obligations and Conditions which Constitute Covenants Running with the Land in Sea Pines Plantation" dated February 8, 1984 and recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina in Deed Book 390 at

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Page 179 (hereinafter "Restatement"); and the "Memorandum of Agreement" executed between the Company and the Association of Sea Pines Plantation Property Owners dated February 8, 1984 (hereinafter "Memorandum of Agreement"); and

WHEREAS, the parties acknowledge the said rights, powers, privileges and easements are valuable and ownership, management and control of same is essential to Grantee in order to effectively manage, own and operate the Assets; and

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby quit claim, grant, bargain, assign and transfer, without any recourse whatsoever, unto Grantee, its successors, assigns, subcontractors and licensees, invitees and guests, the following easement or easements on, over, under and through the properties of Grantor, which easements are appurtenant to and for the benefit of properties of Grantee herein otherwise described as the Assets and are to run with the land:

A perpetual non-exclusive easement on, under, around, through and across all lands within Sea Pines Plantation identified as Conservation Open Space, Trust Land and Beach Walkways, Wetland Conservation Right-of-Ways and Easements, for the purpose of drainage control pursuant to the extent necessary to conduct, perform and implement that certain document entitled "Assignment of Rights" executed by Grantor herein to Grantee herein on the 17th day of November, 1987. The Easement granted herein is for the purpose of

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allowing Grantee to perform all activities and exercise all rights as set forth in said Assignment document.

TOGETHER with all and singular rights, members, hereditaments and appurtenances belonging or in anyway incident and pertaining to the easement set forth herein;

TO HAVE AND TO HOLD all and singular said easements unto Grantee, its successors, assigns, subcontractors and licensees, forever.

IN WITNESS WHEREOF, Grantor has caused this Easement to be executed as of the day and year first above written.

WITNESSES:

Louise R. Lund

GRANTOR:

By: John F. Curry
JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation

[PINE:EASEMENT1-2:11/14/87bsl]
(8th draft)

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1302

783

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF BEAUFORT)

PERSONALLY appeared before me, the undersigned witness, who, on oath, says that s/he saw the within named JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, sign, seal, and as his act and deed, deliver the within written Instrument, and that s/he, with the other witness whose signature appears above, witnessed the execution thereof.

Louise R. Lund

SWORN to before me this 17th
day of November, 1987.

Notary Public for South Carolina
My Commission Expires: 11/4/92

J.S & P/J P S

JSP

FILED AT 4:52 O'CLOCK
BEAUFORT COUNTY S.C.
RECORDED IN BOOK 470 PAGE 783
NOV 17 1987
S/Floyd Datta
REGISTER OF MESNE CONVEYANCE

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B.S.&P.J.P.S.
A1303
789

STATE OF SOUTH CAROLINA)
) EASEMENT FOR TRANSPORT OF SPOIL, FILL MATERIAL AND OTHER MATTER
COUNTY OF BEAUFORT)

THIS GRANT OF EASEMENT, (hereinafter "Easement") made this 17th day of November, 1987 by and between JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, debtor in Case Number: 86-03871, United States Bankruptcy Court, District of South Carolina, and HILTON HEAD LIQUIDATION CORP. f/k/a SEA PINES PLANTATION COMPANY, debtor in Case Number: 86-03885, United States Bankruptcy Court, District of South Carolina, (hereinafter "Grantor") and SEA PINES PLANTATION COMPANY, INC., a South Carolina corporation (hereinafter "Grantee").

W I T N E S S E T H:

WHEREAS, on October 22, 1987 Grantor and Sea Pines Associates, Inc., a South Carolina corporation (hereinafter "Buyer") did enter into an agreement entitled "Asset Purchase Agreement" (hereinafter "Agreement") wherein Buyer agreed to purchase and Grantor agreed to sell certain assets in Sea Pines Plantation consisting of real and personal property, tangible and intangible, owned by the Trustee for the above-referenced debtor corporations (hereinafter "Assets") pursuant to and in accordance with Orders of United States District Judge Solomon Blatt, Jr. dated October 22, and October 26, 1987, as part of that certain adversary proceeding entitled "John F. Curry, Trustee, Plaintiff, vs. Beaufort County Treasurer, et al., Defendants" (Case Number: 87-0232), United States Bankruptcy Court, District of South Carolina, arising out of the Chapter 11 bankruptcy proceedings involving Gardner-Matthews Plantation Company (Case

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No. 86-03801), Hilton Head Hotel Company (Case No. 86-03803), Vacation Resorts Holding, Inc. (Case No. 86-03804), Vacation Resorts, Inc. (Case No. 86-03805) and Hilton Head Holdings Corporation (Case No. 86-03871), Debtors, which orders authorized sale of the Assets free and clear of liens, encumbrances and other interests; and

WHEREAS, Buyer has assigned all of its rights and interests in and to said Agreement to Grantee herein; and

WHEREAS, pursuant to the Agreement, Grantor must convey to Grantee certain rights, powers, privileges and easements originally held by the Sea Pines Plantation Company, its successors and assigns (hereinafter "Company") and now held by Grantor pursuant to recorded covenants and restrictions encumbering the lands of Sea Pines Plantation including the "Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.", dated September 7, 1974 as recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 224 at Page 1036 (hereinafter "74 Covenants"), the "Declaration of Rights, Restrictions, Affirmative Obligations, Conditions, etc. which Constitute the Covenants, Running with certain Lands of Sea Pines Plantation Company" dated April 1, 1970 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Deed Book 173 at Page 46 (hereinafter "Class "A" Covenants"), the "Restatement and Assignment of Rights, Restrictions, Affirmative Obligations and Conditions which Constitute Covenants Running with the Land in Sea Pines Plantation" dated February 8, 1984 and recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina in Deed Book 390 at Page 179 (hereinafter "Restatement"); and the "Memorandum of Agreement"

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executed between the Company and the Association of Sea Pines Plantation Property Owners dated February 8, 1984 (hereinafter "Memorandum of Agreement"); and

WHEREAS, the parties acknowledge the said rights, powers, privileges and easements are valuable and ownership, management and control of same is essential to Grantee in order to effectively manage, own and operate the Assets; and

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby quit claim, grant, bargain, assign and transfer, without any recourse whatsoever, unto Grantee, its successors, assigns, subcontractors and licensees, invitees and guests, the following easement or easements which are appurtenant to and for the benefit of properties of Grantee herein otherwise described as the Assets and are to run with the land:

All right, title and interest of Grantor, on a non-exclusive basis, for the use of an existing pipeline or pipelines for the transport of spoil, fill material and other matter from the Harbour Town Yacht Basin to the boundary line of Lawton Stables fronting on Greenwood Drive, Sea Pines Plantation, Hilton Head Island, South Carolina, wherever said pipeline is located, whether within or outside of lands of Grantor.

TOGETHER with all and singular rights, members, hereditaments and appurtenances belonging or in anyway incident and pertaining to the easement set forth herein;

TO HAVE AND TO HOLD all and singular said easements unto Grantee,

its successors, assigns, subcontractors and licensees, forever.

IN WITNESS WHEREOF, Grantor has caused this Easement to be executed as of the day and year first above written.

WITNESSES:

GRANTOR:

By: JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation

[PINE:EASEMENT.6-.7:11/17/87mjb]
(1st draft)

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STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF BEAUFORT)

PERSONALLY appeared before me, the undersigned witness, who, on oath, says that s/he saw the within named JOHN F. CURRY, Trustee in Bankruptcy for Hilton Head Holdings Corporation, sign, seal, and as his act and deed, deliver the within written Instrument, and that s/he, with the other witness whose signature appears above, witnessed the execution thereof.

Jorgeanne S. Veeck

SWORN to before me this 14th day of [illegible], 1987.

[illegible]
Notary Public for South Carolina
My Commission Expires: [illegible]

JSP

FILED AT 4:52 O'CLOCK BEAUFORT COUNTY S.C. RECORDED IN BOOK 490 PAGE
NOV 17 1987 789
S/Floyd Datta
REGISTER OF MESNE CONVEYANCE

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EXHIBIT 3d

1308

EXHIBIT E

DESCRIPTION OF BUSINESS
LANDS AND COMMERCIAL PROPERTIES

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EXHIBIT C

I. Properties owned by Sea Pines Plantation Company or its affiliates:

(a) All that certain piece, parcel or tract of land containing 1.637 Acres as shown on a plat entitled "Topography Survey Harbour Town Parcel Adjacent to Harbour House B", prepared by Richardson & Associates, Inc., Hilton Head Island, South Carolina, and certified to by Jerry L. Richardson, SC RLS #4784, dated May, 23, 1974; and finally revised May 29, 1974, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 32 at Page 16 on the 8th day of March, 1984.

(b) All that certain piece, parcel or tract of land shown as Artist Area, containing 2.49 Acres and all that certain piece, parcel or tract of land shown as Sunday Park and containing 1.98 Acres and all that certain piece, parcel or tract of land shown as Tract 15 containing 0.33062 Acres, all said pieces, parcels or tracts of land being shown on a plat entitled "Composite Map Harbour Town, a Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, and prepared by Richardson & Associates, Hilton Head Island, South Carolina, and certified to by Jerry L. Richardson, SC RLS #4784, dated July, 1974; final revision being dated January, 1976, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 24 at Page 115 on April 9, 1976.

(c) All that certain piece, parcel or tract of land shown and described as Summer House Bar, Parcel 7, on a plat entitled "Composite Map Harbour Town, A Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina" dated July 1974, final revision being dated January 1976, prepared by Richardson & Associates and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 24 at Page 115 on April 9, 1976.

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(d) All that certain piece, parcel or tract of land shown and described as 27, containing 3.21 Acres and all that certain piece, parcel or tract of land shown as 28, containing 1.32 Acres on a plat entitled "Composite Map Harbour Town, A Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina", prepared by Richardson & Associates, Hilton Head Island, South Carolina, certified to by Jerry L. Richardson, S. C. RLS #4784, dated July, 1974 with final revision dated January 1976, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 24 at Page 115.

AND, ALSO, all those certain roadways, pathways, easements, parking areas, lagoons, open spaces and residual properties owned by Sea Pines Plantation Company as of the date of this Agreement and shown on the aforesaid Plat of Record.

(e) All that certain piece, parcel or tract of land shown and described as HARBOUR HOUSE A, containing a total of 1.01 Acres, and all walkways, passageways, parking areas and easements, if any, shown thereon and owned by Sea Pines Plantation Company, on a plat entitled "A Plat of Harbour House In Harbour Town Exhibit A, a Section of Sea Pines Plantation Co., Hilton Head Island, Beaufort County, S. C.," prepared by Richardson & Associates, Hilton Head Island, South Carolina, certified to by Jerry L. Richardson, S. C. RLS #4784, last revision dated January 27, 1976, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 24 at Page 105.

(f) All that certain piece, parcel or tract of land consisting of 2.2173 Acres and shown as 2.44 Acres, save and except those parcels shown as Parcels 3, 4, and 5, on a plat entitled "A Plat of 2.44 Acres, A Section of Lighthouse Beach Co., Harbour Town Tract, Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina," prepared by Calvert Surveying Co., Inc., Charleston, South Carolina, and certified to by Forrest G. Calvert, S. C. RLS #4175, dated May 15, 1973, latest revision dated November 12, 1973, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 21 at Page 168 on the 3rd day of December, 1973.

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(g) All that certain piece, parcel or tract of land shown as Parcel C on a plat entitled "Plat of 136.56 Acres of Sea Pines Plantation, known as Harbour Town Golf Course, located on Hilton Head Island, Beaufort County, South Carolina, prepared by Thomas & Hutton Engineering Co., Savannah, Georgia and certified to by Joseph J. Hutton, S. C. RLS #1650, dated the 11th day of March, 1969, final revision dated January 24, 1973, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 20 at Page 157 on the 31st day of January, 1973, said Parcel C containing 14.53187 Acres; and

(h) All that certain piece, parcel or tract of land shown as 0.98 Acres on a plat entitled "A Plat of 13.94 Acres, a Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina," prepared by Thomas & Hutton Engineering Co., Savannah, Georgia and certified to by J. J. Hutton, S. C. RLS #1650, dated February 24, 1971, Final Revision having been prepared by Coastal Surveying Co., Inc. and certified to by Jerry L. Richardson, SC RLS #4784, dated November 14, 1975, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 24 at Page 34 on 11-17-75.

(i) All that certain piece, parcel or tract of land shown as 8.177 Acres on a plat entitled "A Plat of Asbuilt Plantation Club additions and improvements, a Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, prepared by Coastal Surveying Co., Inc., certified to by Richard L. Stroman, S. C. RLS #5496, dated the 12th day of February, 1975, having been revised March 21, 1975, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 23 at Page 94 on the 26 day of February, 1975.

(j) All that certain piece, parcel or tract of land shown as 1.238 Acres on a plat entitled "A Plat of 5.093 Acres, Sea Pines Plantation, Plantation Clubhouse Tract, Hilton Head Island, Beaufort County, South Carolina, prepared by Richardson & Associates, Inc., Hilton Head Island, South Carolina, and certified to by Jerry L. Richardson, S. C. RLS #4784, dated the 20th day of February, 1974, latest revision dated March 20, 1974, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 22 at Page 80 on the 2 day of May, 1974.

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(k) All that certain piece, parcel or tract of unplatted land lying and being between all those certain pieces, parcels or tracts of land shown as Plantation Club and Fairway #9 of the Ocean Course as shown on a plat entitled "A Plat of Ocean Golf Course, A Section of Sea Pines Plantation," said Parcel containing 2 Acres, more or less, said plat being dated February 15, 1974; final revision dated February 27, 1974, prepared by Richardson & Associates and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 22 at Page 82 on May 6, 1974.

(l) All that certain piece, parcel or tract of land, containing 6.618 Acres, shown and described on a plat entitled "A Section I Composite of South Beach and the As-Built condition of South Beach Marina, South Beach Pool & South Sea Pines Drive, a Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, dated July 2, 1973, prepared by Forrest G. Calvert, S. C. RLS #4175, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 24 at Page 49, SAVE AND EXCEPTING from the aforesaid 6.618 Acres, all those certain pieces, parcels or tracts of land described as follows:

ALL that piece, parcel or tract of land shown and described on a plat entitled, "A Plat of the South Beach Marina Tract, A Section of Sea Pines Plantation" prepared by Jerry L. Richardson, Registered Land Surveyor S.C. #4784, dated February 21, 1980, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 29 at Page 14, as follows:

Beginning at a Point of Commencing on the eastern right-of-way of South Sea Pines Drive as shown on the said Plat of Record, thence north 46°00'00" east a distance of 156.52' to a point, said point being the Point of Beginning, thence north 44°00'00" west a distance of 74.74' to a point, thence north 43°31'00" east a distance of 30.00' to a point, thence north 44°00'00" west for a distance of 175.91' to a point, thence south 46°00'00" west a distance of 15.74' to a point, thence north 44°00'00" west a distance of 126.94' to a point, thence north 07°14'03" west a distance of 50.24' to a point, thence south 70°27'02" west a distance of 52.72' to a point, thence north 07°42'05" west a distance of 209.39' to a point, thence north 81°00'00" east a distance of 346.62' to a point, thence south 42°07'00" west a distance of 141.92' to a point, thence south 43°59'59" east a distance of 10.00' to a point, thence south 15°11'02" east a distance of 59.92' to a point,

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thence south 46°00'00" west a distance of 51.74' to a point, thence south 44°00'00" east a distance of 19.70' to a point, thence north 46°00'00" east a distance of 21.99' to a point, thence south 44°00'00" east a distance of 31.33' to a point, thence south 46°00'00" west a distance of 74.14' to a point, thence south 44°00'00" east a distance of 47.40' to a point, thence south 46°00'00" west a distance of 8.76' to a point, thence north 44°00'00" west a distance of 16.02' to a point, thence south 46°00'00" west a distance of 26.12' to a point, thence south 44°00'00" east a distance of 4.43' to a point, thence south 46°00'00" west a distance of 17.25' to a point, thence south 44°00'00" a distance of 5' to a point, thence north 46°00'00" east a distance of 8.76' to a point, thence south 44°00'00" east a distance of 29.88' to a point, thence north 46°00'00" east a distance of 8.52' to a point, thence south 44°00'00" east a distance of 23.56' to a point, thence north 46°00'00" east a distance of 23.30' to a point, thence north 44°00'00" west a distance of 23.53' to a point, thence north 46°00'00" east a distance of 11.56' to a point, thence south 44°00'00" east a distance of 177.28' to a point, thence north 45°32'00" east a distance of 22.26' to a point, thence south 44°00'00" east a distance of 39.94' to a point, thence south 46°00'00" west a distance of 150.00' to a point, said point being the aforesaid Point of Beginning.

(m) All that certain piece, parcel or tract of land containing 4.691 Acres as shown on a plat entitled "A Composite Plat of South Beach and the Ashuilt Condition of South Beach Marina, South Beach Pool, and South Sea Pines Drive, a Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, dated July 2, 1973, originally prepared by Calvert Surveying Co., Inc., Charleston, South Carolina, and certified to by Forrest G. Calvert, RLS #4175, and revised on February 24, 1978, by Coastal Surveying Co., Inc. Hilton Head Island, South Carolina and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 27 at Page 29 on August 25, 1978.

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(n) All that certain piece, parcel or tract of land containing 4.00 Acres as shown on a plat entitled "A Composite of South Beach and the Asbuilt Condition of South Beach Marina, South Beach Pool, and South Sea Pines Drive, a Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, dated July 2, 1973, originally prepared by Calvert Surveying Co., Inc., Charleston, South Carolina, and certified to by Forrest G. Calvert, RLS #4175, final revision being dated February 24, 1978, said revision having been prepared by Coastal Surveying Co., Inc. on Hilton Head Island, South Carolina and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 27 at Page 29 on August 25, 1978.

(o) All that certain piece, parcel or tract of land consisting of 1.283 Acres as shown on a plat entitled "A Plat of the Property of Lighthouse Beach Company" prepared for Sea Pines Plantation Co. by Sea Pines Survey Department and dated January 23, 1973, and further designated as "A Plat of 1.283 Acres of Lighthouse Beach Company's Tract located in the South Beach Area of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina," certified to by Nathan C. Bowers, S. C. RLS #4116 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 20 at Page 155 on January 30, 1973.

(p) All that certain piece, parcel or tract of land shown as 2.48 Acres on a plat entitled "A Composite of South Beach and the Asbuilt Condition of South Beach Marina, South Beach Pool and South Sea Pines Drive, a Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, dated July 2, 1973, prepared originally by Calvert Surveying Co., Inc. and certified to by Forrest G. Calvert, RLS #4175, latest revision being dated February 24, 1978 and prepared by Coastal Surveying Co., Inc., certified to by Jerry L. Richardson, S. C. RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 27 at Page 29 on August 25, 1978.

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(q) All those certain pieces, parcels or tracts of land containing 1.456 Acres, shown on a plat as Parcel AA-1 containing 0.196 Acres and a parcel containing 1.26 Acres, which plat is entitled "A Plat of an As-Built Survey of Beachside Tennis Villas Horizontal Property Regime LXXVIII, Phases IA, IB and II, A Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina," prepared by Coastal Surveying Co., Inc., and certified to by Jerry L. Richardson, S. C. RLS #4784, dated July 16, 1981, final revision being dated April 26, 1982, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 30 at Page 106 on May 12, 1982.

(r) All that certain piece, parcel or tract of land containing 3.255 Acres as shown on a plat entitled "A Plat of 3.399 Acres South Beach Cabanas Asbuilt Conditions, Sea Pines Plantation Company, Hilton Head Island, Beaufort County, South Carolina, dated May 21, 1974, and prepared by and certified to by Forrest F. Baughman, S. C. RLS #4922, final revision dated January 12, 1982, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 30 at Page 45 on January 19, 1982.

(s) All that certain piece, parcel or tract of land shown as Parcel M and containing 21.786 Acres on a plat entitled "A Composite Plat of 605.78 Acres, Sea Pines Forest Preserve and Adjacent Commercial Tracts, Residential Tracts and other Platted Areas, prepared by Coastal Surveying Co., Inc., and certified to by Jerry L. Richardson, S. C. RLS #4784, dated October 29, 1979, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 28 at Page 64 on October 31, 1979.

(t) All that certain piece, parcel or tract of land shown as Parcel K, containing 4.72 Acres, on a plat entitled "A Composite Plat of 605.78 Acres, Sea Pines Forest Preserve and Adjacent Commercial Tracts, Residential Tracts and other Platted Areas", prepared by Coastal Surveying Co., Inc., and certified to by Jerry L. Richardson, S. C. RLS #4784, dated October 29, 1979, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 28 at Page 64 on October 31, 1979.

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(u) All that certain piece, parcel or tract of land containing 3.20 Acres as shown on a plat entitled "A Plat of 13.60 Acres, a Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina," prepared by Thomas and Hutton Engineering Company, Savannah, Georgia and certified to by W. G. Foster, SC RLS #2753, dated December 16, 1977, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 26 at Page 130 on the 28 day of December, 1977.

(v) All that certain piece, parcel or tract of land containing 10.347 Acres on Hilton Head Island, Beaufort County, South Carolina as shown on a plat entitled "A Plat of a Portion of Sea Pines Plantation containing 10.347 Acres Sea Pines Club Facilities," dated December 1976, prepared by Sea Pines Land Control Department and certified to by Jerry L. Richardson, S. C. RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 26 at Page 55 on 1st day of August, 1977.

(w) All that certain piece, parcel or tract of land shown as Tract C containing 3.478 Acres on a plat entitled "A Plat of Sea Pines Center, 10.099 Acres, Tracts, A, B & C, A Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, prepared by Coastal Surveying Co., Inc., and certified to by Jerry L. Richardson, S. C. RLS #4784, dated September 3, 1982; final revision being dated November 5, 1982, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 31 at Page 5 on the 12th day of November, 1982.

(x) All that certain piece, parcel or tract of land containing 3.000 Acres as shown on a plat entitled "A Plat of 3.000 Acres, Sea Pines Academy, A Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina," dated October 6, 1981, and prepared by Coastal Surveying Co., Inc., and certified to by Jerry L. Richardson, S. C. RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 30 at Page 22 on December 3, 1981.

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(y) All those certain pieces, parcels or tracts of land containing in the aggregate 47.99 Acres and shown as Parcel H containing 5.69 Acres, Parcel G containing 33.98 Acres, Parcel B containing 2.98 Acres, Parcel C containing 1.69 Acres, Parcel D containing 1.30 Acres, Parcel E containing 1.35 Acres, on a plat entitled "A Composite Plat of 605.79 Acres, Sea Pines Forest Preserve and Adjacent Commercial Tracts, Residential Tracts and other Platted Areas, prepared by Coastal Surveying Co., Inc., and certified to by Jerry L. Richardson, S. C. RLS #4784, dated October 29, 1979, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 29 at Page 64 on October 31, 1979.

(z) All that certain piece, parcel or tract of land containing 12.16 acres as shown on a plat entitled "Six Oaks Cemetery and Six Oaks Park, a Section of Sea Pines Plantation," dated March 21, 1973; final revision dated May 1, 1973, prepared by Jerry L. Richardson and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 21 at Page 58 on June 18, 1973.

II. Properties owned by others as of the date of this Agreement.

(a) All those certain pieces, parcels or tracts of land containing 6.621 Acres and shown as Tracts A & B on a plat entitled "A Plat of Sea Pines Center, 10.099 Acres, Tracts, A, B & C, A Section of Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina, prepared by Coastal Surveying Co., Inc., and certified to by Jerry L. Richardson, S. C. RLS #4784, dated September 3, 1982 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 31 at Page 5 on the 12th day of November, 1982 and more particularly described as Tract A containing 5.065 and Tract B containing 1.556 Acres.

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(b) All those certain pieces, parcels or tracts of land shown as Easement #3A containing .0986 acres; Easement #4 containing 0.017 acres; Easement #5A containing 0.149 acres; Easement #5B containing 0.035 acres, all as shown on a plat entitled "A Plat of Sea Pines Center 2.382 Acres Various Easements, a Section of Sea Pines Plantation dated September 3, 1982, prepared by Coastal Surveying Co., Inc. and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 4 on November 12, 1982.

(c) All that certain piece, parcel or tract of land identified as Tract BC and containing 3.653 acres as shown on a plat entitled "A Plat of 6.794 Acres, Tracts A, B-C and A-B, a Section of Sea Pines Service Area," prepared by Coastal Surveying Co., Inc. and dated June 30, 1982, latest revision dated November 4, 1982 and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 31 at Page 3 on November 12, 1982.

(d) All that certain piece, parcel or tract of land shown as Lighthouse Road Firestation containing 0.996 acres as shown on a plat entitled "A Plat of Sea Pines Service Area, Revision #1, a Section of Sea Pines Plantation" dated November 2, 1973, prepared by Richardson & Associates and certified to by Jerry L. Richardson, SC RLS #4784, latest revision dated May 27, 1974, and certified to by Forrest F. Baughman, SC RLS #4922, said plat not recorded.

(e) All those certain pieces, parcels and tracts of land shown as parcels 3, 4 and 5 and containing .069, 0.0937 and 0.60 acres respectively, as shown on a plat entitled "A Plat of 2.44 Acres, a Section of Lighthouse Beach Co. Harbour Town Tract," dated May 15, 1973; final revision dated November 12, 1973, prepared by Calvert Surveying Co., Inc., Charleston, South Carolina, and certified to by Forrest G. Calvert, SC RLS #4175, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 21 at Page 168 on December 3, 1973.

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(f) All that certain piece, parcel or tract of land shown and described as HARBOUR HOUSE 81, HARBOUR HOUSE 82, containing 0.36 acres, as shown on a plat entitled "Plat of Harbour House in Harbour Town Exhibit A, a Section of Sea Pines Plantation" prepared by Coastal Surveying Co., Inc. and certified to by Jerry L. Richardson, SC RLS #4784, last revision dated January 27, 1976 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 24 at Page 105.

(g) All those certain pieces, parcels or tracts of land shown and described as Sea Pines Academy, 15.81 AC, Parcel "H" 5.69 AC, Sewage Treatment Plant, 21.01 AC, Parcel "A" 7.974 AC, 66' Easement, PARCEL "D-1", 0.50 AC, Parcel "F", 2.008 AC, Greer Studio, Lot 1, Lot 2, Water Supply Station, 1.0 AC, and that parcel shown as 0.472 AC, on a plat entitled "A Composite Plat of 605.78 Acres, Sea Pines Forest Preserve and Adjacent Commercial Tracts, Residential Tracts and Other Platted Areas, prepared for Sea Pines Plantation Company" dated October 29, 1979, prepared by Coastal Surveying Co., Inc. and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 28 at Page 64.

(h) All that certain piece, parcel or tract of land shown and described as 8.81 acres on a plat entitled "Plat of a 8.81 acre portion of the Sea Pines Plantation, Hilton Head Island, Beaufort County, South Carolina" prepared by Thomas & Hutton Engineering Company, dated March 30, 1976, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 24 at Page 124.

SAVE AND EXCEPTING, all those certain pieces, parcels or tracts of land shown and described on that plat entitled "A Plat of 4.866 Acres, Night Heron Phase III, Fox Grape Road, A Section of Sea Pines Plantation" dated May 26, 1982, prepared by Coastal Surveying Co., Inc. and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 30 at Page 156, said plat showing certain lagoon and open space, subdivided lots, and other areas, said property containing 3.944 acres.

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(1) All those certain pieces, parcels or tracts of land shown and described as 1.028 AC, PARCEL C-2, 0.583 AC.", "0.057 AC", "ACCESS EASEMENT 0.70 AC", "PARCEL D, 0.278 AC", "Restaurant, 0.086 AC", "0.256 AC" on a plat entitled "A Plat of the South Beach Marina Tract, a Section of Sea Pines Plantation" prepared by Coastal Surveying Co., Inc. and certified to by Jerry L. Richardson, SC RLS #4784, dated 2/21/80 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 29 at Page 14.

Said property being more and particularly described as follows: Beginning at a "POINT OF COMMENCING" shown on the above described plat and located on the northeastern right-of-way of South Sea Pines Drive; thence N 46°00'00" east, a distance of 156.5 feet to a point, said point being shown as the POINT OF BEGINNING; thence N 44°00'00" west, a distance of 74.74 feet to a point, thence N 43°31'00" east, a distance of 30.00 feet to a point, thence N 44°00'00" west, a distance of 175.91 feet to a point, thence S 46°00'00" west, a distance of 15.74 feet to a point, thence N 44°00'00" west, a distance of 126.94 feet to a point, thence N 07°14'03" west, a distance of 56.24 feet to a point, thence S 70°27'02" west, a distance of 52.72 feet to a point, thence N 07°42'05" wast, a distance of 209.39 feet to a point, thence N 81°00'00" east, a distance of 346.62 feet to a point, thence S 42°07'00" west, a distance of 141.92 feet to a point, thence S 43°59'59" east, a distance of 10.00 feet to a point, thence S 15°11'02" east, a distance of 59.92 feet to a point, thence S 46°00'00" west, a distance of 51.74 feet to a point, thence S 44°00'00" east, a distance of 19.70 feet to a point, thence N 46°00'00" east, a distance of 21.89 feet to a point, thence S 44°00'00" east, a distance of 31.33 feet to a point, thence S 46°00'00" west, a distance of 76.14 feet to a point, thence S 44°00'00" east, a distance of 470.40 feet to a point, thence S 44°00'00" east, a distance of 32.32 feet to a point, thence S 44°00'00" east, a distance of 177.28 feet to a point, thence N 45°32'00" east, a distance of 22.26 feet to a point, thence S 44°00'00" east, a distance of 39.94 feet to a point, thence S 46°00'00" west, a distance of 150.00 feet to a point; said point being the aforesaid POINT OF BEGINNING.

ORIGINAL DOCUMENT
POOR CONTRAST OR CONDITION

(j) All that certain piece, parcel or tract of land shown and described as STORE containing .049 AC as shown on a plat entitled "A Plat of the South Beach Marina Tract, a Section of Sea Sea Pines Plantation" last revision dated 2/22/80, prepared by Coastal Surveying Co., Inc. and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 29 at Page 14.

(k) All that certain piece, parcel or tract of land shown and described as WATER TANK SITE, containing 0.57 AC as shown on a plat entitled "A Plat of 3.399 Acres South Beach Cabanas Asbuilt Conditions, Sea Pines Plantation" dated May 21, 1974, prepared by Forrest F. Baughman, SC RLS #4922, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 30 at Page 45.

(l) All those certain pieces, parcels and tracts of land shown as Area A and containing 3.230 acres, 50' right-of-way containing 0.630 acres and Area B containing 1.790 acres on a plat entitled "Lands End Subdivision Phases 1, 2, 3 and 4, a Section of Sea Pines Plantation," dated March 27, 1978; final revision dated October 28, 1978, prepared by Coastal Surveying Co., Inc. and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 27 at Page 197 on June 21, 1979.

(m) All those certain pieces, parcels or tracts of land shown as telephone exchange and containing 0.27 acres, water tank site containing 0.20 acres, power substation containing 1.00 acre, all shown on a plat of "Sea Pines Service Area Revision #1, a Section of Sea Pines Plantation, dated November 2, 1973; latest revision dated November 13, 1975, prepared by Richardson & Associates and certified to by Jerry L. Richardson, SC RLS #4784, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Plat Book 24 at Page 24 on November 14, 1975.

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EXHIBIT F

GATE POLICY

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GATE POLICY

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SECTION IV

POLICY FOR ISSUANCE OF GATE PASSES

4.01 Visitor Passes (Non-Commercial)

4.01.1 No Charge.

Visitor Passes can be authorized for the following individuals and their guests at no charge:

- Sea Pines Property Owners
- Long Term Renters in Sea Pines
- Employees of the Company (herein defined in Section 4.01.1.6), or other businesses operating commercial lands within Sea Pines Plantation who contribute to the Community Trust Fund according to the provisions of the 1974 Covenants or according to other provisions as contained herein.
- Clients of and/or Real Estate Agents showing property under special circumstances.
- Clients of participating commercial land owners and businesses (see 4.03.4).

4.01.1.1 Sea Pines Property Owners.

When a Property Owner arrives at the Security Office or Sea Pines Welcome Center desiring a temporary pass (arrived with a rental vehicle, traveling with friends, etc.) they should present a Property Owner's ID with their picture on it for verification. If they have one of the old ID's (without a picture) another form of ID should be required and then the Property Owner listing should be checked. The ID's (with the pictures on them) that are not expired are to be honored when carried by the Property Owner without further ID or checking.

4.01.1.2 Government Officials.

U.S. Government Officials, State of South Carolina Officials, Beaufort County Officials and Town of Hilton Head Officials showing valid identification will be admitted through the Gates without having to return to the Security Office to be cleared. If they do go to the Security Office, on presentation of proper identification as an Official of one of the above agencies, they will be issued a daily Gate Pass. Vehicles having an official seal of any of the above agencies as well as vehicles with the following special decals, (1) Utility Company, (2) Hilton Head Holdings and (3) Town of Hilton Head, will be admitted through the Gates without the need for a daily pass.

4.01.1.3 Marriott Ownership Resorts, Inc. (herienafter called "MORI").

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MORI is defined as the Time Share units at Monarch, Swallowtail, Spicebush and some units in the following:

Ketch Court	Plantation Club Villas
Twin Oaks	Port Villas
Racquet Club	Night Heron

MORI will periodically draw passes from the Sea Pines Welcome Center based on their anticipated needs. The owner of the Time Share will receive a pass at the Marriott Welcome Center Office for the length of their stay in the Plantation. (MORI Owners DO NOT receive Sea Pines Property Owner Decals). The passes will be stamped "MARRIOTT GUEST".

Short Term Rentals of MORI are those who rent for one or more nights and are given the same pass as an owner since they are placed in a vacant owner unit or an unsold MORI owned unit.

"TOUR PROSPECTS" are those brought in by MORI to take the Sales Tour and are given a $3.00 daily pass already purchased by MORI.

4.01.1.4 Seascape Owners.

Only original owners of Seascape will be issued free passes. They must present an original owner's ID card. They cannot get guest passes for their friends or guests.

4.01.1.5 Harbour Town Merchants Courtesy Pass.

If a guest comes to the gate with one of the Harbour Town Merchants Courtesy Passes, the guest will be turned into the Officer on duty and the person allowed to enter the Plantation during the hours of 9:00 A.M. and 5:00 P.M., Monday thru Friday.

4.01.1.6 Sea Pines Plantation Company, Inc. (the "Company").

Wherever used in this Gate Policy the term "Company" shall mean SEA PINES PLANTATION COMPANY, INC., a South Carolina corporation, its subsidiaries, successors and assigns including Sea Pines Real Estate Companies, Inc. and all related entities.

The Company has the right to cause the issuance, at no charge to the Company, of annual gate passes for all Company Directors, Officers and employees, to include Company consultants, real estate sales agents and contractors other than those serving in a temporary capacity, in which case temporary passes may be issued. The Company further reserves the right to issue annual or temporary passes to a limited number of Public Officials holding either Town, County, State or Federal Office. The above-described passes will be issued by the Sea Pines Security Office upon the request and authorization of designated Company Officials.

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The Company has the right to issue or cause to be issued at no charge to the Company, temporary guest passes to the following categories of Company guests or business clients:

a. Company lodging guests.
b. Business clients of the Company.
c. Real Estate clients of the Company.
d. Visiting VIP's and social guests at company sponsored functions.

The above categories of passes will be issued at the Company managed Welcome Center unless otherwise agreed to by the Company and/or its successors. In addition to the above gate pass authority, Paragraphs 4.01.1; 4.01.1.4; 4.01.1.6; and 4.01.1.7 are applicable to the Company and its tenants. In the event of sale of the Company or its major assets, its successors shall have all the rights, privileges and obligations as expressed in this policy, subject to their acceptance and adherence to the terms of funding Community Services, stated in Article III, Paragraph B of the Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc. dated September 7, 1974.

4.01.1.7 Company Real Estate Clients.

All requests must come from Company Sales Agents and given to the Welcome Center Real Estate Receptionist.

The passes are good for one day only if picked up before 2:00 P.M. After that, the pass will be issued for two days (the current and the following day).

The receptionist will log the agent and client's name for follow-up by the Broker-in-Charge.

This temporary pass is for Company prospects only. Each agent is urged to tour with the prospect personally.

4.02 General Information for Temporary Passes.

4.02.1 Who Can Arrange for Passes.

Passes can be arranged for guests either in person at the Sea Pines Welcome Center or by telephone (785-8004) by Sea Pines Property Owners, Long Term Renters in Sea Pines, MORI Time Share Owners and by Company and its employees. Passes are to be issued for a period not to exceed two (2) weeks.

4.02.2 Renewal of Passes.

When passes are issued at the Welcome Center, if they are subject to

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renewal, it will be indicated on the reverse side with a large "R" and the issuing employee's initial.

4.02.3 Issuing of Passes at the Security Office.

Passes may be issued by the Security Office to Sea Pines Property Owners only, while they are traveling in rented/borrowed vehicles or they do not have proper documentation for the issuance of Property Owner Decals. Other passes as may be authorized by the Director.

4.02.4 Colors for Temporary Passes.

The following color for temporary passes will be used for the month indicated unless otherwise instructed by the Director. The color will be issued as indicated starting the FIRST of every month.

January/July	RED
February/August	GREEN
March/September	YELLOW
April/October	ORANGE
May/November	BEIGE
June/December	BLUE

4.03 Daily Commercial Passes.

Basically are issued to anyone not covered in the above instructions.

4.03.1 $3.00 Daily Pass.

Is the charge for four (4) wheel vehicles used by:

All construction workers not working for Sea Pines Company itself.
Contractors and Island Resident Guests.
Tennis or Golf patrons.
Charter Boat patrons.
Retail or Restaurant Customers and visitors or tourists not otherwise provided for herein.

4.03.2 $15.00 Daily Pass.

Is the charge for commercial vehicles with more than four (4) wheels, excluding buses. (see below)

4.03.3 Special Temporary Pass for Contractors.

A pass will be issued to contractors who have purchased the proper commercial decal but due to an accident, breakdown, etc. do not have that vehicle available for a limited time (not to exceed seven days). The Gate Officers will admit them for the period shown on the pass. All passes will be dated and signed by Security Office personnel.

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4.04 $25.00 Bus Passes.

All buses that do not have a permanent Commercial Decal are charged $25.00 for a daily pass. Buses are required to use the Greenwood Gate for entry except for those groups sponsored by the Hilton Head Inn/Sea Scape Guest Convention Services and cleared by proper authority, who may use the Ocean Gate.

4.04.1 Special Information

Bus Drivers and/or Tour Guides will be given the following information (as a printed handout by the duty Dispatcher) together with their daily pass:

"Welcome to Sea Pines Plantation:

There are a few rules we ask you and your group to follow while visiting us:

A. You are authorized to discharge/pickup your passengers at the Sea Pines Center, Harbour Town or South Beach Marina Conference Center only.

After discharging your passengers, you are to exit the plantation via the Greenwood Gate and park outside the Plantation until time to pickup your passengers.

B. Use the Greenwood Gate only, proceed on Greenwood Drive to Greenwood Circle. If you are going to either the Sea Pines Center or Harbour Town, take the first exit (Lighthouse Rd). If you are going to South Beach Marina, take the second exit (Greenwood Drive), proceed to South Sea Pines Drive, then on to South Beach Marina.

C. There are no tours of the Plantation allowed, remain on the above roads as directed.

D. Do not park along roadsides, Beach walkways or in residential areas.

E. Camping and picnics are prohibited.

F. This pass is not valid for swimming pools, playgrounds, fishing or Beach Club facilities.

G. It is a violation of FEDERAL LAW to feed or otherwise disturb alligators.

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4.05 Bicyclist Passes.

The bicycle paths located within Sea Pines Plantation were constructed with "private" moneys and as such are for the enjoyment of Sea Pines Property Owners, their dependents and guests (of property Owners and/or rental agencies) while residing within Sea Pines Plantation. "Outside" bicycles are not allowed entry.

4.05.1 Sea Pines Owners/Dependents and Guests While Residing in Plantation.

A bicyclist, upon departing from the Plantation, will receive a temporary pass from the Gate Officer which will allow them to re-enter the Plantation with their bicycle. This pass is ONLY for property owners, their dependents and guests (of property owners and/or rental agencies) while temporarily residing within Sea Pines Plantation.

4.06 Entry for Special Sports Events.

Free guest entry into Sea Pines will be granted upon authorization by Company to all ticket holders, authorized guests, participants, sponsors, volunteers and equipment or service suppliers for major annual sports events such as the MCI Heritage Golf Classic; the Family Circle Tennis Tournament; the International Seniors Golf Tournament and to a limited number of other sports events sponsored by the Company or its successor.

4.07 Entry for Scheduled, Civic, Cultural, Religious or Educational Meetings or Events.

Free guest passes will be issued upon a list of names delivered to the Security Office forty-eight (48) hours in advance along with the name and description of the event and its purpose submitted by the Sponsoring Property Owner.

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SECTION V

POLICY FOR ISSUANCE OF DECALS

5.01 General Information

The issuance of decals will be under the control of the Company Administrative Office and will be governed by the following policies:

5.01.1 Definition of 'Commercial' Type Vehicle

For the purposes of this manual and for the issuance of decals, the following are defined as 'Commercial' vehicles and will be issued "Commercial Decals":

a. All flat-bed/stake body trucks.
b. All trucks with a load capacity of more than 1½ tons.
c. All vehicles with permanent lettering/logos on them.
d. All vehicles utilized in providing a delivery service of supplies or equipment to property owners, long term residents, commercial establishments, etc.
e. All vehicles utilized in providing a service to property owners, long term residents, commercial establishments, etc. within Sea Pines Plantation for a livelihood/profit.
f. All vehicles utilized in providing transportation, tours, and sight-seeing services. (See paragraph 5.07.1)
g. All vehicles with work accessories attached or fastened thereto i.e., ladders, pipe racks, tool boxes, etc.
h. In the event of a vehicle not specifically falling within the categories, the Director of Sea Pines Security or an authorized Sea Pines Security Officer will make the final determination as to whether or not the vehicle should be classified as a "Commercial" type.

5.01.2 Definition of Recreational (RV) Vehicle

For the purposes of this manual, a vehicle that is either towed or self propelled, designed with living and sleeping facilities, and/or equipped with water/sewage/electrical hookups, considered to be a self-contained unit, is deemed to be a Recreational Vehicle and as such is not entitled to receive a decal.

A recreational Vehicle may be authorized entry into the Plantation for a maximum of four (4) hours for the purposes of loading and unloading only.

Some vans have large, picture type, side windows and are "fancied up" on the inside and may be classified as an RV for the purchase of a state vehicle licenses, however, as long as they do not project an image of a living and sleeping facility, they will not be treated as

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an RV.

5.01.3 Vehicles Not Authorized to Park Overnight in the Plantation

a. Commercial vehicles (see paragraph 5.01.1 above)
b. Recreational (RV) vehicles (see paragraph 5.01.2 above)
c. Dune Buggies (Not allowed entry at any time)
d. Motorcycles (Not allowed entry at any time)
e. Trailers of any kind, except by special permission when they are allowed to remain overnight on an unimproved lot while construction is being completed on that lot.
f. Boats of any kind, unless they can be placed within a closed garage.
g. Campers of any kind.

For a user fee, these vehicles (except boats) may be parked in an area Sea Pines Security has provided for the storage of these vehicles.

5.02 Property Owner Decals

5.02.1 Eligibility

Limited to Property Owners only.

Property owner decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.02.2 Number Authorized

No limit to number of decals issued, subject to the vehicles being registered in the name of the Property Owner/Spouse. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.02.3 Verification

Verification of property ownership will be done by the Administrative Office Staff. If the verification cannot be done by records held in the administrative office, Property Records (ext 454) will be called and verification requested from that office. If verification still cannot be accomplished, the property owner will be requested to furnish copies of the Closing Statement, Partnership Agreements, Deeds, etc. Decals will not issued until verification of property ownership is completed.

5.02.4 Documents required

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be registered to the property

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owner and/or spouse. If it is a company owned vehicle, it must be verified that the vehicle is for the private full time use of the property owner and not a 'Company Pool' vehicle.

5.02.5 How issued

The decal may be issued in person or by mail provided the above procedures have been completed.

5.02.6 Expiration

These decals will expire when determined by the Sea Pines Company in coordination with the Association of Sea Pines Property Owners and the Director of Security. (Usually every three to four years)

5.02.7 Charge

There is no charge to the Property Owner for their decal or replacement.

5.03 Dependent Decals

5.03.1 Eligibility

Must be a dependent child or step-child, unmarried, 21 years old or less (23 if still in college) of a Property Owner, living full time with parents, and other family members living in household full time.

Dependent decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.03.2 Number Authorized

No limit to number issued , subject to vehicles being registered in the name of the dependent. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.03.3 Verification

Verification of dependency will be done by the Administrative Office Staff. If the verification cannot be done by records held in the administrative office, the Property Owner will be contacted and requested to apply for their child and other family members.

5.03.4 Documents required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the dependent child. The application for a decal must be counter-signed by the parent (Property Owner).

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5.03.5 How Issued

The decal may be issued in person or by mail provided the above procedures have been completed.

5.03.6 Expiration

These decals will expire annually, on the last day of November.

5.03.7 Charge

There is no charge to the dependent for their decal or replacements.

5.04 Relative Decals

5.04.1 Eligibility

Limited to immediate family members of a Property Owner. "Immediate family member" is defined as the mother, father, sister, or brother of a Property Owner. Also included as an "immediate family member" are the children of Property Owners in any or all of the following categories:

1. Married
2. Over the age of
3. Not living full time with parents

Relative decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.04.2 Number Authorized

Two (2) decals may be issued for the family of each relative. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.04.3 Verification

Verification will be accomplished by the Administrative Office Staff. If the verification cannot be done by records held in the administrative office, the Property Owner will be contacted and requested to apply for their relative.

5.04.4 Documents Required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the relative applying. The application must be counter-signed by the Property

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Owner.

5.04.5 How Issued

The decals must be applied for in person at the administrative office by the Property Owner.

5.04.6 Expiration

These decals will expire annually, on the last day of November.

5.04.7 Charge

There is a $3.00 charge for each decal issued. A replacement charge of $1.00 will be collected together with the old decal (or pieces).

5.05 Company Employees

5.05.1 Full Time Employees

5.05.1.1 Eligibility

Must be an employee of Company.

Employee decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use with the Plantation, it is for the employee's transportation to and from work.

5.05.1.2 Number Authorized

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.05.1.3 Verification

Verification of employment will be accomplished by the Administrative Office Staff, either by viewing an Employee's ID, or checking the printout of all employees. If verification cannot be accomplished by the above, the Human Resources Office (ext 372) will be contacted.

5.05.1.4 Documents Required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for a decal must be counter-signed by the employee's supervisor or the Director, Human Resources Office (or authorized staff member, Human

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Resources Office).

5.05.1.5 How Issued

Each new employee may be issued one decal by the Director, Human Resources Office (or authorized staff member) at the time of employment. Once completed, copies of the application will be forwarded to the Security Administrative Office.

All other employee decals (additions, renewals, deletions, changes, replacements, etc.) will be issued by the Security Administrative Office staff. During the annual renewal period, separate instructions will be published to all departments.

5.05.1.6 Expiration

These decals will expire annually, on the last day of November.

Upon termination of an employee, the decals must be scraped and returned to the Human Resources Office before the employee can be cleared. The Human Resources Office will notify the Security Administrative Office of the termination in order that the records can be adjusted.

5.05.1.7 Charge

There is no charge to the employee for their decal or a replacement.

5.05.2 Summer Seasonal Employees

5.05.2.1 Eligibility

Must be an employee of Company who has been hired as a "Summer Seasonal" employee.

Employee decals will not be issued for 'commercial type vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is for the employee's transportation to and from work.

5.05.2.2 Number Authorized

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.05.2.3 Verification

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Verification of employment will be accomplished by the Administrative Office Staff, either by viewing an Employee's ID, or checking the printout of all employees. If verification cannot be accomplished by the above, the Human Resources Office (ext 372) will be contacted.

5.05.2.4 Documents Required

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for a decal must be counter-signed by the employee's supervisor or the Director, Human Resources Office (or authorized staff member, Human Resources Office).

5.05.2.5 How Issued

Each new 'Summer Seasonal' employee may be issued one decal by the Director, Human Resources Office (or authorized staff member) at the time of employment, the decal will be cut in half to designate it as a 'SUMMER SEASONAL EMPLOYEE' decal. Once completed, copies of the application will be forwarded to the Security Administrative Office.

All other employee decals (additions, renewals, deletions, changes, replacements, etc.) will be issued by the Security Administrative Office staff.

5.05.2.6 Expiration

These decals will expire as of September 15 each year. Upon termination of an employee, the decals must be scraped and returned to the Human Resources Office before the employee can be cleared. The Human Resources Office will notify the Security Administrative Office of the termination in order that records can be adjusted.

5.05.2.7 Charge

There is no charge to the employee for their decal or a replacement.

5.06 Long Term Renter Decal

5.06.1 Eligibility

Limited to Long Term Renters whose names appear on a written Lease Agreement. Also included are those renters at "Harbour House" who do not have a written Lease Agreement and whose names are on file in the Security Administrative Office.

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A Long Term Renter is defined as one who has a written Lease Agreement for six (6) months or more at the time they apply for a decal.

Long Term Renter Decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.06.2 Number Authorized

No limit to number of decals issued, subject to the vehicle being registered in the name as shown on the Lease Agreement. If a replacement decal is needed, the old decal (or pieces) must be returned to the Security Administrative Office.

5.06.3 Verification

Verification of a Long Term Renter will be accomplished by the Administrative Office Staff.

5.06.4 Documents Required

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be registered to the Long Term Renter (or spouse) and/or children (living full time with the renter). A copy of the Lease Agreement must be presented. If the vehicle is a company owned vehicle, it must be verified that the vehicle is for the private full time use of the renter and not a 'Company Pool' vehicle.

5.06.5 How Issued

The decal must be applied for in person at the administrative office.

5.06.6 Expiration

These decals will expire annually, on the last day of November.

5.06.7 Charge

There is no charge to the Long Term Renter for their decal or replacement.

5.07 Island Resident Decals

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5.07.1 Eligibility

Limited to those individuals who do not live in Sea Pines Plantation, but do live on Hilton Head Island or surrounding area at least six (6) months of the year. New applications must be signed by two (2) Sea Pines Property Owners, with address and phone number.

Local transportation, tour and sight-seeing companies may receive an "Island Resident Decal" vice a "Commercial Decal" upon their application for and the approval of their request by the Director of Security. His decision is final in this determination.

Island Resident Decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation except as provided for in the paragraph above.

5.07.2 Number Authorized

No limit to number of decals issued.

5.07.3 Verification

Verification will be the responsibility of the Administrative Office Staff.

5.07.4 Documents Required

A completed Decal Application with the required signatures.

5.07.5 How Issued

The decal must be applied for in person at the Administrative Office.

5.07.6 Expiration

These decals will expire annually, on the last day of November.

5.07.7 Charge

There is a charge for these decals which is determined prior to November 1st of each year.

5.08 Island Clergy (Island Resident Decal)

5.08.1 Eligibility

Limited to those individuals who are ministers of an organized church on Hilton Head.

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Island Clergy decals will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation, rather, they are intended to be used by the Clergy to visit with their church members.

5.08.2 Number Authorized

Limited to one (1) decal.

5.08.3 Verification

Verification will be the responsibility of the Administrative Office Staff.

5.08.4 Documents Required

A completed Decal Application and a valid vehicle registration (or a copy) which must be in either the name of the minister or in the name of the church.

5.08.5 How Issued

The decal must be applied for in person at the Administrative Office.

5.08.6 Expiration

These decals will expire annually, on the last day of November.

5.08.7 Charge

There is no charge for these decals.

5.09 Sea Brook Residents (Former Sea Pines Property Owners)

5.09.1 Property Owner Decals are authorized for those individuals who were former owners in Sea Pines Plantation, but now live in Sea Brook. All other residents of Sea Brook are eligible for 'Island Resident' Decals and will be charged the same as other desiring an Island Resident Decal.

Property Owner Decals for this category will not be issued for 'commercial type' vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.09.2 Number Authorized

Limited to two (2) decals. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

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5.09.3 Verification

Verification will be the responsibility of the Administrative Office Staff.

5.09.4 Documents Required

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be in the name of the former property owner (or spouse) and the address on the registration be for Sea Brook.

5.09.5 How Issued

The decal must be issued in person or by mail provided the above procedures have been completed.

5.09.6 Expiration

These decals will expire when determined by the Association of Sea Pines Property Owners and the Director of Security. (Usually every three to four years.)

5.09.7 Charge

There is no charge to the former owner for their decal or replacement.

5.10 Six Oaks Cemetery Plot Owners

5.10.1 Eligibility

Island Resident Decals are authorized to the Principal Heir of a deceased buried in the Six Oaks Cemetery. (Other family members will be issued a One-day Pass as needed.)

Decals for Six Oaks Cemetery Plot Owners will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.10.2 Number Authorized.

Limited to one (1) decal. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.10.3 Verification.

Verification will be the responsibility of the Administrative Office Staff. (Check with the Asst V.P. of Community Services)

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5.10.4 Documents Required.

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be registered in the name of the owner of the plot(s).

5.10.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been completed.

5.10.6 Expiration.

These decals will expire annually, on the last day of November.

5.10.7 Charge.

There is no charge to the owner of a plot(s) for their decal or replacement.

5.11 Seascape Owners (Original).

5.11.1 Eligibility.

Island Resident Decals are authorized for those individuals who are original owners of Seascape property.

A decal will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation.

5.11.2 Number Authorized.

Limited to two (2) decals. If a replacement decal is needed, the old decal (or pieces) must be returned to the Administrative Office.

5.11.3 Verification.

Verification will be the responsibility of the Administrative Office Staff thru the use of the Property Owner's Computer Printout. This is accomplished by reading the "Account #" which is an eight (8) digit numeric code. (i.e., 7-00000-01; 7-00000-02; 7-00000-03. The portion underlined indicates the number of times the property has been owned, 01 is the first (original) owner).

5.11.4 Documents Required.

To receive a decal, a valid vehicle registration (or a copy) must be presented. The vehicle must be in the name of the Seascape property owner (or spouse).

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5.11.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been completed.

5.11.6 Expiration.

These decals will expire when determined by the Association of Sea Pines Property Owners and the Director of Security. (Usually every three to four years)

5.11.7 Charge.

There is no charge to the Seascape owner for their decal or replacement.

5.12 Sea Pines Public Service District Employee (Island Resident Decals).

5.12.1 Eligibility.

Must be an employee of Sea Pines Public Service District.

Island Resident decals will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is for the employee's transportation to and from work.

5.12.2 Number Authorized.

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.12.3 Verification.

Verification of employment will be accomplished by the Administrative Office Staff, of the Sea Pines Public Service District.

5.12.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must presented. The vehicle must be registered to the employee (or spouse). The application for a decal must be countersigned by the employee's supervisor.

5.12.5 How Issued.

Must be applied for either by the Supervisor or in person at the Administrative Office.

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During the annual renewal period, separate instructions will be furnished to the Sea Pines Public Service Administrative Office.

5.12.6 Expiration.

These decals will expire annually, on the last day of November.

Upon termination of an employee, the decals must be scraped and returned to the Security Department Administrative Office.

5.12.7 Charge.

There is no charge to the employee for their decal or a replacement.

5.13 Sea Pines-Forest Beach Fire Department Employees (Island Resident Decals.

5.13.1 Eligibility.

Must be an employee of Sea Pines-Forest Beach Fire Department.

Island Resident decals will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is for the employee's transportation to and from work.

5.13.2 Number Authorized.

Two (2) decals may be issued to each employee. If a replacement decal is needed, the old decal (or pieces) must be turned in at the Security Administrative Office.

5.13.3 Verification.

Verification of employment will be accomplished by the Administrative Office Staff, of the Sea Pines Forest-Beach Fire Department.

5.13.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the e@ployee (or spouse). The application for a decal must be countersigned by the Chief/Asst. Chief (or their authorized representative) of the Sea Pines-Forest Beach Fire Department.

5.13.5 How Issued.

Must be applied for either by the Supervisor or in person at the Administrative Office.

During the annual renewal period, separate instructions will be

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furnished to the Sea Pines-Forest Beach Fire Department.

5.13.6 Expiration.

These decals will expire annually, on the last day of November.

Upon termination of an employee, the decal must be scraped and returned to the Security Department Administrative Office.

5.13.7 Charge.

There is no charge to the employee for their decal or a replacement.

5.14 Commercial Decals.

Commercial decals authorize entry Monday thru Saturday, 7:00 a.m. to 7:00 p.m. Entry is not allowed on Sunday or between the hours of 7:00 p.m. to 7:00 a.m. except as authorized by the the Director of Security. A special "strip" may be authorized in some cases which will allow entry from 7:00 a.m. to 9:30 p.m. and Monday thru Sunday. Other persons wishing to enter the Plantation after these hours, and for business purposes only, must stop at the Security office for clearance.

5.14.1 Definition.

A commercial decal is required by all persons doing business inside Sea Pines Plantation.

5.14.2 Number Authorized.

There is no restriction on the number of commercial decals, except as noted.

5.14.3 Expiration.

Commercial decals will expire annually, on the last day of November.

5.14.4 Charge.

Charges for commercial decals are placed in six (6) general categories:

	ANNUAL CHARGE.
Employees of Sea Pines Property Owners	$ 0.00
Newspaper Delivery Persons	0.00
Employees of Sea Pines Merchants	25.00
Autos, pick-up trucks and similar size vehicles	50.00
Vehicles with six (6) wheels (Dual wheel)	150.00
Vehicles with more than (6) wheels	250.00

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The above charges are normally pro-rated (half-price) in June of each year. (Employees of Sea Pines Merchants to the next highest dollar.)

5.14.5 Employees of Sea Pines Property Owners.

5.14.5.1 Eligibility

Limited to those individuals who work for one or more Sea Pines Property Owner a minimum of three days per week. To include but not limited to, maids. Nurses in special cases as approved by the Director.

A decal in this category will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is intended for the employees transportation to and from work.

5.14.5.2 Number Authorized.

Limited to one decal. If a replacement is needed, the old decal (or pieces) must be turned in at the Security Administrative Office. This decal cannot be placed on a "commercial type" vehicle, (i.e. vehicles with logos, or more than 4 wheels, etc.)

5.14.5.3 Verification.

Verification will be accomplished by the Administrative Office Staff.

5.14.5.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for the decal must be countersigned by the Sea Pines Property Owner(s), indicating the number of days per week the applicant works for them and in what capacity.

5.14.5.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been complied with.

5.14.6 Employees of Sea Pines Merchants.

5.14.6.1 Eligibility.

Limited to those individuals who are employees of one of the following:

Baileys	Camp Hilton Head
Capin's Pharmacy	Cafe Europa

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C.Q's	Crazy Crab
Dimatech	Demers Gallery
Fashion Court	Gatlin's Fine Food
Grocery Bag	Hales
Harbour Lights	Harbour Town Bike Rental
Harbour Town Grill	Harbour Town Wine & Spirits
Harbour Town Crafts	Harbour Town Antiques
Harbour Town Marina	Harbour Shop
Knickers	Land's End Tavern
Le Petit Bateau	
Marriott Ownership Resorts, Inc. ("MORI")	
Slight Indulgence	Signes
Sandpiper	Shoes, Etc.
University Shop	

A decal in this category will not be issued for "commercial type" vehicles or RVs and are not intended to be used for any commercial use within the Plantation, it is intended for the employees transportation to and from work.

5.14.6.2 Number Authorized.

Limited to one decal. If a replacement is needed, the old decal (or pieces) must be turned in at the Security Administrative Office. This decal cannot be placed on a "commercial type" vehicle, (i.e. vehicles with logos, or more than 4 wheels, etc.)

5.14.6.3 Verification.

Verification will be accomplished by the Administrative Office Staff.

5.14.6.4 Documents Required.

To receive a decal, a valid vehicle registration (or copy) must be presented. The vehicle must be registered to the employee (or spouse). The application for the decal must be countersigned by the Sea Pines Merchant, indicating if the employee is required to work on Sundays (so a strip may be issued if needed).

5.14.6.5 How Issued.

The decal may be issued in person or by mail provided the above procedures have been complied with.

5.15 MOPED Decals

Specific instructions regarding the issuance of permits for the operation of MOPEDS within Sea Pines Plantation are contained in Section VII of this manual. General instructions for the issuance of decals are listed below:

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5.15.1 Eligibility.

Decals will be issued only to Sea Pines Plantation property owners and a number of employees equal to those currently having MOPED licenses.

5.15.2 Number Authorized.

Limited to a total of 150 MOPEDS within the Plantation at any one time.

5.15.3 Verification.

Verification of eligibility will be the responsibility of the Administrative Office Staff. A physical inspection of the MOPED will be made by an authorized Sea Pines Security Officer to determine the brake horse power and condition of the vehicle for safe operation within the Plantation and to insure that it complies with the provisions of Section VII of this manual.

5.15.4 Documents Required.

To receive a decal, proof of ownership by a person eligible as provided for in paragraph 5.13.1 above may be required.

5.15.5 How Issued.

The decal must be issued in person in order that the physical inspection of the MOPED may be accomplished.

5.15.6 Expiration.

These decals will expire annually, on the last day of November.

5.15.7 Charge.

There is no charge for these decals.

J. S & P/J P S

Vault

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Floyd D. Dalton

REGISTER OF MESNE CONVEYANCE

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COVID-19 INFORMATION

Hurricane Isaias Updates

PROPERTY OWNERS

Service

Property Owner Services

Maintenance

Security

Governance

Committees

Sea Pines CSA Online Service Requests

Community Services Associates, Inc.

Community Services Associates, Inc. (CSA) is a nonprofit 501-c4 whose mission is "To protect, maintain, and enhance the resources of Sea Pines for the benefit of the Sea Pines Community." The organization acts through a 17-member board comprised of nine residential property owners (homeowners), four representatives from The Sea Pines Resort, and four members from the commercial entities within Sea Pines.

– CSA By-Laws Dated November 19, 2019 (download PDF)

– CSA 2020 Board of Directors Roster (download PDF)

– CSA FY 2020 Approved Budget (download PDF)

-CSA Seven-Year Forecast as of January 31, 2019 (Click to view)

– CSA Annual Report: 2018 | 2017 | 2016 | 2015 | 2014 | 2013

– CSA Strategic Plan: 2018

–Click here to view CSA Board of Director Election information for the 2021 Board Year

Board Agendas | Board Minutes | Committees | Assessments

CSA Board Agendas

2020
February 4
April 28
May 28

2019

January 29
March 26
April 26
May 21
August 7
August 20
September 24
November 19

2018

January 23
March 27
May 22
July 5
September 25
November 16

2017

June 26
September 26
November 21
December 5

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175 Greenwood Drive,
Hilton Head Island, SC
(843) 671-1343

CONTACT US

Property Owners

Visitors

Service Providers

Explore Sea Pines

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Terms of Service

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EXHIBIT 5

1036

DECLARATION OF COVENANTS AND RESTRICTIONS
BY SEA PINES PLANTATION COMPANY, INC.

THIS DECLARATION, made this 7th day of September, 1974, by Sea Pines Plantation Company, Inc., a South Carolina Corporation, hereinafter called "Company".

W I T N E S S E T H:

WHEREAS, Company is the owner of certain real property described in Article II of this Declaration and has created a planned community known as Sea Pines Plantation with certain facilities, amenities and services for the use and benefit of property owners within such community and for the use and benefit of the Company, its guests, invitees, licensees, successors, and assigns; and

WHEREAS, the Company desires to provide for the preservation of the values and amenities in Sea Pines Plantation, and for the maintenance and improvement of certain properties and facilities in Sea Pines Plantation; and to this end, desires to subject the real property described in Article II together with such additions as may hereafter be made, to covenants, restrictions, easements, conditions, assessments, affirmative obligations, charges and liens, hereinafter set forth, each and all of which is and hereby declared to be for the benefit of said property and each and every person provided for herein

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and the Company, its guests, invitees, licensees, successors, and assigns;

NOW THEREFORE, Sea Pines Plantation Company does hereby declare that the covenants contained herein shall be covenants running with the land and shall apply to the real property described in Article II hereof, together with such additions as may hereafter be made, and that said property shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, easements, conditions, assessments, affirmative obligations, charges and liens (hereinafter sometimes referred to as "the Covenants") hereinafter set forth.

ARTICLE I

DEFINITIONS:

The following words and terms when used in this Declaration or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

(A) The "Company" shall mean Sea Pines Plantation Company, Inc., its successors and assigns, and Sea Pines Company, its subsidiaries, joint-venture partnerships and partnerships having an interest in any part of the Properties.

(B) The "Properties" shall mean and refer to the existing property described in Article II hereof, and additions thereto, as are subjected to this Declaration by any supplemental

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declaration. Said existing Properties are more particularly described by a map of Sea Pines Plantation filed with the Association of Sea Pines Plantation Property Owners, Inc. which shall serve as a guide for determining the areas subject to these covenants until the designated areas are platted and filed for record in the Office of the Clerk of Court of Beaufort County, South Carolina. Plats currently available will be filed with these Covenants.

(C) "Participating Property Owners" shall be all those owners of Residential lots, and Family Dwelling Units, except the Company, who execute that certain Agreement, known as the "Advisory Group Agreement", and all owners of Residential lots and Family Dwelling Units who purchase property in Sea Pines Plantation which is subject to the payment of the same or greater dollar amount of the assessments provided for herein.

(D) "Residential Lot" shall mean any unimproved parcel of land located within Sea Pines Plantation which is intended for use as a site for a single family detached dwelling, townhouse, or patio dwelling as shown upon any recorded final subdivision map of any part of Sea Pines Plantation. A parcel of land shall be deemed to be unimproved until construction is started (ground-breaking).

(E) "Family Dwelling Unit" shall mean and refer to any improved property intended for use as a single family dwelling, including any single family detached dwelling, patio house, condominium unit, townhouse unit, cooperative apartment unit,

or apartment unit located within Sea Pines Plantation.

(F) "Owner" shall mean and refer to the Owner as shown by the real estate records in the Office of the Clerk of Court of Beaufort County, South Carolina, whether it be one or more persons, firms, associations, corporation, or other legal entities, of fee simple title to any Residential Lot or Family Dwelling Unit, situated within Sea Pines Plantation, other than the Company, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, or holder of a security deed, its successors or assigns, unless and until such mortgagee has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure and has held such title for a period of one year; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, a long-term contract of sale covering any lot or parcel of land within Sea Pines Plantation, the Owner of such lot or parcel of land shall be the purchaser under said contract and not the fee simple 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 nine (9) months from the date of the contract and where the purchaser does not receive title to the property until such payments are made although the purchaser is given the use of said property.

(G) "Intended for use" shall mean the use intended for various parcels, other than the Properties made subject

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to these Covenants, within Sea Pines Plantation as designated on the Master Plans for the Sea Pines Plantation prepared by the Company as the same may be revised from time to time, or the use to which any particular parcel of land is restricted by covenants expressly set forth or incorporated by reference in deeds by which the Company has conveyed the property.

(H) "Affiliate" shall mean any corporation more than 50% of the voting stock of which is owned or controlled by the Company and any partnership or joint venture in which the Company has more than a 50% equity interest or an interest in 50% or more of the cash flow from said partnership or joint venture.

(I) "Master Plan" shall mean and refer to the drawing which represents the conceptual plan of the Company for the development of Sea Pines Plantation. Since the concept of the future development of Sea Pines Plantation, other than the Properties made subject to these Covenants, is subject to continuing revision and change by the Company, present and future references to the "Master Plan" shall be references to the latest revision thereof.

(J) "Referendum" shall mean and refer to the power of the Participating Property Owners to vote by mailed ballots on certain actions including, without limitation, whether the Participating Property Owners shall accept any offer by the Company to convey to them as a group, or to a Trustee, appointed by a court of competent jurisdiction, any Properties. In the event seventy five (75%) percent of the votes actually returned

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to the Company or other properly appointed authority within the specified time shall be in favor of such actions, the action voted upon will be deemed to have been authorized by the Participating Property Owners; and will become effective as an amendment to these Covenants if approved by the Company. A referendum may be called by the Company or shall be called upon the written petition of at least ten percent (10%) of the Participating Property Owners. When a referendum is called, it shall be conducted by the Company with the assistance of the Participating Property Owners according to the following rules which may be modified or supplemented by the Company and the Sea Pines Plantation Property Owner Advisory Board:

(1) Notice of the referendum together with ballots shall be mailed to the Participating Property Owners within sixty (60) days after the call.

(2) The Participating Property Owners shall have not less than thirty (30) nor more than sixty (60) days from the date of mailing to return their ballots.

(3) A Participating Property Owner shall have one vote regardless of the number of Residential Lots and Family Dwelling Units owned. Joint owners of property shall only have one vote.

(K) "Business Land" shall mean property on which the following kinds of facilities have been or shall be constructed, but shall not include land adjacent or contiguous to any such buildings: (1) restaurant and/or bar facilities; (2) warehouse and storage facilities; (3) offices; (4) commercial buildings,

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including but not limited to retail shops, hotels, motels, inns, banks, theaters, lounges, but excluding family dwelling units; (5) stable buildings; (6) recreation clubhouses; and (7) tennis courts.

(L) "Sea Pines Plantation" shall mean all the real property with improvements thereon described in Exhibit A.

ARTICLE II

EXISTING PROPERTIES. The existing Properties consists of those tracts or parcels of land, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, which are shown on a map filed with the Association of Sea Pines Plantation Property Owners, Inc. which shall serve as a guide for determining the areas subject to these Covenants until the designated areas are platted and filed for record in the office of the Clerk of Court of Beaufort County, South Carolina. Plats currently available will be filed with these Covenants. (See Exhibit B hereto.)

Said Properties shall be held, transferred, sold, conveyed, given, donated, leased, occupied and used subject to the covenants, restrictions, easements, conditions, assessments, affirmative obligations, charges and liens set forth below.

A. The use to which existing Properties shall be devoted and the acreage contained within each category of use are:

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(1) Roads, Drains and Parking

The term "Drain", when used herein shall mean and refer to any natural or artificial channel, pipe, culvert, trench, or any hollow or open place in the ground located in Sea Pines Plantation designed and intended for the collection and dispersion of water. The term drain shall include, but not be limited to ditches, lagoons, watercourses, waterways, streams or brooks.

The term "Road", when used herein shall mean and refer to any overland passageway of every character within Sea Pines Plantation. The term road shall include, but not be limited to any passageway for vehicles, persons and animals such as a highway, route, bicycle path, bridge, street, nature trails or any improved or unimproved path right of way for the passage of persons or vehicles.

The term "Parking", when used herein shall mean and refer to any area within Sea Pines Plantation capable of being and intended to be used for the parking of any vehicle, including bicycles.

Not less than 357 acres of land within Sea Pines Plantation shall be designated for use as roads, drains, and parking.

(2) Utility Easements

"Utility Easements' when used herein shall mean and refer to the rights over, on, under and through land the Company has reserved or others have acquired for the purpose of constructing, maintaining, repairing and utilizing instrumentalities in the furnishing and supplying to owners of property in Sea

Pines Plantation and near-by areas of electricity, water, means of communication, sewer services, fuels for heating and cooking, CATV or other similar services customarily supplied by governmental bodies and public utility companies.

Not less than 36 acres of land within Sea Pines Plantation shall be designated for use as utility easements.

(3) Community Services

"Community Services" when used herein shall mean land used for education facilities, fire stations and/or community service maintenance facilities.

Not less than 15 acres of land within Sea Pines Plantation shall be designated for use as "Community Services" land.

(4) Parks and Recreation

The terms "Parks and Recreation", when used herein shall mean and refer to any piece of ground set aside and maintained within Sea Pines Plantation for the purpose of ornament, pleasure, exercise, amusement, entertainment or recreation.

Not less than 43 acres of land within Sea Pines Plantation shall be designated for use as parks and recreation.

(5) Walkways and Breezeways

The terms "Breezeways and Walkways" when used herein shall mean and refer to any passageway designed for walking or the passage of air and the breezes within Sea Pines Plantation. This term shall include, but not be limited to paths, routes, channels, entrances or exits, crosswalks or greenbelts.

Not less than 19 acres of land within Sea Pines Plantation shall be designated for use as walkways and breezeways.

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(6) Beach Trust Property

Beach Trust Property shall consist of the land located between the front property lines of any ocean front residential lots in Sea Pines Plantation and the Atlantic Ocean. Those areas designated on recorded plats as Beach Trust Property shall remain in an undeveloped condition, free of homes and structures subject to the rights and conditions noted herein.

Not less than 166 acres of land within Sea Pines Plantation shall be designated for use as Beach Trust Property.

(7) Conservancy and Open Space

"Conservancy and Open Space" as used herein shall mean lands covered by natural vegetation or water, including lakes, lagoons and areas built up by spoil operations. Those areas designated on recorded plats as Conservancy and Open Space areas shall remain in an undeveloped condition, free of homes and commercial structures, and managed in a way designed to preserve a balanced wildlife population consistent with sound conservation practices subject only to the exceptions noted herein. Conservancy and open space areas may include, but shall not be limited to agricultural, horticultural and horse stable areas provided such areas are well planted in trees and shrubs together with pasture and farm land and which can attract birds and provide grazing, for horses, cows, etc.

Not less than 1292 acres of land within Sea Pines Plantation shall be designated for use as conservancy and open space.

Included in the 1292 acres of conservancy and open

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space areas are 576 acres more or less which have been previously designated as the Sea Pines Forest Preserve. Nothing contained herein is intended to modify or amend in any way any provisions of the Sea Pines Forest Preserve Covenants recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Book 175 at Page 113, which shall remain in full force and effect.

(8) Wetland Conservancy Areas

Wetland conservancy areas shall consist of marshland areas below mean high water level. Although there is uncertainty as to whether the Company or the State of South Carolina has title to these areas, all right and interest of the Company in said areas shall be subject to the rights and restrictions contained herein. Those areas designated on recorded plats as wetland conservancy areas shall remain in an undeveloped condition subject only to the exception noted herein.

Not less than 341 acres of land within Sea Pines Plantation shall be designated for use as Wetland Conservancy areas.

B. Rights and Powers of the Company

The Properties described above are restricted to the uses set forth above subject to the following rights and powers of the Company:

(1) The Company, its successors or assigns, shall have the right to plant trees, plants and shrubs; to provide and insure adequate drainage ways, canals or lagoons; to cut firebreaks; and to utilize controlled burning to prevent build-

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up of excessive ground "fuel" and underbrush contributing to severe damage from uncontrolled forest fires.

(2) It is expressly understood and agreed that no residential or commercial structures, either temporary or permanent, shall be erected or caused to be placed on any designated areas described on a recorded plat other than structures in the nature of interpretive centers, observation platforms, comfort stations, and other facilities necessary or appropriate to aid in environmental protection and environmental education.

(3) Pursuant to its overall program of wildlife conservation and nature study, the right is expressly reserved to the Company, its successors or assigns to erect wildlife feeding stations, to plant patches of cover and food crops for quail, turkeys and other wildlife, to make access trails or paths through designated areas for the purpose of permitting observation and study of wildlife, hiking, horseback riding and biking.

(4) The Company reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, CATV, gas, sewer, water or other public conveniences or utilities on, in or over the lands in the designated areas, provided further, that the Company may cut drainways for surface water wherever and whenever such action may appear to the Company to be necessary in order

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to maintain reasonable standards of health, safety, and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Company, its successors or assigns reserves the right on the lands in the designated areas to locate wells, pumping station tanks, pollution-control devices, sewage disposal devices, sewage, water, gas and other utility lines and such other facilities as will improve general environmental and the health conditions on Hilton Head Island. Such rights may be exercised by any licensee of the Company.

(5) Minor changes in the boundaries of the various categories of designated areas may be made from time to time as may appear necessary and appropriate to the Company. For purposes of this Declaration, "minor changes" shall be any change or series of changes which do not reduce the total acreage of land in any use category by more than one per cent (1%). The Company reserves the right to relocate areas designated as Roads, Drains, Parking, Utility Easements, Walkways and Breezeways, provided that such relocation does not reduce the total acreage for each designated area specified in this Article.

(6) This Declaration does in no way grant to the general public the right to enter such designated areas.

(7) The Company expressly reserves to itself, its successors and assigns, every reasonable use and enjoyment of

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said designated areas, in a manner not inconsistent with the provisions of this Declaration.

(8) Where the Company is permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on the property, entering the property and taking such action shall not be deemed a breach of these Covenants.

C. Other Covenants of the Company

(1) The golf course lands in Sea Pines Plantation known as the Ocean, Sea Marsh, Harbour Town and Club courses shall remain Open Space, and, in the event that the Company, its successors or assigns, shall seek to convert any of said property from golf courses to other forms of open space, the golf course or courses affected shall first be offered for sale to the Participating Property Owners for use as a golf course or courses. Golf course lands will be surveyed, and upon completion, the Company shall file plats thereof with the Clerk of Court, Beaufort County, South Carolina, as an exhibit to these covenants, provided, however, the Company may make minor changes in golf course land. For purposes of this Declaration, minor changes shall be any change that does not reduce the total acreage of golf course land by more than one per cent (1%).

(2) The Company will limit the total number of villas, condominium units, townhouse units, cooperative apartment units, or apartment units in Sea Pines Plantation, to Two Thousand, One Hundred (2,100).

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(3) The Company will limit the number of construction starts (i.e., groundbreakings) of villas, condominium units, townhouse units, cooperative apartment units in Sea Pines Plantation to not more than Two Hundred and Fifty (250) such units per year.

(4) The Company will limit the total number of family Dwelling Ynits in Sea Pines Plantation to a maximum of Five Thousand, Eight Hundred and Ninety (5,890), which shall result, approximately, in an overall density of somewhat more than 1.2 dwelling units per gross acre.

(5) The Company will limit Business Land in Sea Pines Plantation to One Hundred and Five (105) acres.

(6) The Company will limit the maximum height of all future buildings in Sea Pines Plantation, to five (5) stories, measured from outside finished grade, but in no event to exceed sixty two (62) feet from outside finished grade.

(7) The Company will appoint at least one (1) Participating Property Owner, residing in Sea Pines Plantation, who is not an employee of the Company, and who is selected by the Association of Sea Pines Property Owners, Inc., to the Sea Pines Plantation Company Architectural Review Board.

(8) The Sea Pines Club course shall continue to be a private golf course for the exclusive use of owners of property within Sea Pines Plantation who are members of the Sea Pines Club and their guests. Members of the Sea Pines Club shall have the right to play golf on the Ocean, Sea Marsh and Harbour Town golf courses on an annual greens fee basis, at rates negotiated

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by the Company and a golf advisory committee elected from the members of the Sea Pines Club with the election conducted by Sea Pines Golf Club, Inc., so long as such courses are under the management of the Company as owner or lessee, and, in the event the Company transfers ownership or management of the Ocean, Sea Marsh or Harbour Town courses by sale or lease, the sales contract or lease agreement shall provide for annual greens fee play by such members on such courses and under terms and conditions negotiated by the new management and a golf advisory committee as described herein. In addition, the Company, its successors or assigns, shall, for Participating Property Owners (as herein defined), their successors or assigns hold available for reservation, beginning three (3) days in advance of any requested date of play for foursomes only, the following:

Course	Starting Times
Ocean	3 starting times per hour
Sea Marsh	3 starting times per hour
Harbour Town	2 starting times per hour

The fees to be charged for play by such Participating Property Owners shall be at least five per cent (5%) less than like fees charged to resort guests; provided, however, if such aforesaid reservations are not received more than one day in advance of the requested date of play, the Company, reserves the right to make such starting time available to others.

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(9) For a period of one (1) year from the date in which these Covenants are recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, the Company shall defray one-third (1/3) of the costs of resurfacing the roads located within Sea Pines Plantation, which were constructed prior to December, 1962; provided, however, that owners of property with direct ingress and egress to such roads shall agree and provide the funds to defray the remaining two-thirds (2/3) of such costs. Roads affected are described on the map filed with the Association of Sea Pines Property Owners, Inc., but are in general, all or part of the following: Belted Kingfisher, Bald Eagle, Cedar Wax Wing, Green Wing Teal, Seaside Sparrow, Marsh Wren, Grey Widgeon, Piping Plover, Black Skimmer, Snowy Egret, Surf Scoter, West Beach Lagoon Drive, South Beach Lagoon Drive, Spotted Sandpiper, Laughing Gull, Oyster Catcher, Wood Ibis, Green Heron, Sandhill Crane, Ruddy Turnstone, Calibogue Cay Road, North Sea Pines Drive, South Beach Lane, Woodbine Place, Lighthouse Road and Baynard Cove Road.

(10) The Company will recognize and meet with, not less than monthly, a representative nine-member Property Owners Advisory Board, elected from among Participating Property Owners, in an election conducted by the Association of Sea Pines Plantation Property Owners, Inc. and the purpose of said Board shall be to advise the Company in matters relating to the Sea Pines Plantation community services such as priorities for expenditures.

(11) The Company agrees to modify its present gate entry policy for Sea Pines Plantation by increasing the gate

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entry fee into Sea Pines Plantation for each passenger vehicle from the existing One Dollar ($1.00) fee to Three Dollars ($3.00); provided, however, that the amount of such gate entry fee shall be subject to annual review and modification by the Company. Provided further, that if the Company voluntarily reduces the daily gate entrance fee below One Dollar ($1.00), then the Company agrees to pay into the community services fund each calendar year, for a period of four years commencing in the year of the reduction, an amount equal to the difference between the amount of all gate fees collected during calendar year 1974 (hereinafter referred to as the "base year") and the amount collected during the calendar year following such reduction. If reduction in the daily gate entry fee below One Dollar ($1.00) results from or is caused by a court order, a law suit, or governmental or quasi-governmental action including elections or other similar actions or occurrences not within the reasonable control of the Company, then the Company shall not be required to pay the difference between the gate fees collected during the base year and the fees collected during the calendar year following such reduction. Notwithstanding any provision herein to the contrary, the Company shall not be required to pay said difference during any year in which the daily gate entry fee is One Dollar ($1.00) or more for the entire calendar year.

All gate fees collected by the Company shall be contributed to and used for community services.

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ARTICLE III

Community Fund. In order to provide a community fund to maintain, and improve the Properties, provide a fund for pest and insect control, and generally provide a fund for those services important to the maintenance and preservation of an attractive community, and to further maintain the general safety of Sea Pines Plantation, each Participating Property Owner shall pay to the Company, or its authorized agent, beginning with the calendar year 1975, an annual community service assessment as delineated herein:

A. Properties Not Owned by the Company

1. Residential Lots: $110.00 per lot

Property shall be classified for purposes of these Covenants and these Annual Assessments as a Residential Lot when it is platted as a Residential Lot and such plat is recorded in the Office of the Clerk of Court of Beaufort County, South Carolina.

2. Family Dwelling Unit: $180.00 per unit

For purposes of these Covenants and these Annual Assessments, any Participating Property Owner who has constructed a Family Dwelling Unit on two (2) or more contiguous Residential Lots shall be assessed only the Assessment for a Family Dwelling

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Unit.

In determining the amount of the annual Community Services assessment for any current year, the Company may, in its discretion, set an amount different from the immediately preceding year's annual Community Services assessment by as much as the percentage of change in the Consumer Price Index All Items - All Groups (1967 = 100) in the immediately preceding calendar year. The maximum amount of each change in annual assessments shall be determined by multiplying the previous year's annual assessment by the percentage change in the Consumer Price Index.

B. Properties owned by the Company, its successors or assigns, including third parties who acquire lands from the Company.

(1) The Company, its successors and assigns, shall contribute annually toward funding community services in Sea Pines Plantation one-half (½) of one per cent (0.5%) of the Adjusted Gross Resort Revenue which it earned during each immediately preceding fiscal year. For purposes of this Declaration, "Resort Revenue" shall mean all revenues and receipts of every kind, which are derived by the Company from the operation of the Hilton Head Inn and the Seascape Villas and the operation of resort facilities in Sea Pines Plantation, less:

(a) Any amounts collected by the Company on behalf of others, including but not limited to, property owners' part

in Sea Pines Plantation now owned by Sea Pines Plantation Company which are sold to a third person and used by said third person as Golf Courses, Tennis Courts, Renting Boats and Slips, Restaurants and Bars, Retail stores, Hotels, Motels, Inns or other commercial uses. Any person, partnership or corporation who acquires land in Sea Pines Plantation from the Company for one or more of said uses shall be subject to this Covenant and shall be required to contribute annually toward funding Community Services one-half (½) of one per cent (0.5%) of its Adjusted Gross Resort Revenue as provided above. Provided, however, that if the Company does not have management responsibilities or does not exercise some control over the management, other than the control imposed by the Company's standard commercial covenants, of any facilities described herein which are sold to third party entities, then said third party entities shall be required to contribute annually toward funding Community Services one per cent (1%) of its Adjusted Gross Resort Revenue as provided herein.

If the Participating Property Owner's annual assessment is adjusted in accordance with the provisions of Section A of this Article, the Company's and third party entities' contributions as provided herein shall likewise be adjusted by the same percentage adjustment which is applied to the Participating Property Owner's assessment.

C. Obligations and Rights of the Company

The Company assumes the obligation of furnishing community

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of rental income derived from property located within Sea Pines Plantation and the Seascape Villas, and gratuities and service charges which may be added to said facilities' bills or statements in lieu thereof;

(b) Credits or refunds made by the Company to patrons of said resort facilities;

(c) All amounts and credits received in connection with the operation of said resort facilities by the Company in settlement of claims for damages or claims arising from the ordinary course of trade; and

(d) All taxes directly related to said resort facilities imposed on the Company by any governmental entity.

The term, "resort facilities" as used herein shall include golf courses, tennis courts, rental boats and slips, restaurants and bars, hotels, motels, inns, rental homes and rental condominiums, retail shops and other similar facilities including commercial facilities of all kinds.

"Adjusted Gross Resort Revenues" for purposes of this Agreement shall be resort revenues, as defined above, multiplied by a fraction, the numerator of which shall be one (1), and the denominator of which shall be one (1) plus the percentage increase of the Consumer Price Index, All Items - All Groups (1967 = 100) over the preceding fiscal year (March 1 to February 28).

This provision for a percentage contribution of Adjusted Gross Resort Revenue shall be a covenant running with all lands

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of rental income derived from property located within Sea Pines Plantation and the Seascape Villas, and gratuities and service charges which may be added to said facilities' bills or statements in lieu thereof;

(b) Credits or refunds made by the Company to patrons of said resort facilities;

(c) All amounts and credits received in connection with the operation of said resort facilities by the Company in settlement of claims for damages or claims arising from the ordinary course of trade; and

(d) All taxes directly related to said resort facilities imposed on the Company by any governmental entity.

The term, "resort facilities" as used herein shall include golf courses, tennis courts, rental boats and slips, restaurants and bars, hotels, motels, inns, rental homes and rental condominiums, retail shops and other similar facilities including commercial facilities of all kinds.

"Adjusted Gross Resort Revenues" for purposes of this Agreement shall be resort revenues, as defined above, multiplied by a fraction, the numerator of which shall be one (1), and the denominator of which shall be one (1) plus the percentage increase of the Consumer Price Index, All Items - All Groups (1967 = 100) over the preceding fiscal year (March 1 to February 28).

This provision for a percentage contribution of Adjusted Gross Resort Revenue shall be a covenant running with all lands

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services in Sea Pines Plantation only to the extent that the costs of such services can be defrayed jointly by the proceeds from the aforesaid community services assessment paid by Participating Property Owners and third party commercial entities, community services assessments made by non-Participating Property Owners under previously recorded deed restrictions, voluntary Property Owner payments, gate entry fees, and by the Company's contribution provided above.

The Company will have the responsibility for administering the funds required to be paid under these Covenants and managing the Properties until such time as the Company turns such responsibility over to Participating Property Owners or some other entity. The Company will not charge any fees for its management services which shall consist of the services of the Director of Community Services of Sea Pines Plantation Company, the Chief Executive Officer of the Sea Pines Plantation Company, and the overhead associated with their services. So long as the Company administers the funds it will provide a quarterly accounting to the Advisory Board using the accounting practices and forms followed by the Company at no charge. If the Advisory Board so requests the Company will engage Independent Certified Public Accountants selected by the Advisory Board to perform such audit but the expense of such audit shall be paid from the assessments provided for herein.

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ARTICLE IV

Date of Commencement and Proration of Annual Assessments

(1) Notwithstanding anything in the foregoing to the contrary, the annual assessments provided for herein shall commence no earlier than January 1, 1975. Each unimproved lot assessment shall increase to the then prevailing assessment for dwelling units at such time as a dwelling unit is started thereon (i.e., groundbreaking) and such assessment shall be prorated between the unimproved property assessment and the improved property assessment for that calendar year. Condominium units shall be assessed as dwelling units at the time of conveyance to the purchaser thereof.

(2) Upon the sale of property by the Company to a third party, such purchaser shall only be obligated to pay an assessment amount related to that portion of the assessment year remaining.

(3) In any instance where assessments, either in whole or in part, are based upon percentages of Gross Revenues, as stated herein, such assessments for the coming year, shall be based upon the revenues produced for the preceding fiscal year, whether for a full year or a fraction of a year.

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ARTICLE V 1060

General Provisions

1. DURATION

The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Company and the Participating Property Owners, their respective legal representatives, heirs, successors, and assigns, for a period of twenty-five (25) years from the date this Declaration is recorded. Upon the expiration of said twenty-five (25) year-period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) 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 (10) year period; provided, however, this Agreement can be modified, changed or terminated if such change is approved by the Company and by the Participating Property Owners pursuant to a Referendum.

2. ENFORCEMENT

Enforcement of the Covenants shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant or restriction, either to restrain violation or to recover damages, and against the land; and failure by any Participating Owner or the Company to enforce any covenant or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel

of the right to enforce same thereafter. The Association of Sea Pines Property Owners shall be a proper party and shall have legal standing to institute any legal proceeding at law or in equity to seek enforcement of any covenant herein contained, as the representative of the Participating property Owners.

3. PREVIOUS COVENANTS AND AGREEMENTS

Nothing herein shall be construed so as to modify, diminish or terminate any commitments heretofore made in recorded deed covenants incident to previous land sale contracts, except with respect to the amount and method of payment of the Plantation-wide community services assessment or maintenance and security fee. Nothing contained herein shall prevent the creation or use of Owners Associations for maintenance of facilities or areas within Sea Pines Plantation which are maintained by assessments from Property Owners within limited portions of Sea Pines Plantation and are available for use only by the owners within said limited area.

IN WITNESS WHEREOF, Sea Pines Plantation Company, Inc., has caused this instrument to be executed the day and year first above written, pursuant to a Resolution duly and unanimously adopted by its Board of Directors.

Lucy N. Hingard
Thomas A. Beard

SEA PINES PLANTATION COMPANY, INC.
BY: Joseph B. Fraser Jr.
ATTEST: Charles E. Schmidl

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROBATE

PERSONALLY appeared before me Thomas A. Beard who, being duly sworn, deposes and says that (s)he saw SEA PINES PLANTATION COMPANY, INC., by Joseph B. Fraser, Jr. its President and Charles A. Scarminach its Assistant Secretary sign the within Declaration, and the said corporation by said officers seal said Declaration, and as their act and deed, deliver the same, and that (s)he with Lucy M. Wingard witnessed the execution thereof.

Thomas A. Beard

Sworn to before me this
7th day of September, 1974.

Lucy M. Wingard (Seal)
Notary Public for South Carolina
My Commission Expires April 25, 1982

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EXHIBIT A

GENERAL DESCRIPTION OF THE SEA PINES PLANTATION

The Sea Pines Plantation is considered to consist of all lands on the southern most part of Hilton Head Island within the following generally described boundaries:

The point of beginning is a concrete monument located at the southeast corner of Canvasback subdivision (recorded Book 16 - Page 20), thence running northerly and northwesterly along the existing boundary of said Canvasback subdivision to a point of intersection of North Sea Pines Drive, South Forest Beach Drive and Cordillo Parkway, and to include the Sea Pines Ocean Gate, thence northeasterly along the northern boundary of Cordillo Parkway right-of-way to a point monumented and established as the eastern boundary of the Sea Pines Forest Preserve as recorded (Book 18 - Page 120), thence along the eastern boundary of said Forest Preserve in a northerly and northwesterly direction to a point of intersection with the southern boundary of Greenwood Drive right-of-way, thence easterly along the southern boundary of said right-of-way to and including the Sea Pines Greenwood Gate, thence easterly along the northern boundary of Greenwood Drive right-of-way to a point monumented and established as the northwestern corner of the Sea Pines Center, now referred to as the Market Place, thence northerly along the

western Sea Pines Center property line to a point monumented at the northwest corner of said Center, thence northeasterly to a point monumented and intersecting the western boundary of Palmetto Bay Road right-of-way, thence northwesterly along said right of way to a point of intersection with the south boundary of Point Comfort Road right-of-way, thence westerly along the southern boundary of said right-of-way to a point adjacent to the northwestern corner of lot number twenty one (21) in the Marsh View subdivision (Book 21 - Page 165) then southerly along a line on the eastern banks of a drainage ditch facility and parallel to the existing property lines of lots twenty-one through thirty (21 - 30) of said Marsh View subdivision, to a point intersecting the center of Point Comfort Creek, thence in a general westerly direction along the center of said creek to a point of intersection with Broad Creek, thence southwesterly along the banks of Broad Creek to Calibogue Sound and the Atlantic Ocean, thence in a general easterly direction returning to the point of beginning, including all wetlands and beach trust lands above +3.04 Mean Sea Level, (U.S.C.&G. survey datum 1969). Said area within the generally described boundaries estimated to contain 4500 acres, more or less.

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EXHIBIT B

EXISTING OPEN SPACE PLATS FOR SEA PINES PLANTATION
AS OF OCTOBER 8, 1974

TITLE	Plat Book	Page	FILED 10-9-74
Audubon Pond I	23	1	12.652
Audubon Pond II	22	195	18.800
Bateau Road	22	204	1.544
Baynard Creek	22	194	4.130
Baynard Cove II	23	2	12.118
Baynard Cove IV	23	3	8.600
Baynard Oaks I	23	1	25.840
Baynard Oaks III	23	4	3.820
Club Course I	23	5	1.360
Club Course II	23	6	1.038
Club Course Dr. & Ln.	22	198	2.830
Governors Rd. I	23	5	5.153
Governors Rd. II	23	6	7.888
Greenwood Dr. & Ct.	23	4	15.950

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DESD

FILED AT 4:00 O'CLOCK P.M. | BEAUFORT COUNTY S. C. | OCT 17 1974 | RECORDED IN BOOK 224 PAGE 1036

Dc. Anita L. Pettis
CLERK OF COURT OF COMMON PLEAS

1066

Filed 10/11/74

TITLE	Plat Book	Page	FILED 10-9-74
Greenwood Forest I & II	23	7	24.035
Greenwood Gate Villas	22	200	2.629
Heritage Woods I	22	203	8.320
Ivy Rd.	22	200	1.635
Live Oak Rd.	23	7	10.665
Magnolia Crescent	23	8	4.939
Marsh View Rd.	23	8	2.529
Newhall Rd.	23	10	.275
Otter Rd.	22	201	6.017
13th Fairway Open Space	23	9	1.480
Pine Island	23	9	57.760
Plantation Dr.	22	197	3.391
Red Maple Rd.	22	199	1.964
St. Andrews Place	22	196	1.800
Sea Pines Dr. I	22	190	.780
Sea Pines Dr. II	23	11	3.095
Sea Pines Preserve	23	11	572.649
Stoney Creek	22	190	3.650
Tupelo Rd.	22	195	2.450
Twin Pines Rd.	22	191	2.826
Willow Oak Rd. & Ct.	22	194	1.044
Willow Oak Rd. West I	22	192	19.105
Wren Dr.	22	193	4.430

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Newsletters

CSA Board of Directors Approves New Sea Pines Gate Fee Agreement

July 12, 2018

Dear Sea Pines Property Owner,

I hope you are having a great summer! It is mid-July and we are well into the summer tourism season with all of the fun, vibrancy and yes "traffic" that occurs each year. Many of you may already be aware that on July 5th, 2018 the Sea Pines Community Services Associates , (CSA), Board of Directors passed a resolution to enter into an agreement to increase the Sea Pines "daily visitor gate fee" from $6 to $8. The new rate, which required agreement from CSA, Sea Pines Center and The Sea Pines Resort, will go into effect August 1, 2018. The agreement also establishes periods of time for future increases to be reviewed. If after these review periods it is determined that the "daily visitor gate pass" volume has not been significantly impacted then additional increases to $9.00 and then $10.00 will occur. The first possible additional increase to $9.00 can occur as early as August of 2020.

Many of you may be aware that any change to the daily, weekly or monthly gate fee rate requires the approval in writing by the owners of The Sea Pines Resort and by the owners of Sea Pines Center. With this written approval and agreement the Board of CSA must then approve the same for any gate fee change to become effective. This Right to approve any change to these gate fees was assigned to these two owners by court assignment. Since late 2016 representatives of The Resort and Center have been meeting with residential members of the CSA Board and Committees to review the needs and

requirements of a daily gate fee increase.

In 2017, these representatives agreed to create a separation of daily gate passes into two classifications, one for commercial vehicles, the "daily commercial gate fee" and one for non-commercial vehicles the "daily visitor gate fee". The daily commercial gate fee was increased to $10.00 on June 1, 2017 and has now been in place for over a year. This commercial gate pass fee represented 28% of the issuance of daily passes over the last 12 months and provided well over $400,000 in additional revenues to the infrastructure and operating funds of CSA.

Gate entry fees, by Gate Entry Policy, are levied to help defray increased costs incurred by property owners to provide services to casual visitors or paying customers, and residential owners or commercial entities located outside Sea Pines. These services include activities such as road maintenance, intra-plantation transportation, security, and administration, as well as other services provided by agreement and policy.

These increases to the daily commercial gate fee and the daily visitor gate fee represent the third and fourth increase to daily gate fees since the formation of CSA in 1989, almost 30 years ago. Today, gate fees now far outpace the growth of any other major revenue sources to CSA. These gate fee increases and the new agreement, updates and confirms all prior gate fee agreements and current policies, and comprise the largest ongoing revenue increase to any CSA revenue source ever made! The agreement also provides for the first time, a specified opportunity for additional defined future gate fee increases. These daily gate fee increases will help us address critical projects for the Sea Pines community, including funding improvements to increase efficiencies and flow at our gate entrances, repairing and improving our roadways and help to provide for other vital community needs.

I hope you will join me in thanking all of the representatives of The Sea Pines Resort, Sea Pines Center and your volunteer residential CSA Board and Committee members who have spent countless hours discussing, reviewing the various positions, documents, needs and required assurances that this new agreement provides. This additional revenue will help CSA fill the gap of what we believe is needed in Sea Pines to continue to protect, maintain and enhance the resources of the community for the benefit of all.

Respectfully,

Bret Martin

President, Community Services Associates, Inc.

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175 Greenwood Drive,
Hilton Head Island, SC
(843) 671-1343

CONTACT US

Property Owners

Visitors

Service Providers

Explore Sea Pines

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Terms of Service

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EXHIBIT 7

Sea Pines Gate Fee History and New Gate Fee Agreement Summary

July 20, 2018

The information below is a description of the various assigned rights, CSA history and financial impacts of Sea Pines gate fee changes over the years.

The Sea Pines Gate Fee History:

Gate entry fees, by Sea Pines Gate Entry Policy, are levied to help defray increased costs incurred by property owners to provide services to casual visitors or paying customers, and residential owners or commercial entities located outside Sea Pines. These services include activities such as road maintenance, intra-plantation transportation, security, and administration, as well as other services provided by agreement and policy. Sea Pines gate fees now far outpace the growth of any other major revenue sources to CSA. Three entities have by court order, the right to implement a change to the gate fee in Sea Pines. Those entities include Community Services Associates (CSA), The Sea Pines Resort and The Shops at Sea Pines Center. All parties must agree to, in writing, before any changes or modifications in the daily gate fee can be made.

- For CSA, the right and authority to enforce the Sea Pines Gate Entry Policy is stated in the 1988 Covenants. CSA Board approves the Sea Pines Gates Entry Policy subject to prior written approval from The Sea Pines Resort and Sea Pines Center. CSA collects and receives funds from this source subject to all agreements.
- The Sea Pines Resort acquired this right as a part of the purchase of the Sea Pines Company, as a result of the bankruptcy. Their right is written into the Sea Pines Plantation Company Assignment of Rights from November of 1987.
- The Sea Pines Center acquired this right as a part of the purchase of the Sea Pines Center, as a result of the bankruptcy. Their right is written into the Sea Pines Center Assignment of Rights from August of 1987

  Today with all combined increases to the gate fee, reaffirmed in this current agreement, total revenues to the infrastructure and operating funds of CSA from are $1,529,848. To help better understand the progression of gate fee increase we have provided a history below by using our current 2018 historical revenue and last 12 months of expenses from June 30, 2017.

Sea Pines Gate Fee History:

The $3 to $5 daily visitor gate fee increase:

In 1989, CSA was established. In 1999, the first written agreement to increase the daily gate fee occurred between The Sea Pines Resort, Sea Pines Center representatives and the CSA Board of Directors. This was a $2.00 increase from $3.00 to $5.00. This agreement and subsequent

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agreements provided for CSA to fund and manage trolley operations and it also established a joint trolley marketing program lead by the commercial entities.

CSA Board Resolution: January 11, 1999

> a. **Permanent Increase in the $3.00 Gate Fee** - A proposed agreement for a permanent increase from the $3 daily gate fee to $5 was addressed. The agreement scheduled the increase to go into effect on February 15, 1999, for a five year period and to be evaluated at the end of four years. President Fraser stated the agreement as presented, was undergoing some clarification changes, but it basically covered the major points. The Commercial Committee would keep track of the $2 fees accumulated in a separate account which were designated to be used to help solve commercial problems. Once the Commercial Committee agrees the commercial problems are solved, the funds from the $2 increase will be placed in the Community Trust Fund. Discussion followed. A motion was made to approve the permanent gate pass fee to $5 in accordance with the agreement attached. The motion was seconded and passed unanimously.

This $5 daily entrance gate fee was renewed and extended by CSA Board resolution made on October 28, 2003, this amendment included the operation of a trolley and shuttle service, as well as funds of $65,000 for marketing and associated activities.

CSA Board Resolution: October 28, 2003

> "RESOLVED that the CSA Board approves the Memorandum of Agreement to renew the $5 Gate Fee Agreement for an additional five (5) years."

Revenue Source:

Rate Change	Increase Amount	Daily Gate Pass Volume	Revenue Sources
From $3 to $5	$2.00	386,146 (Current 12 months through June 30, 2018)	$2.00 X 386,146= $772,292

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Agreed to Uses:

Use	**Yearly Cost**
Trolley Marketing Fund	$65,000 + (plus)
Commitment for continuation of Trolley Operations	$322,666 (2017 actual; prior years have been more)
Total commitment for agreed to uses (support $2.00 increase in daily visitor gate fee)	$387,666

$2.00 Increase from $3 to $5:

Revenue	$772,292 - (less)
Less Agreed to Uses (Trolley operations + Trolley Marketing Fund Expense)	$387,666
Revenues to the infrastructure and operating funds of CSA from $2.00 Increase from $3 to $5:	$384,626

<u>The $5 to $6 daily visitor gate fee increase:</u>

Effective April 1, 2014, an additional $1.00 fee was added to the daily gate fee, raising this fee from $5.00 to $6.00. This increase occurred through an amendment to the Sea Pines Gate entry policy, was agreed to and signed by all parties, The Sea Pines Resort, The Sea Pines Center representatives and through a CSA Board Resolution. Additionally, the resolution below made on December 5th, 2013 by the CSA Board, provided that the daily gate fee rate could not be

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increased before April 1, 2017.

> "RESOLVED, the CSA Board approves the increase of the $5 Gate daily pass to $6, effective April 1, 2014. There would be no additional gate fee increases imposed for a minimum of three years beginning April 1, 2014, through March 31, 2017. The Gate Entry Committee will review daily pass rates in December 2016. The use of the $1 increase would be allocated as follows:
>
> - 60% to CSA Infrastructure Fund and the General Fund,
> - 20% to Commercial use for Marketing and Trolley Lot Improvements,
> - 20% to Dredging for indirect costs for Permitting, Monitoring, Inspections, Surveys, Project Management and Supervision

This $1.00 increase accounted for $.20 to fund additional marketing and it established a separate fund for $.20 of the $1.00 increase to be allocated to a fund and support the South Island Dredge Association (SIDA).

Rate Change	**Increase Amount**	**Daily Gate Pass Volume**	**Revenue Sources**
From $5 to $6	$1.00	386,146 (Current 12 months through June 30, 2018)	$1.00 X 386,146= $386,146

Agreed to Uses	**Yearly Cost**
.20 cents per pass to support Trolley Marketing Fund	$.20 x 386,146= $77,229 + (plus)
.20 cents per pass to support South Island Dredge Association (SIDA)	$.20 x 386,146= $77,229
Total commitment for agreed to uses (Supports $1.00 increase in daily visitor gate fee from $5 to $6)	$154,458

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$1.00 Increase from $5 to $6:

Revenue	$386,146
	- (less)
Less Agreed to Uses	$154,458
Revenues to the infrastructure and operating funds of CSA from $1.00 Increase from $5 to $6	$231,688

Combined ($3 to $5 increase in daily pass rate) and ($5 to $6 increase in daily pass rate)

Total Revenue before expenses	**$1,158,438 (**$772,292+$386,146)
	- (less)
Total Agreed to uses: (support $1.00 and $2.00 increase in daily visitor gate fee)	**$542,124**
Revenues to the infrastructure and operating funds of CSA	**$616,314**

<u>The $6 to $10 "commercial" daily gate pass Increase:</u>

In the fall of 2016, a task force of the Gate Entry Committee began an endeavor to come to an agreement with the necessary parties to increase the daily gate fee.

In March 2017, the CSA Board passed a resolution supported by The Sea Pines Resort and Sea Pines Center to amend the Sea Pines Gate Policy. This amendment created a separation of daily gate passes into two classifications, one for commercial vehicles, the "daily commercial gate fee" and one for non-commercial vehicles the "daily visitor gate fee".

Effective June 1, 2017, the daily commercial gate fee was increased from $6.00 to $10.00, a $4.00 increase. <u>No additional provisions were made for designated use of these funds.</u> This commercial gate pass fee represents 28% (108,121) of the issuance of daily passes over the last 12 months and provided $432,484 in additional revenues to the infrastructure and operating funds of CSA.

Below is the CSA Board resolution made on March 28, 2017, approving the daily commercial gate fee be increased from $6 to $10 effective June 1, 2017.

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A motion was made by Paul Crunkleton, to approve the Gate Entry Policy Amendments. The motion was seconded by Mark King and unanimously carried.

> "RESOLVED, the Community Services Associates, Inc., Board of Directors, approved amending Appendix A, Daily Gate Entry Pass (GEP) to read: Causal Visitor Pass (CVP) – 2 axle vehicle (no trailer), $6 and Commercial Daily Pass (CDP) – 2 axle vehicle with or without a trailer, $10, to be in effect as of June 1, 2017".

Rate Change (Commercial Daily Gate Fee)	**Increase Amount**	**Daily Commercial Gate Pass Volume**	**Revenue Sources**
From $6 to $10	$4.00	108,121 (28% of current daily pass volume of the 386,146)	$4.00 X 108,121= $432,484

The Sea Pines New Gate Fee Agreement Summary:

The $6 to $8 Daily Visitor Gate Fee Increase

In May of 2017, representatives of the CSA Executive Committee began meeting with The Sea Pines Resort and the Owners of the Sea Pines Center to begin the discussions of an agreement to increase the Daily "Visitor" Gate Fee.

In July 2018, agreement between The Sea Pines Resort, Sea Pines Center representatives and the CSA Board of Directors was reached. On July 5th, 2018 the CSA Board approved an agreement with the following Board resolution:

*"**RESOLVED**, the Community Services Associates, Inc., Board of Directors, approved amendment to the Gate Fee Agreement, (final, July 5, 2018), as presented and amended.*

This new agreement provides for an increase in the daily visitor gate fee from $6.00 to $8.00 effective August 1, 2018.

Rate Change	**Increase Amount**	**Current daily visitor vehicle volume**	**Revenue Source**
From $6 to $8	$2.00	278,025 (actual July 17'-June 18')	$2.00 X 278,025= $556,050

Agreed to Use: Marketing Fund Contribution @ $8 rate of $75,000 annually

Total Revenue before expenses	$556,050
	- (less)
Less Agreed to uses to support $2.00 increase in daily visitor gate fee	$75,000
Revenue collected	$481,050 (This increase creates an estimated annual funding source of approximately $481,050 +/- based on current volume.)

Summary of Total Revenues to the infrastructure and operating funds of CSA with all combined increases reaffirmed in current agreement:

Prior Agreement Revenue before 2017

Gate Fee Increase Amounts	Net Revenues available for other infrastructure and operating funds of CSA
$2.00 daily visitor gate fee increase from $3 to $5	$384,626
$1.00 daily visitor gate fee Increase from $5 to $6:	$231,688
Total	**$616,314**

Current 2017 and new 2018 Agreement Revenues

Gate Fee Increase Amounts	Net Revenues available for other infrastructure and operating funds of CSA
$4.00 commercial daily visitor gate fee increase from $6 to $10	$432,484
$2.00 daily visitor gate fee Increase from $6 to $8:	$481,050
Total	**$913,534**

Total Revenues to the infrastructure and operating funds of CSA with all combined Gate Fee increases reaffirmed in current agreement	**$1,529,848**

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A pathway to $10 for the daily visitor gate fee:

This agreement provides a path to future daily visitor gate fee increases to $9.00 and $10.00. This path requires the volume of daily visitor passes to be maintained at or close to established levels.

Potential for additional income with $1 from $8.00 to $9.00 daily gate fee:

Source: $278,025 +/- based on current volume.

Use: $75,000 = Marketing Fund Contribution

At $9.00 this creates an estimated total annual funding source of approximately $203,025 in revenues to the infrastructure and operating funds of CSA.

Potential for additional income with $1 increase from $9.00 to $10.00 daily gate fee:

Source: $278,025 +/- based on current volume.

Use: $75,000 = Marketing Fund Contribution

At $10.00 this creates an estimated total annual funding source of approximately $203,025 in revenues to the infrastructure and operating funds of CSA.

A summary of potential funding at a $10.00 daily visitor gate fee:

Total Revenues to the infrastructure and operating funds of CSA with all combined Gate Fee increases reaffirmed in current agreement at $10.00	**$1,935,898**

Note: All sources, uses and volumes are estimates and approximations, unless actual numbers are available. Information as of 7.20.18

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EXHIBIT 8

Frequently Asked Questions Regarding the New Gate Fee Agreement:

What assurances were required to reach the current agreement?

The new rate, required agreement from CSA, Sea Pines Center and The Sea Pines Resort. This is an agreement between parties and each party sought out assurances and benefits from the agreement. All parties have rights and must come to an agreement on how those rights are to be stated and agreed to within the contract. To reach consensus and as part of the agreement certain contributions were written in to protect the interest of all parties. Without these important assurances we would not have reached agreement. Without the agreement we would not have been able to collect the additional funds to help us address critical projects for the Sea Pines community, including funding improvements to increase efficiencies and flow at our gate entrances, repairing and improving our roadways and to help provide for other vital community needs.

How is the trolley paid for and what is the trolley marketing fund?

In 1989, Community Service Associates was formed. In 1999, the first written agreement to increase the daily gate fee occurred between The Sea Pines Resort, Sea Pines Center and CSA. This was a $2.00 increase in the daily gate fee from $3.00 to $5.00. This agreement and subsequent agreements, provided for CSA to agree to fund trolley operations and a joint trolley marketing program to be managed by the commercial interests. This fund promotes the commercial businesses within Sea Pines – including events, potential merchant rebates and an infrastructure reserve fund for trolley related projects. Money used by this fund include the full-color handout that is distributed to each daily visitor that enters Sea Pines and also advertising in local community publications to promote commercial businesses within Sea Pines.

Per prior agreements and resolution, CSA currently contributes to the Trolley Marketing Fund, $65,000 annually with an additional $.20 per each daily Visitor Gate Fee Pass sold which comes from the $1 increase to the daily gate free when it moved from $5 to $6. This new agreement provides additional support of the trolley marketing fund to and provides additional funds to assure to help market the commercial businesses in Sea Pines. The new agreement establishes the following additional annual contributions to the fund:

$75,000 at $8.00 ($75,000)
$150,000 at $9.00 ($75,000 + $75,000)
$225,000 at $10.00 ($75,000 + $75,000 + $75,000)

Any reduction in trolley services without the consent of the Resort and Sea Pines Center may result in the daily gate fee reverting to previous rates.

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Is this the best deal the CSA Board could negotiate?

Under this CSA Board, this is the highest increase to revenue through this source (gate fees) in our organizations history with the smallest percentage commitment to fund designated uses and provides for a pathway to $10. This additional revenue will help CSA fill the gap of what we believe is needed in Sea Pines to continue to protect, maintain and enhance the resources of the community for the benefit of all.

When was the last increase to the gate fee?

In March 2017, the CSA Board passed a resolution supported by The Sea Pines Resort and Sea Pines Center to amend the Sea Pines Gate Policy. This amendment created a separation of daily gate passes into two classifications, one for commercial vehicles, the "daily commercial gate fee" and one for non-commercial vehicles the "daily visitor gate fee".

Effective June 1, 2017, the daily commercial gate fee was increased from $6.00 to $10.00, a $4.00 increase. No additional provisions were made for designated use of these funds. This commercial gate pass fee represents 28% (108,121) of the issuance of daily passes over the last 12 months and provides $432,484 in additional revenues to the infrastructure and operating funds of CSA.

Why has it taken so long to obtain an increase to the daily visitor gate fee?

Since late 2016, representatives of The Sea Pines Resort and Sea Pines Center have been meeting with residential members of the CSA Board and Committees to review the needs and requirements of a daily gate fee increase. Representatives of The Sea Pines Resort, Sea Pines Center and your volunteer residential CSA Board and Committee members have spent countless hours discussing, reviewing the various positions, documents, needs and required assurances that this new agreement provides. We are excited that an agreement was reached and believe this additional revenue will help CSA fill the gap of what we believe is needed in Sea Pines to continue to protect, maintain and enhance the resources of the community for the benefit of all.

Why wasn't the daily gate fee set at $10 right away?

An immediate rate increase for the daily visitor gate fee to $10 was not agreed to by the parties. The new rate for a daily visitor pass of $8.00, required agreement from CSA, Sea Pines Center and The Sea Pines Resort, goes into effect August 1, 2018. The agreement does however, establish periods of time for future increases to be reviewed. If after these review periods it is determined that the "daily visitor gate pass" volume has not been significantly impacted, then additional increases to $9.00 and then $10.00 will occur. The first possible additional increase to $9.00 can occur as early as August of 2020. This tiered approach in increasing the daily visitor gate fee was agreed to by all necessary parties and provides us a clear pathway to reach a $10 gate fee in future years. Without this pivotal agreement we would not have these funds to be able to invest in our community.

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How do Sea Pines Resort and Sea Pines Center have the Right to approve any change to the Sea Pines Gate fee?

Gate fee approval set for access into Sea Pines must be agreed to by three parties. Those three parties include the following organizations, Community Services Associates, The Sea Pines Resort and The Shops at Sea Pines Center. For CSA, the right and authority to enforce the Sea Pines Gate Entry Policy is stated in the 1988 Covenants. For the Sea Pines Resort they acquired this right as a part of the purchase of the Sea Pines Company. A bankruptcy court agreement established this right as the successor right and is provided for in the Sea Pines Plantation Company Assignment of Rights from November of 1987. For the Sea Pines Center they acquired this right as a part of the purchase of the Sea Pines Center, as a result of the bankruptcy and their right is written into the Sea Pines Center Assignment of Rights from August of 1987.

Each of the three entities above, Community Services Associates, The Sea Pines Resort and The Shops at Sea Pines Center must all agree to in writing any change or modification in the daily gate fee before any changes or modifications can be made. CSA, without this approval, has no legal right to change this fee on its own.

Can a copy of the agreement be distributed to the public/ members?

The CSA Board has the authority to enter into a contract. This agreement is a contract. Per Community Services Associates, Inc. Board Policy, CSA does not release contracts, legal opinions, property owner information or personnel records.

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STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT Dana Kindel Advocaat, both individually and as Trustee of the Advocaat Living Trust Dated March 7, 2019, Plaintiff, vs. Community Services Associates, Inc., Defendant.	IN THE COURT OF COMMON PLEAS FOURTEENTH JUDICIAL CIRCUIT CASE NO.: 2020-CP-07-00768 **DEFENDANT'S MEMORANDUM IN REPLY TO PLAINTIFF'S REPLY TO DEFENDANT'S MEMORANDUM IN OPPOSITION TO APPLICATION FOR CORPORATE RECORDS**

NOW COMES Defendant Community Services Associates, Inc. ("Defendant" or "CSA"), by and through its undersigned counsel, and hereby replies to Plaintiff's Reply to Defendants' Memorandum in Opposition to Application of Inspection of Corporate Records ("Plaintiff's Reply"). Defendant would respectfully show the Court as follows:

ARGUMENT

I. Plaintiff is mistaken regarding the applicable definition of "community services."

Article II, Section B(11) of the 1974 Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc. ("1974 Covenants") provides, "[A]ll gate fees collected by the Company shall be contributed and used for community services[1]." Plaintiff relies on the Article II, Section A(3) definition of "Community Services" found in the 1974 Covenants to argue that the only permissible purpose for which gate fees collected by CSA may be used is "land used for education facilities, fire stations and/or community service maintenance facilities." Unfortunately, Plaintiff's reliance on this provision is misplaced.

First, as Article II, Section A of the 1974 Covenants makes clear, the "Community Services" definition applies only to "[t]he use to which existing Properties shall be devoted and

[1] It is noteworthy that "community services" is not capitalized in this section.

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the acreage contained within each category of use." Moreover, the second sentence of Article II, Section A(3)—the very section cited by Plaintiff—reinforces this position. The sentence states, "Not less than 15 acres of land within Sea Pines Plantation shall be designated for use as 'Community Services' land." It is important to note "Community Services" is capitalized only in Article II, Section A(3), in order to denote a specific requirement for the use of certain parcels of land within Sea Pines. By contrast, "community services" found in Article II, Section B(11), which identifies the purposes for which gate fees may be used, is not capitalized. Clearly, contrary to Plaintiff's assertions, the Article II, Section A(3) definition of "Community Services" does not apply in this case.

Second, the correct definition of "community services" can be found in Article III of the 1974 Covenants, which pertains to the Community Fund for Sea Pines and directly follows the Article II, Section B(11) provision regarding use of gate entry fees. Article III states the purpose of the Community Fund is to "provide a community fund ***to maintain and improve the Properties, provide a fund for pest and insect control, and generally provide a fund for those services important to the maintenance and preservation of an attractive community***." (Emphasis added).

Furthermore, Article III, Section C of the 1974 Declaration expressly authorizes CSA to contribute gate fees to "community services," as defined in Article III. "The Company assumes the obligation of furnishing community services[2] in Sea Pines Plantation only to the extent that the costs of such services can be defrayed jointly by the proceeds from the aforesaid community services assessment…voluntary owner payments, ***gate entry fees***, and by the Company's contribution provided above." Art. III, § C (emphasis added). CSA acquired the Company's management rights and obligations for Sea Pines, including the obligation to furnish community

[2] "Community services" is also not capitalized in this section, further distinguishing it from the Article II, Section A definition of "Community Services."

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services, in that certain 1988 Declaration attached to Plaintiff's Reply as Exhibit "3." Therefore, CSA is expressly authorized by the Sea Pines governing documents to contribute gate entry fees to any uses which comply with the Article III definition of "community services," and the Article II, Section A(3) definition of "Community Services" is not applicable here.

II. Plaintiff conflates the purpose for which CSA was organized with its corporate "affairs."

CSA is a South Carolina nonprofit mutual benefit corporation. As stated in its Memorandum in Opposition to Plaintiff's Application for Inspection of Corporate Records, CSA was organized to "protect, maintain and enhance the resources of Sea Pines for the benefit of the Sea Pines Community." *Def's. Memo. in Opp.,* p. 2. However, Plaintiff misconstrues the meaning of "affairs," and she would have this court require CSA to produce any contract into which it enters solely because the contract's subject matter is related to the purposes for which CSA was organized. Generally, a corporation enters into contracts with other parties in order to assist the corporation in carrying out or furthering its corporate purpose. However, this does not transform mere contractual obligations owed to others into "affairs" of the corporation, or the contracts themselves into "bylaws." *See "bylaw," Black's Law Dictionary* (11th ed. 2019) ("a rule or administrative provision adopted by an organization for its internal governance and its external dealings").

Furthermore, the assertion that the 2018 Amendment "pertains to a major resource of the corporation" and constitutes "a requirement for the use of corporate resources" is immaterial. Corporations frequently enter into contracts with other parties which direct the use of major corporate resources. Doing so does not convert the subject contracts into a corporation's "bylaws." And, as stated before, when § 33-31-140(4) is taken as a whole, its plain meaning excludes the Gate Pass Agreement and its Amendments from the definition of "bylaws." The cardinal rule of statutory construction is that the court ascertain and effectuate the intent of the legislature. *Odom*

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v. Town of McBee Election Comm'n, 427 S.C. 305, 310, 831 S.E.2d 429, 432 (2019). The words of the statute must be given their plain and ordinary meaning without resorting to subtle or forced construction to limit or expand the statute's operation." *Id.* at 310-11, 831 S.E.2d at 432 (*citing Catawba Indian Tribe of S.C. v. State*, 372 S.C. 519, 525-26, 642 S.E.2d 751, 754 (2007)).

Clearly, the South Carolina Legislature did not intend for an interpretation of the Act's "bylaws" to require a nonprofit corporation to disclose to its members, upon request and without any showing of justification by the members, any and all contracts between the corporation and third parties. Had the Legislature so intended, it could easily have included "contracts" in the items which a corporation's members are entitled to inspect. Plaintiff has cited no legal authority to support her position, and accordingly, the Court should reject Plaintiff's attempt to construe the Act's definition of "bylaws" well beyond the bounds of Legislative intent.

III. The CSA Board member's recusal from the Gate Pass Amendment vote was proper under South Carolina law.

Plaintiff implies that because one of the commercial unit owners on the CSA Board recused himself from the 2018 Amendment vote, somehow the 2018 Amendment itself is improper. As the Board member stated, "I cannot lawfully or ethically take actions that appear to directly benefit mine or other commercial properties." *Pltf's. Reply.,* p. 2. However, the 2018 Amendment constituted a "conflict of interest transaction," and the Board member properly recused himself from the vote pursuant to S.C. Code Ann. § 33-31-831.[3]

Additionally, Plaintiff seems to imply the 2018 Amendment is somehow improper by virtue of the Resort and Center's membership in CSA. However, Plaintiff largely overlooks the

[3] "A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest." SC Code Ann. § 33-31-831(a). "A transaction in which a director of a mutual benefit corporation has a conflict of interest may be approved if…the material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board and the board or committee of the board authorized, approved, or ratified the transaction; SC Code Ann. § 33-31-831(c)(1).

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fact that both the Resort and Center possess special rights of approval with regard to Gate Policy changes, by virtue of that certain Assignment of Rights dated November 17, 1987, attached as Exhibit "3b" to Plaintiff's Reply (the "1987 Assignment"), and that certain Agreement for Assignment and Assignment of Partnership Interest in Sea Pines Center, a South Carolina Limited Partnership, dated August 7, 1987 and recorded in Book 11 at Page 2161. CSA's right to control the Sea Pines Gate Policy is expressly subject to the rights of the Resort and Center, and therefore the Resort and Center are necessary parties for the negotiation and conclusion of any Gate Pass Agreement, including the 2018 Amendment.

Finally, Plaintiff alleges the 2018 Amendment expands "the use of the [gate entry] funds beyond "Community Services." *Pltf".s Reply,* p. 3. As discussed above, the Article II, Section A(3) definition of "Community Services" does not apply to CSA's use of gate entry fees. As stated in CSA's Memorandum in Opposition, CSA's use of gate entry fees under the 2018 Amendment complies with the 1974 Covenants because CSA is required to use the funds for the maintenance and improvement of Sea Pines common areas, and for certain services important to the preservation of Sea Pines as a visitor-friendly, attractive community. Therefore, the 2018 Amendment complies with the 1974 Covenants and does not expand the scope of purposes for which CSA may use gate entry fees.

IV. The Gate Pass Agreement and its Amendments are not "accounting records" of CSA.

Plaintiff asserts the Gate Pass Agreement and its Amendments are "accounting records" of CSA because gate entry fees provide a substantial source of revenue for CSA, and therefore the Gate Pass Agreement and its Amendments are "very much a financial record of the corporation." *Pltf's. Reply,* p. 8. While citing no legal authority herself, Plaintiff selectively ignores the Official Comment to S.C. Code Ann. § 33-31-1601, cited by CSA in its Memorandum in Opposition. The comment states, "[t]he required records are the current accounting records of the corporation," and

"'[a]ppropriate' records should allow the financial statements to be prepared in a fashion that fairly presents the financial condition and results of operations of the corporation." *Off. Cmt. 2*, § 33-31-1601. Clearly, the standard for a document's inclusion in "accounting records" is not how significant it may be to the corporation, but whether it allows the financial statements of the corporation to be prepared in a manner that fairly presents the financial condition of the corporation. As stated before, because the Gate Pass Agreement and its Amendments are incapable of doing so, they are not "accounting records" of CSA.[4]

CONCLUSION

Despite repeatedly claiming South Carolina law requires CSA to produce the Gate Pass Agreement for inspection, Plaintiff has cited no legal authority, other than the Act itself and a non-binding, conclusory Attorney General opinion, to substantiate her claims. For the reasons set forth above and in CSA's Memorandum in Opposition, CSA is not required to produce the Gate Pass Agreement and its Amendments—particularly, the 2018 Amendment—for Plaintiff's review.

CSA respectfully requests this Court to deny Plaintiff's Application for Inspection of Corporate Records, to dismiss this action, with all costs assessed to Plaintiff, and for such other and further relief as the Court deems just and proper.

[Signature Page Follows]

[4] Additionally, CSA posts its annual financial statements and other accounting records on its publicly-available website. It also posts reports detailing annual and quarterly visitor volume, from which Plaintiff may determine the "potential for additional income" at any given gate entry price. See Exhibits "A" and "B" attached hereto.

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This 3rd day of August, 2020.

Respectfully submitted,

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SEAPINES
COMMUNITY

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2018 ANNUAL REPORTS

Comm

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nunity Services Associates, Inc.

2018 CSA Board Members

Mark Griffith
Chairman

Barry Barth	Bob Gossett (Jan.-Aug.)
David Borghesi*	Jim Kaskie (Sept.-Dec.)
Paul Crunkleton	Mark King*
Bill Johnson	Don Sigmon
Charlie Miner	Bob Sowers*
James Richardson	Carolyn Adams
Stu Rodman	Steve Birdwell
Michael Tucker*	Cary Corbitt
	Scott Richardson

* Executive Committee Member

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CSA Annual Meeting Minutes

April 30, 2018

On Monday, April 30, 2018, an Annual Meeting of the Community Services Associates, Inc., (CSA), Board of Directors, was held at the Sea Pines Country Club, 30 Governors Road, Hilton Head Island, SC, 29928 and via audio webinar.

Call to Order – Chair Griffith

The meeting was called to order by Mark Griffith, Chair, at 3:30 p.m., Eastern time.

Verify Quorum – Carolyn Adams

Quorum was established and confirmed, by those present in person or by proxy, allowing transaction of business by the Board of Directors.

Approval of the May 8, 2017, Meeting Minutes – Carolyn Adams

A motion was made by Barry Barth to approve the May 8, 2017, Annual Meeting Minutes. The motion was seconded by Stu Rodman and unanimously carried.

"RESOLVED, the Community Services Associates, Inc., Board of Directors, approved the minutes of the May 8, 2017, Annual Meeting Minutes, as presented in the Annual Report".

Announcement of Nominating Committees – Chair Griffith

Nomination Committees

As required by the CSA Bylaws, the CSA Class "A" Residential Nominating Committee for 2018 was announced. Committee Membership is comprised of: Charles Miner, Chair; David Borghesi and Michael Tucker. The Class "B" Commercial Nominating Committee is comprised of: Donald Sigmon, Chair and Mark King.

Nomination by Petition

Per CSA Bylaws, interested parties for both Class "A" Residential and Class "B" Commercial properties have the option to be nominated by petition. To run by petition, the following conditions are required: petition to be signed by 50 valid residential or 3 commercial property owners; candidate willing and able to serve and petition submitted to the respective Nominating Committee, by October 1, 2018.

Board of Directors Report – Chair Griffith

Introduction of Board Members

In the 2017 election, three Class "A" Residential Board Members were elected: William Johnson, James Richardson and Stu Rodman. Elected as Class "B" Commercial Board Member, was Donald Sigmon.

CSA 2018 Board of Directors, Residential Members: David Borghesi (Treasurer), Paul Crunkleton, Mark Griffith (Chair), Barry Barth, Bill Johnson, Charles Miner, James Richardson, Stu Rodman and Michael Tucker (Vice Chair). Commercial Members: Bob Gossett, Mark King, Don Sigmon and Bob Sowers. Sea Pines Resort Members: Carolyn Adams (Secretary), Steve Birdwell, Cary Corbitt and Scott Richardson.

Recognition of Outgoing Board Members

Board Members Beverly Serral and Richard Speer, were acknowledged and thanked for their three-year term of service, which ended December 31, 2017.

Recognition of CSA Standing Committees

The Executive Committee is comprised of: Mark Griffith, Chair; Michael Tucker, Vice Chair; David Borghesi, Treasurer; Carolyn Adams, Secretary and Donald Sigmon, appointed Member at Large.

The remaining 2018 Committees, Chairs and Liaisons were announced:

2018 Committees

Communications	Barry Barth
Finance	David Borghesi
Gate Configuration	Michael Tucker
Gate Entry	Cary Corbitt, Charlie Miner
Governance	Charlie Miner
Land Use Management	Paul Crunkleton
Maintenance, Enhancement and Major Projects	James Richardson
Nominating Committee, Commercial	Donald Sigmon
Nominating Committee, Residential	Charlie Miner
Safety and Security	Stu Rodman
Short Term Rental	Bill Johnson
Strategic Planning	Michael Tucker

2018 Liaisons

Architectural Review Board	James Richardson
Government	Stu Rodman

Chair's Remarks

Update on Goals

1. Evaluate gate functionality and develop plan to improve access. To mitigate traffic flow at the gate and ease access to the community, the Gate Configuration Traffic Committee has developed two scenarios. The optimal plan, Gallery of Shops, could take up to 24 months for permitting and construction, at an estimated cost of $3,000,000, by completion.

2. Improved conditions over waterways and lagoons. Staff and equipment have been added to enhance regular maintenance of the drainage system. Nearly $650,000 in project funding from the Town, was secured for fiscal 2018. Further staff and equipment will be added in 2019, to facilitate small dredge projects in-house. The hydrology study completed in 2017, indicated a 60 year old drainage system, which required regular maintenance and replacements, at a cost of $1,500,000, yearly.

3. Raise the bar and level of care of entry corridors. Greenwood Drive received over $400,000 in landscaping improvements, over the past year. Currently, the intersection of Lighthouse Road and Plantation Drive is under landscape

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redesign. A budgeted expense, $2,000,000, for curb removal, widening, paving and repair of roadbed on Greenwood Drive, is scheduled for fall 2018. To follow, North and South Sea Pines Drives will require the same rebuild, which could exceed $4,000,000.

4. Work with the Town to improve Sea Pines Circle and Greenwood Drive corridor, to the main gate. Work has begun at the intersection of Greenwood Drive and Office Park Road. Improved safety and eased turning in and out of Office Park onto Greenwood Drive, will be facilitated. Project is being fully funded by the Town of Hilton Head.

5. Work with the Resort to help secure improvements needed, to obtain a five star rating.

6. Re-seat the Strategic Planning Committee, update the Strategic Plan, 2018, present to the community for review, then to the Board for final approval.

New Objectives

1. Conclude and approve an agreement to increase the daily gate pass fee. Upon completed negotiations, increase in the daily gate fee from $6.00 to $8.00, is anticipated. A pathway for further increases, to $9.00 and $10.00 is included, assuming no dramatic reduction in traffic volume occurs. At the $8.00 level, $800,000 in additional revenue and $1,600,000, at the $10.00 level, will be generated.

2. Approve and initiate a referendum, to fund and implement the Strategic Plan, 2018. Proposed referendum, to occur fall 2018, will include: increase in Commercial, Resort and Residential Property Owners' assessment and implementation of transfer fee on all real estate transfers. All stakeholders in the community, will contribute towards the implementation of the Strategic Plan.

CSA President Update – Bret Martin

Beach Update

The beach sustained significant impact from 2 major storms, in the past 2 years. Beach renourishment began fall 2017 and sand fencing is underway. Upon completion of sand fencing, plants will be installed, funded by the Town of Hilton Head. The south end moratorium is over and boardwalks are being built, some up to 700 feet, due to accretion. There remains a moratorium in place for boardwalks, elsewhere.

Gate Reconfiguration, Gallery of Shops

An agreement to purchase the Gallery of Shops, with Publix approval, has been reached. A May 2018, closing, is anticipated. The opportunity to change the dynamics of entry into the Sea Pines community, is possible. Operationally, issuance, sales of gate passes and customer service, could be conducted from the new site.

Stormwater, Hydrology Study

An updated hydrology, stormwater study, adjusted for Hurricane Matthew impact, has been completed. The Sea Pines drainage system, inflow and outflow, is identified and mapped out.

Challenges discovered, included: thousands of feet of pipe with roots growing through, collapsed pipes, pipe blockages with reduced water flow capacity to 30% and discovery of grates atop fully filled drains. Maintenance of the stormwater system and dredging of lagoons, to address 50 – 60 years of sediment build-up, have been brought in-house and will continue indefinitely.

Infrastructure

Sea Pines major roadways are in need for re-pave and rebuild, over the next 5 years. Plantation Drive is completed. Greenwood Drive, scheduled for rebuild, not overlay, in fall 2018, will have extended life of 20 years. Anticipated cost of project is $2,000,000 - $2,500,000.

Community Survey, Feedback

The CSA/Sea Pines Community Survey was recently conducted. Completed surveys totaled 2649, representing 2332 households, an increase over the survey 2 years ago. USCB will be presenting the results to the Community on May 17, 2018, 2:00 p.m.

Financial Overview – David Borghesi

The 2017 financial statements were audited by the accounting firm of Elliot, Davis, Inc. The auditor's opinion report, as in prior years, was a clean report. There were no adjustments or accounting disagreements, on any accounting matters.

Financial positions for CSA, first quarters ended March 2017 and 2018, showed little change. Primary investments provided financial underpinnings for fund balances for new and replacement of capital assets, cost of major projects and the reserve, for emergency purposes. Par value increased, despite budgeted deficits for 2016 and 2017. Underspending and delays in completion of major projects, some hurricane related, resulted in increased fund balances. Through cash management, investments were increased.

Budget, 2018, calls for significant decrease in fund balances, which necessarily dictate borrowing or liquidating from fund balances. Alternatively, agreement to support ineased fees and assessments, as opposed to continual deferment of maintenance and enhancement projects, is an option. The budget as presented in January does not include a call on assets for the purchase of Gallery of Shops. Recognition is necessary that increased gate fees and corporate assessments alone, cannot make up for years of meager residential increases, which averages annually approximately 1%.

Members of the Finance Committee, CSA Staff and the Sea Pines Community were rcognized and thanked for their service.

Adjournment

With no further business to come before the Board, Chair Griffith adjourned the meeting at 4:15 p.m. The date, time and location, for the 2019 CSA Annual Meeting, remains to be determined.

Respectfully Submitted,

Carolyn Adams
Secretary

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2018 CSA Committees

The purpose of committees is to make recommendations to the Board on how to address Board's goals and to meet the needs of the community. We'd like to take a moment to thank all the members of each of our standing committees.

Maintenance Enhancements & Major Projects Committee

This committee will advise the CSA Board to exercise its oversight responsibilities regarding maintenance and major repairs and replacement, enhancements and capital projects for CSA consistent with CSA policies, goals, objectives and guidelines.

2018 Committee Members
Chairman - James Richardson

Susan Allhusen
James Bradshaw
Randall Chambers
John Griffin
Kim Hall
Mike Lawrence
Cliff McMackin
Becky Pardue
Don Sigmon

Gate Entry Committee

This committee will advise the CSA Board to exercise its oversight responsibility concerning Sea Pines Gate Entry Policy and associated budgeting for Gate Entry revenue and expenditures. The committee will gather, evaluate and present data to support recommendations to the Board consistent with CSA policies, goals, objectives and guidelines for ensuring Sea Pines is a premier private residential community.

2018 Committee Members
Co-Chairman – Cary Corbitt
Co-Chairman – Charlie Miner

Dana Advocaat
Steve Birdwell
Bob Gossett
Paul Handy
Bill Johnson
Mark King
Tom McPhillips
Don Sigmon
Michael Sole
Michael Tucker
Tom Wolf

* Note - Mark Griffith serves ex-officio on all committees, that he does not chair.

Safety and Security Committee

This committee will advise the CSA Board to exercise its oversight responsibilities regarding safety and security concerns for: operations and planning, gathering and evaluation of data to support safety and security decisions in consistency with CSA policies, goals, objectives and guidelines.

2018 Committee Members
Chairman - Stu Rodman

Steve Alfred
Tom Cope
Bob Crawford
Paul Crunkleton
Mark Faraci
John Hall
Felice LaMarca
Patrick Murphy
Martin O'Brien
Scott Richardson
Margaret Tomczak

Strategic Planning Committee

This committee will provide review and insight to the CSA President and CSA Board regarding the future activities needed to preserve Sea Pines as a premier destination for individuals and families to work, reside and visit, now and in future years. The Strategic Planning Committee coordinates recommendations to the future plans for CSA and makes recommendations to the CSA Board of Directors on those plans.

2018 Committee Members
Chairman - Michael Tucker

Diederik Advocaat
Steve Birdwell
David Borghesi
Chip Collins
David Herskovits
Bill Johnson
Jim Kaskie
Mark King
Tom Lennox
Charlie Miner
Larry Movshin
John Parsons
Stu Rodman
Paula Scanlon
Jack Ward

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Finance Committee

This committee will advise the CSA Board to exercise its oversight responsibilities regarding CSA finances, accounting, tax reporting, budgeting, financial risk management and financial reporting consistent with CSA policies, goals, objectives and guidelines.

2018 Committee Members
Chairman - David Borghesi

Carolyn Adams
John Farrenkopf
David Herskovits
Lisa Laudermilch
Lee Ann Leahy
Lee McCollum
John McEnery
Larry Movshin
Stu Rodman
Richard Speer
Michael Tucker
Ray Warco

Governance Committee

This committee will advise the CSA Board with respect to CSA By-Laws, CSA Director nomination and election process, new Board member orientation, work with Sea Pines Resort on future covenant modifications and development of Leadership Program to support CSA initiatives and provide/ develop an ongoing source of CSA Committee and Board members.

2018 Committee Members
Chairman - Charlie Miner

Steve Birdwell
Mark King
Lee Stevens
Michael Tucker

Gate Configuration Committee

This committee was established to study the Greenwood Gate traffic flow and to consider configuration options that would resolve traffic flow issues. The comittee was charged with presenting recommendations to the CSA Board of Directors.

2018 Committee Members
Chairman - Michael Tucker

Steve Birdwell
Cary Corbitt
Paul Crunkleton
Charles Hyer
Frank Jeffreys
Mark King
David Macarelli
Lawrence Michuda
Bob Quinn
Stu Rodman
Grover Todd
George Williams

Joint Short Term Rental Committee

This committee will advise the CSA Board and ASPPPO Board in exercising their responsibilities to enforce the Covenants and other rules and regulations governing the short term rental of residential property within Sea Pines Community.

2018 Committee Members
Co-Chairman – Bill Johnson
Co-Chairman – Beverly Serral

Scott Calahan
Ron Clark
Jay Johnson
Sharon Lowe
Tom McPhillips
Ginger Miller
John Munro
Rob Saunders

Joint Land Use Monitor Committee

Our Land Use Management Committee (LUM) provides review and insight to the ASPPPO and CSA Boards regarding problem properties within the Sea Pines community. The Land Use Management Commit-tee facilitates implementation of Board approved actions, to bring such properties onto compliance with appropriate Sea Pines Covenants and Sea Pines community standards.

2018 Committee Members
Co-Chairman – Paul Crunkleton
Co-Chairman – Richard Matthews

Alex Cruden
Dana Guazzo
Cathie Rasch
Nikos Singelis
Lee Stevens
Peter Vairo

Communications Committee

This committee will identify ways to improve communications and create greater community awareness of CSA operations and achievements. This committee will serve as a conduit between the various committee chairs and the community at large; helping communicate the goals, actions and accomplishments of all Sea Pines committees.

2018 Committee Members
Chairman – Barry Barth

David Borghesi
Cary Corbitt
Steve Darmody
Bill Johnson
Dan Lieberman
Charlie Miner
Larry Movshin
Becky Pardue
James Richardson
Stu Rodman
Paula Scanlon
Beverly Serral
Bill Tucker
Michael Tucker
Kathy Wilcox
David Wolf

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Financial Summary for Community Services Associates, Inc.

Financial Impacts of Hurricanes Matthew and Irma ($ in '000's)

On October 7, 2016, Hurricane Matthew impacted Sea Pines Plantation, resulting in considerable damage and downed trees. CSA incurred (and continues to incur) substantial expenditures for storm clean up, repairs and restoration: $2,280 in 2016, $2,544 in 2017, and an additional $520 in 2018 for a total of $5,344. Pursuant to the hurricane, the CSA Board of Directors approved a special assessment at its meeting in November of 2016 in the amount of $6,270. CSA has recognized these expenditures in the year incurred as an operating expense, and as revenue, having no net impact on net income. Approximately $926 is available for future related expenditures.

On September 11, 2017, Hurricane Irma impacted Sea Pines Plantation, resulting in a storm surge in excess of seven feet higher than a normal high tide. CSA incurred expenditures for storm clean up, repairs and restoration, which totaled $127 in 2017 and an additional $13 in 2018. No special assessment was requested for these expenditures.

2018 Revenues ($ in '000's)

Excluding special assessment revenues, CSA operating revenues of $11,858 increased by $487 (or 4.3%) compared to 2017. This increase is comprised principally of two components. Residential assessments increased $133 resulting from a 2.12% rate increase as allowed by Sea Pines covenants. Gate and annual entry permit revenues increased $310 (or 6.9%) due to the increase in the daily visitor gate passes increasing from $6.00 to $8.00 effective August 1, 2018 as well as a $113 increase from short term weekly passes.

2018 Expenses ($ in '000's)

Excluding expenditures relating to the two storms described above, operating expenses of $12,297 increased by $1,447 (or 13.0%) primarily as a result of increased services in the maintenance department; improved employee retention in the security department and the reconstruction of a portion of Greenwood Drive.

Other Income (net of expenses) produced $25 compared to $291 in 2017. Other Income in 2017 included the receipt of an insurance settlement for loss of gate revenue as a result of Hurricane Matthew. The market value of investments experienced unrealized losses at the end of 2018.

2018 Year-End Financial Position ($ in '000's)

The 2018 year-end cash and cash equivalent balances of $676 decreased by $1,133 over the prior year end due to a decrease in subsequent year assessment collections and purchase of land along Greenwood Drive. Because cash balances can vary significantly for reasons other than operating results, a better view of CSA's financial strength and flexibility is its current assets, net of its current liabilities, which was $8,029 at December 31, 2018, a decrease of $1,884 over prior year end.

Capital expenditures amounted to $2,080 during 2018. Major expenditures included the purchase of land along Greenwood Drive ($1,450), loader ($174), a vacuum extractor ($100), an excavator ($73) and a tractor ($45).

Fixed asset balances increased from the prior year by $1,424, which resulted primarily from the aforementioned capital expenditures, net of depreciation expense of $645.

Fund balances decreased by the $460, or the amount of Comprehensive Income. Two operational funds were designated as a result of a daily gate pass fee increase in 2014. During 2018 the combined amounts of these two designated funds decreased by $47, primarily as a result of increased dredging expenditures. During 2017, the Finance Committee designated the balance of net fixed assets leaving the "spendable" portion of the Operating Fund Balance as undesignated. The undesignated portion of the Operating Fund balance has decreased by $687 to $100.

Other Information

CSA maintains a bank line of credit of $5 million, available for remediation expenses from natural disasters. CSA also maintains a credit line with a financial institution that is the custodian for CSA's investment securities. The credit line is secured by the value of investments that maintain a specific credit rating. Neither line of credit had been used during 2018.

CSA is recognized as a tax-exempt organization under IRS Code Section 501(c)(4). No provision for income tax expense has been recorded for 2018 and 2017.

CSA received an updated infrastructure reserve study in June of 2016 and has updated the information for transactions through 2018. The current estimated replacement cost of components of common property that have limited and predictable useful lives is approximately $26 million. The 2016 study does not include an assessment of storm water piping and control structures replacements. A recent engineering study estimates $12 million should be expended for maintenance, repair and replacements over the next ten years.

CSA is a defendant in lawsuits that arise from the conduct of its operations. Management believes that damages awarded to a plaintiff, if any, will be covered by its general liability insurance. No amounts have been recorded in the financial statements for any potential liability related to legal claims.

A copy of CSA's audited 2018 financial statements may be obtained by calling: (843) 671-1343 or by email: traceym@csaseapines.com or mailing: 175 Greenwood Drive, Hilton Head Island, SC 29928-4506.

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Sea Pines Community Services Associates, Inc.

Balance Sheets

December 31, 2018 and 2017
(Dollars in'000's)

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	$ 676	$ 1,809
Investments at fair value	9,522	10,217
Special assessment receivable, net	-	27
Accounts receivable, net of reserve for bad debts of $34 and $65, respectively.	63	67
Due from related parties	80	304
Prepaid expenses and deposits	116	455
Total Current Assets	10,457	12,879
Property and Equipment		
Property and equipment, net of accumulated depreciation of $4,326 and $4,247, respectively	8,572	7,148
TOTAL ASSETS	$ 19,029	$ 20,027
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable	$ 807	$ 646
Accrued payroll and related benefits	355	322
Deferred revenue	340	551
Special assessment deferred revenue	926	1,447
Line of credit	-	-
Total Current Liabilities	2,428	2,966
Fund Balances		
Undesignated	100	787
Designated		
Property and equipment, net	8,572	7,148
Capital replacement	5,115	6,265
Emergency reserves	2,500	2,500
Other	314	361
Total Fund Balances	16,601	17,061
TOTAL LIABILITIES AND FUND BALANCES	$ 19,029	$ 20,027

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Sea Pines Community Services Associates, Inc.

Statements of Revenues and Expenses

Years Ended December 31, 2018 and 2017
(Dollars in '000's)

	2018	2017
OPERATING REVENUES		
Residential assessments	$ 6,163	$ 6,030
Other Property owner assessments		
Sea Pines Resort, LLC assessments	248	230
Other business owner assessments and fees	366	348
Total Commercial Assessments and Fees	614	578
Gate entry and permit fees	4,775	4,465
Grande Ocean Resort access fees	306	298
Special assessment	520	2,544
Total Operating Revenue	12,378	13,915
OPERATING EXPENDITURES		
Maintenance department, net	3,408	3,188
Safety, security and trolley operations, net	3,043	2,755
General administration	2,419	2,337
Major repairs and replacements	2,331	1,613
Facilities	451	344
Depreciation	645	613
Hurricane Matthew	520	2,544
Hurricane Irma and Florence	46	127
Total Operating Expenditures	12,863	13,521
OPERATING INCOME (LOSS)	(485)	394
OTHER INCOME		
Investment income, net	252	271
Other income, net	(55)	39
Other comprehensive income (loss)	(172)	(19)
Total Other Income	25	291
COMPREHENSIVE INCOME	**$ (460)**	**$ 685**

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Sea Pines Community Services Associates, Inc.

Statements of Cash Flows

Years Ended December 31, 2018 and 2017
(Dollars in '000's)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Comprehensive income	$ (460)	$ 685
Other comprehensive (income) loss	172	19
Excess of Revenues over Expenditures	(288)	704
Adjustments to reconcile excess revenues over expenditures to cash provided by operating activities:		
Depreciation	645	613
Loss (Gain) on disposal of equipment	(30)	(19)
Realized (gain) loss on investments	227	301
(Increase) decrease in current assets:		
Special assessment receivables	27	4,998
Other receivables	229	143
Prepaid expenses	339	(441)
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses	193	65
Deferred revenue	(211)	(872)
Special assessment deferred revenue	(520)	(2,544)
Net Cash Provided (Used) by Operating Activities	611	2,948
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(5,908)	(7,443)
Proceeds from redemption of investments	6,204	5,691
Proceeds from disposal of equipment	40	50
Acquisition of property and equipment	(2,080)	(856)
Net Cash Provided (Used) by Investing Activities	(1,744)	(2,558)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments) proceeds from line of credit	-	(1,500)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,133)	(1,110)
Cash and Cash Equivalents, beginning of year	1,809	2,919
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 676**	**$ 1,809**

Budget Comparisons ($ in '000's)

The budgeted amounts as presented below have been updated for Board approved amendments made through 2018, and for 2019 amendments made through March 31, 2019.

2018 Actual Results Compared to 2018 Budget

Excluding special assessment revenue, actual revenues of $11,858 compared favorably to budget by $303 due to an increase in the daily visitor gate fee pass effective August 1, 2018 and an increase in short term weekly rental pass revenue. The fee increase was enacted after the adoption of the 2018 budget in late 2017. Actual operating expenses were under budget by $1,409 primarily as a result of the inability to complete major maintenance projects in 2018. Other income was unfavorable to budget due to unbudgeted unrealized losses on the market value of investments due to market interest rate increases.

2019 Budget Compared to 2018 Actual Results

Budgeted revenues of $12,677 reflects an increase of $819. The increase is derived from the 2.46% increase in residential property owner fees, full year of the daily visitor gate fee at $8.00 and minor changes in the other revenue categories. Operating expenses are budgeted to increase $593 (5%) over 2018 actual operating expenditures however, they are budgeted $816 less than 2018 budget. The increases are principally in the administration department for full-year staffing expenditures, maintenance department for expanded tree care operations and in the safety and security department to achieve full staffing. Excluding depreciation and major repair and replacement projects, the budgeted expenses of $10,108 are comprised of payroll related costs of $6,097 and $4,011 of other operating expenses. Increase of payroll related expense is approximately 4% and is due mainly to an increase in premium costs for employer provided health insurance and workers compensation insurance.

Major repair and replacement projects are budgeted at $2,113, a decrease of $218 and is principally for road resurfacing ($790), Deer Island Bridge repair ($246), enterprise software implementation ($189) and the rollover of uncompleted projects from 2017 ($429).

In addition to major repairs and replacements, $774 has been budgeted for capital expenditures, principally for three new trolleys ($477), new vehicles ($142), and an additional beach security patrol vehicle ($20).

The budget for Other Income includes an increase in marketing fund expenditures. These expenditures assumes that the full designated Marketing Fund Balance will be fully expended in 2019.

(Dollars in '000's)

	Budget 2018	Actual 2018	Budget 2019
OPERATING REVENUES			
Residential assessments	$ 6,163	$ 6,163	$ 6,327
Commercial property assessments and fees	610	614	687
Gate entry and permit fees	4,782	5,081	5,663
Total Operating Revenue	11,555	11,858	12,677
OPERATING EXPENDITURES			
Maintenance Department, net	3,480	3,408	3,454
Safety, security and trolley operations, net	3,011	3,043	3,280
General administration	2,713	2,419	2,883
Hurricane Irma and Florence	-	46	-
Facilities	441	451	491
Depreciation	641	645	715
Major repairs and replacements	3,466	2,331	2,113
Total Operating Expenditures	13,752	12,343	12,936
Excess of Expenditures over Revenues from Operations	(2,197)	(485)	(259)
OTHER INCOME/ (EXPENSE)			
Investment income, net	289	252	360
Other income (expense)	(238)	(55)	(603)
Other comprehensive income (loss)	-	(172)	-
Total Other Income	51	25	(243)
COMPREHENSIVE INCOME	**$ (2,146)**	**$ (460)**	**$ (502)**

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View from newly reconstructed
Observation Deck in the Forest Preserve

Cash Flow

The CSA Board, with the assistance of the Finance Committee, monitors it current assets (principally cash and investments) periodically throughout the year. Cash and investments are projected to the end of the year as each month's actual results of operations and capital expenditures are reported. The ability to make reasonable forecasts allows the Board to determine if available cash flow from operations can be invested in additional unbudgeted but desired capital assets or major projects. A simple calculation can be used to approximate operating cash flow excluding changes in net current assets, as follows:

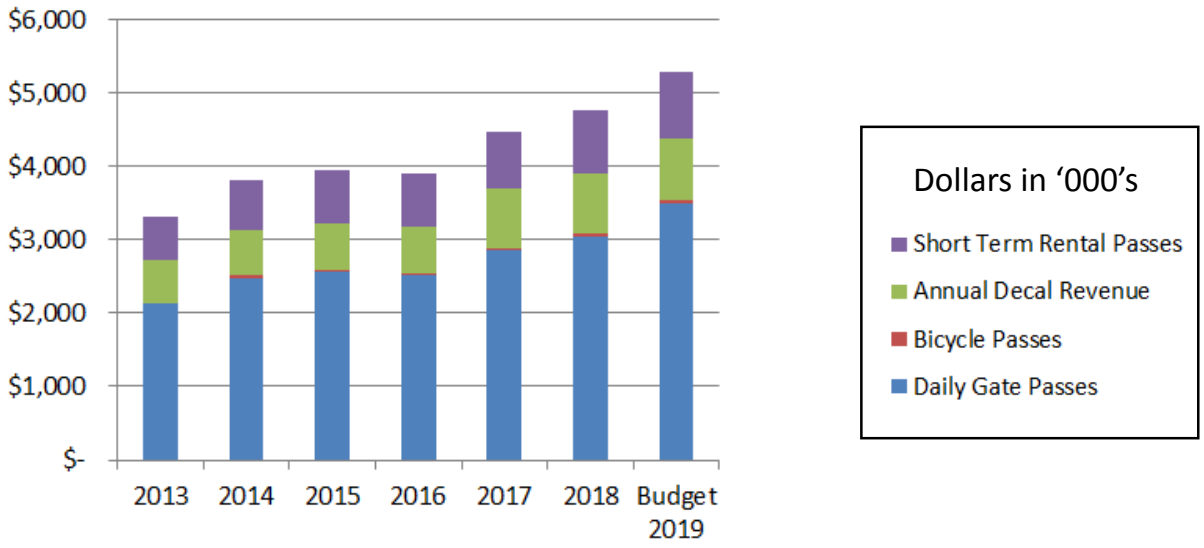
	2019 Budget	2018 Actual
Income (loss)	$ (502)	$ (460)
Plus depreciation & amortization	715	645
Less capital expenditures	(774)	(2,070)
Equals operating cash flow	$ (561)	$ (1,885)

The 2019 budget anticipates the use of capital reserve assets to fund the deficit cash flow. A source of funds for major projects and capital expenditures is our existing Capital Replacement Fund.

Additional Information

Gate Entry Permits

	2013	2014	2015	2016	2017	2018	Budget 2019
Daily Gate Passes	$ 2,123	$ 2,481	$ 2,554	$ 2,521	$2,861	$ 3,046	$ 3,505
Bicycle Passes	-	33	32	30	30	31	37
Annual Decal Revenue	591	629	636	620	815	826	828
Short Term Rental Passes	601	665	719	733	759	872	911



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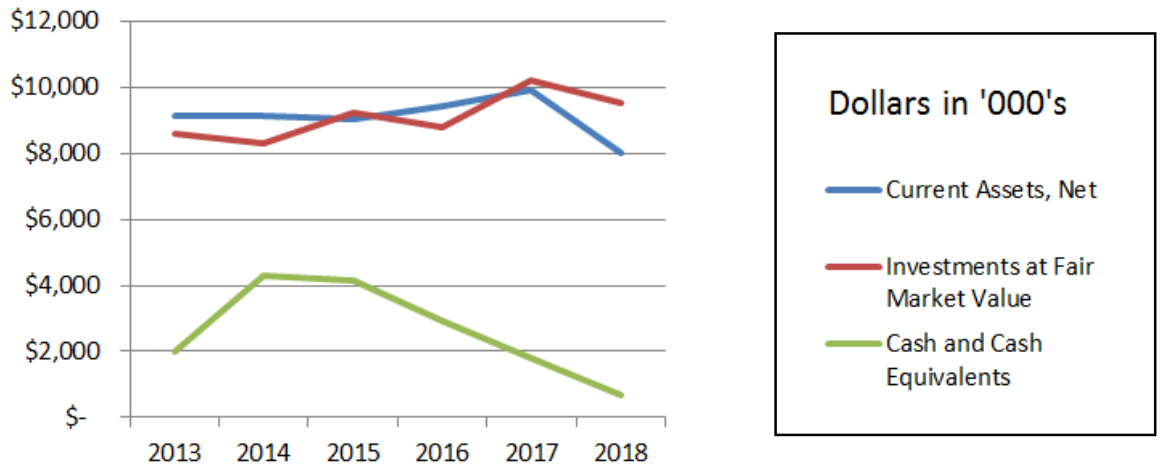
Additional Information

Dollars in '000's

	2013	2014	2015	2016	2017	2018
Current Assets, Net	$ 9,128	$ 9,133	$ 9,028	$ 9,439	$9,913	$ 8,028
Investments at Fair Market Value	8,616	8,322	9,246	8,785	10,217	9,522
Cash and Cash Equivalents	2,008	4,297	4,129	2,919	1,809	676



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Six Oaks Cemetery

Six Oaks Cemetery, Inc. is a 501 (c)(13) not for profit corporation, created to operate and manage the Six Oaks Cemetery. Its board consists of five members, four who are the current officers of the CSA Board, plus one member who is appointed. Serving the community since 1966, Six Oaks Cemetery is Hilton Head's only full service, public, perpetual care cemetery.

Six Oaks Cemetery Trustees 2018

Chairman - Mark Griffith
Vice Chairman - Michael Tucker
David Borghesi - Treasurer
Carolyn Adams - Secretary
Don Sigmon - Appointed Member

Six Oaks Cemetery Advisory Committee 2018

Chairman – David Borghesi

Dr. Michael Fritz
Betsy Kunkle
Phil LoPresti
Dr. Harry Maxon
Kathy Wilcox
Patty Zensinger

Six Oaks Cemetery, Inc.

	2018	2017
BALANCE SHEET		
Current assets	$ 84	244
Plot and columbarium inventory	159	144
Fixed assets, net	8	9
Total Assets	$ 251	$ 397
Payable to CSA	49	30
Payable to Perpetual Care Trust	6	16
Other liabilities	26	28
Net assets	170	323
Total Liabilities and Net Assets	$ 251	$ 397
STATEMENT OF ACTIVITIES		
Support and revenues	$ 262	$ 561
Expenses		
General operating & administrative	306	278
Contribution to Perpetual Care Trust	43	90
Cost of sales	10	19
Storm remediation expenses	55	15
Special projects	1	17
Total Expenses	415	419
CHANGE IN NET ASSETS	(153)	142
NET ASSETS AT BEGINNING OF YEAR	323	181
NET ASSETS AT END OF YEAR	$ 170	$ 323
Perpetual Care Trust Net Assets	$ 872	$ 844

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Sea Pines Forest Preserve Foundation

The Sea Pines Forest Preserve Foundation is a 501(c) (3) non-profit organization that was established in 1993, with the major responsibility of ownership, maintenance and enhancement of the Wildlife Habitat Zone. Its board consists of four members who are the current officers of the CSA Board, plus one appointed member. The board established the Sea Pines Forest Preserve Advisory Committee to assist them in protecting and maintaining the ecosystem while encouraging outdoor recreation through careful development of Forest Preserve infrastructure. The Foundation is funded by an annual property owners' solicitation mailing, the sale of Forest Preserve calendars, T-shirts, hats, "The Bonfire", the "Party in the Pines" and yard sale fund raising events.

In memory of Ted Allenbach for his years of service and dedication to "Our Natural Treasure."

Sea Pines Forest Preserve Foundation Trustees 2018

Chairman - Mark Griffith
Vice Chairman - Michael Tucker
David Borghesi - Treasurer
Carolyn Adams - Secretary
Don Sigmon - Appointed Member

Sea Pines Forest Preserve Advisory Committee 2018

Chairman - Ted Allenbach

Lauri Allenbach	Charlie Miner
Rob Bender	Scott Richardson
Elizabeth Blackburn	James Smith
Rosemary Kimball	Ward Kirby

Sea Pines Forest Preserve Foundation, Inc.

	2018	2017
BALANCE SHEET		
Current assets	$ 369	$ 419
Fixed assets, net	216	228
Total Assets	$ 585	$ 647
Payable to CSA	-	88
Net assets	585	559
Total Liabilities and Net Assets	$ 585	$ 647
INCOME STATEMENT		
Contributions from CSA	$ 133	$ 110
Donations	102	143
Other revenue and fundraising	65	140
Support and Revenues	300	393
Matthew related damages	139	103
Irma related damages	-	63
General, administrative & other	41	40
Special projects	33	10
Deperciation	12	12
Special events	6	19
Forest ranger	43	47
Expenses	274	294
CHANGE IN NET ASSETS	26	99
NET ASSETS AT BEGINNING OF YEAR	559	460
NET ASSETS AT END OF YEAR	$ 585	$ 559

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ntation Property Owners, Inc.

2018 ASPPPO Board Members

Charlie Miner
ASPPPO President

Barry Barth	Richard Matthews
David Borghesi	James Richardson
Mark Griffith	Beverly Serral
Bill Johnson	Richard Speer *(May-Dec.)*
	Dan Westerbeck *(Jan.-Apr.)*

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ASPPPO Annual Meeting Minutes

April 30, 2018

On Monday, April 30, 2018, the Annual Meeting of the Association of Sea Pines Plantation Property Owners Inc., (ASPPPO), Board of Directors, was held at the Sea Pines Country Club, 30 Governors Road, Hilton Head Island, SC, 29928.

Call to Order – President Miner

The meeting was called to order by Charles Miner, President, at 3:05 p.m., Eastern time.

Verify Quorum – Richard Matthews

Quorum was established and confirmed, by those present in person or by proxy, allowing transaction of business by the Board of Directors.

Approval of the May 8, 2017, Meeting Minutes – President Miner

The May 8, 2017, ASPPPO, Annual Meeting minutes, were approved as submitted in the Annual Report. A motion was made, seconded and unanimously carried, to this effect.

Financial Overview – David Borghesi

First quarter financial statements, as of March 31, 2018, were discussed. Total asset and liability fund balances were $425,000. This compared to a total asset and liability fund balance of $490,000, for the same period in 2017, resulting in a $65,000 decrease, year over year. Year end, December 31, 2017, fund balances were $340,000. The 2018 budget calls for another substantial deficit which will further erode financial capabilities.

The cost to maintain the organization, in its current form, is approximately 70% of revenues received. To continue down a deficit path, significantly affects the organization's capability to defend, against an organization that has far more resources, should a controversial dispute arise.

Approximately 70% of property owners are ASPPPO members. Membership levels have held over the last few years.

Board of Directors Report – President Miner

Introduction of Board Members

In the 2017 election, three Board Members were elected: Bill Johnson, James Richardson and Daniel Westerbeck. Second year Board Members include: Mark Griffith, Richard Matthews and Charles Miner. Third term Board Members include: Barry Barth, David Borghesi and Beverly Serral.

Recognition of Outgoing Board Members

President Miner thanked and acknowledged Richard Speer, having completed his three-year term of service as of December 31, 2017, and Daniel Westerbeck, who recently resigned his position.

President's Remarks

The ASPPPO bylaws provide that a Board vacancy be filled by majority vote, of the eight remaining Board members. Any ASPPPO member, in good standing, is eligible for nomination by a Board member. The current Board vacancy will be addressed at the ASPPPO Board meeting, May 17, 2018.

The Board has clarified financial needs and resources. Under the leadership of Bret Martin, President, CSA, much has been accomplished. A comprehensive and accurate financial accounting of cash flow, reserves, revenue and expenses, is in place.

The community is comprised of three partners: Residential, Commercial and Resort. With a shared vision and working together, these partners are mutually beneficial. Each partner has rights that deserve respect. The Riverstone Group, Goodwin family, have invested in excess of $200,000,000, with spectacular buildings to include the Heritage Clubhouse, Plantation Club, Beach Club and rebuild of the Harbour Town pier, all at no cost to the homeowner. Each partner, has rights that deserve respect.

At an annual residential assessment slightly over $1,000 per year, Sea Pines is one of the lowest priced communities on Hilton Head Island and offers tremendous value. However, the community is beginning to show its age; worn out roads, potholes and clogged storm drains, etc. In order to maintain value, issues need to be addressed now.

Later in 2018, a referendum will be brought to the community. The referendum will include a comprehensive real estate transfer fee and increased assessments for all parties, Residential, Commercial and Resort. A vote of 75% + 1 of all voting members, is required for the referendum to pass. Success of the referendum is essential to rebuild aging infrastructure and support of community services of security and maintenance.

The referendum will be thoughtful of all parties, put Sea Pines on a firm footing for years to come and provide a positive future for the community.

Adjournment

With no further business to come before the Board, President Miner adjourned the meeting at 3:25 p.m. The date, time and location for the 2019 ASPPPO Annual Meeting, remains to be determined.

Respectfully Submitted,

Richard Matthews

Acting Secretary

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ASPPPO Operations

ARB Liason

One of the responsibilities of the ASPPPO Board is to appoint two property owners to serve as full members of the Sea Pines Architectural Review Board (ARB). Also, the Alternate ARB member is jointly appointed by both the ASPPPO and CSA Boards. The ASPPPO President appointed ASPPPO Board member, James Richardson, to act as the ARB Liason to attend the Sea Pines Architectural Review Board's (ARB) weekly meetings in 2018. Mr. Richardson provided updates on current ARB issues during the ASPPPO Board meetings and helped to maintain an open line of communication between the two.

Land Use Monitor

Our Land Use Management Committee (LUM) was established to provide review and insight to the ASPPPO and CSA Boards regarding problem properties within the Sea Pines community. The Land Use Management Committee facilitates implementation of Board approved actions, to bring such properties onto compliance with appropriate Sea Pines Covenants and Sea Pines community standards.

2018 ASPPPO Financial Statements

Financial Summary for the Association of Sea Pines Plantation Property Owners, Inc. (in $'000's)

ASPPPO's net assets increased by $4 or 1% during 2018, compared to a $61 decrease in 2017.

Membership dues increased $14 in 2018 over the prior year. Dues were received from 74.9% of eligible Sea Pines Plantation residential property owners (69.1% in 2017). Membership is voluntary and dues were $35 for an owner of a family dwelling unit or $15 for an owner of a residential lot. Owners with more than one property in Sea Pines pay dues based on one of the properties.

Operating expenses during 2018 were $56 lower than the prior year primarily due to decreased legal and professional fees ($59). Other expenses increased by $10.

ASPPPO's 2019 budget plan includes a $20 (or 6%) decrease in net assets due to estimate revenue of $137 less $157 of expenditures. The budgeted expenditures represents a $24 increase over 2018 principally related to additional costs associated with a full time land use monitor ("LUM") position. Total LUM costs are being shared with CSA and Sea Pines Architectural Review Corporation.

ASPPPO 2019 BUDGETED ACTIVITIES AND CHANGES IN NET ASSETS

2019 Budgeted Revenue	
Membership dues	$ 130
Other revenue	1
Investment income, net	6
Total Budgeted Revenue	137
2019 Budgeted Expenditures	
Land use monitor	52
Insurance	20
Printing & postage	20
Legal & professional	5
Property rehabilitation/covenant enforcement	5
Community events	6
General, administrative and other	49
Total Budgeted Expenditures	157
2019 Budgeted Decrease in Net Assets	**$ (20)**

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Association of Sea Pines Plantation Property Owners, Inc.

Statements of Financial Position

Years Ended December 31, 2018 and 2017
(Dollars in '000's)

	2018	2017
ASSETS		
Cash and cash equivalents	$ 55	$ 126
Investments	312	316
Prepaid expenses	13	13
TOTAL ASSETS	380	455
LIABILITIES		
Advances by CSA	35	112
Membership dues received in advance	1	3
Total Liabilities	36	115
FUND BALANCE	344	340
TOTAL LIABILITIES AND FUND BALANCES	$ 380	$ 455

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Association of Sea Pines Plantation Property Owners, Inc.

Statements of Activities and Changes in Net Assets

Years Ended December 31, 2018 and 2017
(Dollars in '000's)

	2018	2017
REVENUE AND SUPPORT		
Membership dues	$ 133	$ 119
Other revenue	1	4
Investment income, net	3	5
Total Revenue and Support	**137**	**128**
EXPENDITURES		
Land use monitor	21	19
Insurance	19	16
Printing & postage	9	44
Legal & professional fees	15	74
General, administrative & other	69	36
Total Expenditures	**133**	**189**
CHANGE IN NET ASSETS	4	(61)
NET ASSETS AT BEGINNING OF YEAR	340	401
NET ASSETS AT END OF YEAR	**$ 344**	**$ 340**

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Association of Sea Pines Plantation Property Owners, Inc.

Statements of Cash Flows

Years Ended December 31, 2018 and 2017
(Dollars in '000's)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 4	$ (61)
(Increase) decrease in current assets:		
Fair market values of investments	4	4
Prepaid expenses	-	(4)
Increase (decrease) in current liabilities:		
Advances by CSA	(77)	22
Membership dues received in advance	(2)	-
Net cash provided by operating activities	(71)	(39)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(226)	(73)
Proceeds from redemption of investments	226	60
Net cash (used) by investing activities	-	(13)
Net Increase (Decrease) in Cash and Cash Equivalents	(71)	(52)
Cash and cash equivalents, beginning of year	126	178
Cash and cash equivalents, end of year	**$ 55**	**$ 126**

NOTES

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