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Cross-Reference to Amended and Restated Declaration recorded in Deed Book 1582, Page 407, in the Register of Deeds for Beaufort County, South Carolina.

FIFTH AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SUN CITY HILTON HEAD
(including Third Amendment to By-Laws of Sun City Hilton Head Community Association, Inc.)

THIS FIFTH AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SUN CITY HILTON HEAD (the "Amendment") is made this 14 day of July, 2008, by Del Webb Communities, Inc., an Arizona corporation (herein referred to as the "Declarant").

WHEREAS, Declarant executed a Declaration of Covenants, Conditions and Restrictions for Sun City Hilton Head, dated September 8, 1994, ("Initial Declaration"), and caused the Initial Declaration to be recorded at Book 729, Page 1497, in the Register of Deeds for Beaufort County, South Carolina ("ROD"); and

WHEREAS, Declarant subsequently executed and recorded amendments to the Initial Declaration (which Initial Declaration and all amendments thereto are hereinafter referred to as the "Declaration"), as follows:

1. First Amendment, July 14, 1997, recorded in Deed Book 958 at Page 2595, in the ROD;
2. Second Amendment, August 3, 1999, recorded in Deed Book 1199 at Page 2524, in the ROD;
3. Third Amendment, May 31, 2000, recorded in Deed Book 1296 at Page 2561, in the ROD;
4. Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Hilton Head, recorded May 17, 2002, in Deed Book 1582 at Page 407, in the ROD;
5. First Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Hilton Head, recorded October 24, 2003, in Deed Book 1860 at Page 2193, in the ROD;
6. Second Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Hilton Head, recorded April 13, 2004, in Deed Book 1937 at Page 1677, in the ROD;

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7. Third Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Hilton Head, recorded July 21, 2005, in Deed Book 2191 at Page 2059, in the ROD;

8. Fourth Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Hilton Head, recorded February 28, 2007, in Deed Book 2529 at Page 351, in the ROD; and

9. Various Amended Supplemental Declarations of Covenants, Conditions and Restrictions for Sun City Hilton Head relating only to certain portions of the Property subject to the Declaration .

WHEREAS, the Amended and Restated By-Laws (the "By-Laws") of Sun City Hilton Head Community Association, Inc. (the "Association") are attached as Exhibit "E" to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sun City Hilton Head, recorded May 17, 2002, in Deed Book 1582 at Page 407, in the ROD; and

WHEREAS, the By-Laws have been amended by a First Amendment thereto recorded May 12, 2004, in Deed Book 1963 at Page 2045, in the ROD, and a Second Amendment thereto recorded November 26, 2007, in Deed Book 2654 at Page 59, in the ROD; and

WHEREAS, Section 6.7 of the By-Laws states, in part, that: "Until termination of the 'Class B' membership, Declarant may unilaterally amend these By-Laws for any purpose"; and

WHEREAS, Section 3.3 of the Declaration currently states, in part, that: "The Class "B" membership shall cease and be converted to Class "A" membership upon the earlier of the following: (i) two (2) years after the expiration of the Class "B" Control Period; or (ii) when, in its discretion, the Declarant so determines"; and

WHEREAS, Section 19.2 of the Declaration states, in part, that "Until termination of the Class "B" membership, Declarant may unilaterally amend this Declaration for any purpose"; and

WHEREAS, the Class "B" membership has not ceased and been converted to Class "A" membership, and Declarant desires to amend both the Declaration and the By-Laws.

NOW, THEREFORE, Declarant amends the Declaration and the By-Laws as follows:

A. AMENDMENT OF DECLARATION.

1. Section 1.10 of the Declaration is amended to read as follows:

"1.10. "Class "B" Control Period": The period ending on the date that the Class "B" Membership shall cease, as set forth in Section 3.3(b)."

2. Section 3.3 (b) of the Declaration is amended to read as follows:

"(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to disapprove actions of the Board

and committees, shall cease and be converted to Class "A" membership upon the earlier of the following:

"(i) After 100% of the total number of Lots proposed by the Master Plan have certificates of occupancy issued thereon and such Lots have been conveyed to Home Owners;

"(ii) December 31, 2020; provided that, in the event the Declarant annexes additional property pursuant to Section 9.1(b) of the Declaration at any time after December 31, 2015, this date shall automatically be extended for additional three (3) year periods for every 500 acres of property annexed, or any fraction thereof; or

"(iii) When the Declarant so determines; provided, however, that such determination shall be evidenced by a written statement signed by the Declarant, evidencing the intent of the Declarant to permanently terminate the Class "B" Membership effective as of the date set forth in such statement, and such statement is recorded, by Declarant or with Declarant's express written consent, in the Register of Deeds for Beaufort County."

"From and after the date the Class "B" membership ceases, the Class "B" Member shall be deemed to be a Class "A" Member entitled to one (1) vote for each Lot it owns."

B. AMENDMENT OF BY-LAWS.

1. Section 2.4 of the By-Laws is amended to read as follows:

"2.4. Special Meetings of the Association. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board, or by written request of the Declarant, or upon a petition signed by at least ten percent (10%) of the Class "A" Members of the Association."

2. Section 3.3 of the By-Laws is amended to read as follows:

"3.3. Termination of Right of Class "B" Member to Appoint Any Directors. Subject to the provisions of Section 3.5, below, the directors shall be appointed by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

"(a) Whenever the "Class "B" Control Period ends, as set forth in Section 3.3 (b) of the Declaration; or

"(b) Whenever the Class "B" Member so determines; provided, however, that such determination shall be evidenced by a written statement signed by the Class "B" Member, evidencing the intent of the Class "B" Member to permanently terminate its right to appoint some or all directors, effective as of the date set forth

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in such statement, and such statement is recorded, by Declarant or with Declarant's express written consent, in the Register of Deeds for Beaufort County."

3. Section 3.5 of the By-Laws is amended to read as follows:

"3.5.Election and Term of Office. Notwithstanding any other provision of these By-Laws:

"(a) Within one hundred twenty (120) days after the earlier of the date that (i) Home Owners own 25% of the Lots proposed by the Master Plan, as it may be amended, or (ii) the Class "B" Member so determines (as evidenced by a written statement signed by the Class "B" Member), the Association shall hold an election at which the Class "A" Members, other than the Declarant, shall elect one (1) of the three (3) directors, who shall be an at-large director. The candidate receiving the most votes shall be elected. and shall serve a term of two (2) years commencing on the first day of the month following the election, or until the first day of the month following the election of his or her successor, whichever is later. The remaining two (2) directors shall be appointees of the Class "B" Member.

"(b) Within one hundred twenty (120) days after the earlier of the date that (i) Home Owners own 50% of the Lots proposed by the Master Plan, as it may be amended, or (ii) the Class "B" Member so determines (as evidenced by a written statement signed by the Class "B" Member), the Board shall be increased to five (5) directors. Prior to the effective date of the increase in the number of directors, the Association shall hold an election at which Class "A" Owners, other than the Declarant, shall be entitled to elect one (1) additional director, who shall serve as a second at-large director. The candidate receiving the most votes shall be elected and shall serve a term of two (2) years commencing on the first day of the month following the election, or until the first day of the month following the election of his or her successor, whichever is later. The existing Class "A" Member-elected director shall continue to serve as set forth in Section 3.5(a) above. When the terms of the two (2) Class "A" Member-elected directors expire, successors shall be elected for like terms. The remaining three (3) directors shall be appointees of the Class "B" Member.

"(c) Thereafter, at such time as the Class "B" Member determines, in its sole discretion, as evidenced by a written statement signed by the Class "B" Member, the Board of Directors shall be increased to seven (7) directors effective as of a date set forth in such written statement. Prior to the effective date of the increase in the number of directors, the Association shall hold an election at which Class "A" Owners, other than the Declarant, shall be entitled to elect one (1) additional director, who shall serve as a third at-large director. The candidate receiving the most votes shall be elected and shall serve a term of two (2) years commencing on the first day of the month following the election, or until the first day of the month following the election of his or her successor, whichever is later. The existing two (2) Class "A" Member-elected directors shall continue to serve as set forth in Section 3.5(b) above. When the terms of the three (3) Class "A"

Member-elected directors expire, successors shall be elected for like terms. The remaining four (4) directors shall be appointees of the Class "B" Member.

“(d) At any time, the Class "B" Member may, in its sole discretion, allow Class "A" Owners, other than the Declarant, to elect any director or directors who otherwise would be an appointee of the Class "B" Member. Such decision of the Class "B" Member shall be in writing setting forth the date such decision shall be effective, which writing shall be delivered to the Board of Directors. Prior to the effective date, the Association shall hold an election at which Class "A" Owners, other than the Declarant, shall be entitled to elect such additional director(s). Notwithstanding, such director(s) shall serve at the discretion of the Class "B" Member and may be removed at any time by the Class "B" Member by written notice delivered to the Board of Directors. The right of the Class "B" Member to remove and replace such director(s) may only be waived by a written document signed by the Class "B" Member and setting forth the date such decision shall be effective, which document is recorded, by Declarant or with Declarant's express written consent, in the Register of Deeds for Beaufort County.

“(e) Within one hundred twenty (120) days after the termination of the right of the Class "B" member to appoint all directors (whether as the result of (i) the filing by the Class "B" Member of the waiver referenced in the last sentence of paragraph (d), above, or (ii) the termination of the "Class "B" Control Period, as set forth in Section 3.3, above), the Association shall hold an election at which all directors shall be elected as follows (provided, however, during such intervening period the directors shall continue to serve, be removed and be replaced in the same manner as previously existing):

“The directors shall be elected by both Class "A" and Class "B" Members. In such election, pursuant to Section 3.3 of the Declaration, the Class "B" Member shall be deemed to be a Class "A" Member entitled to one (1) vote for each Lot it owns. There shall be no cumulative voting. For the first election held pursuant to this subsection (e), four (4) of the directors shall be elected for a term of two (2) years and the remaining three (3) directors shall be elected for a term of one (1) year, with each term to expire after the two (2) year or one (1) year period, as applicable. The four (4) candidates receiving the most votes shall serve the two (2) year terms and the three(3) candidates receiving the next highest number of votes shall serve one (1) year terms. Successor directors shall be elected to serve for two (2) year terms. The term of each director elected shall commence on the first day of the month following the election.”

4. Section 3.6 of the By-Laws is amended to read as follows:

“3.6. Removal of Directors and Vacancies.

“(a) Except as set forth in Section 3.5(d), any director elected by Class "A" Members may be removed, with or without cause, by the vote of Class "A" Members holding a majority of the votes entitled to be cast for the election of such director, but shall not be subject to removal solely by the Class "B" Member. Any director whose removal is sought shall be given notice prior to any meeting of the Class "A" Members called and noticed for that purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director. Notwithstanding, if the term of the removed director will expire within one (1) year of the date that such director is removed by the Class "A" Members, then, in the sole discretion of the Board, a successor may be appointed by the Board to fill the vacancy for the remainder of the term..

“(b) Any director elected solely by the Class "A" Members may be removed for cause by a majority of the other directors present at a regular or special meeting of the Board at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. Conditions constituting grounds for removal for cause shall include (without limitation): (i) having three (3) consecutive unexcused absences from Board meetings, (ii) being more than thirty (30) days delinquent in the payment of any assessment or other charge due the Association, (iii) failing to perform the duties of a director as set forth in the By-Laws or applicable law; (iv) violating any code of conduct for a Board member reasonably adopted by the Board or imposed by applicable law; (v) disclosing confidential information of the Association or the Board that is not authorized by the Board or required by the Declaration, the By-Laws or applicable law; (vi) engaging in inappropriate, illegal or improper conduct or behavior that negatively reflects on the Association or adversely affects the Association's orderly conduct of business; or (vii) having an unresolvable or unreported conflict of interest. Notwithstanding, if the removed Class "A" director occupies a position that otherwise would be appointed by the Class "B" Member, as set forth in Section 3.5(d) of the By-Laws, and the Class "B" Member has not filed a written waiver of its right to remove and replace a director as referenced in the last sentence of Section 3.5(d), then the Class "B" Member successor shall have right to approve such successor.

“(c) In the event of the death, disability, or resignation of a director elected by Class "A" Members, the Board, including directors appointed by the Class "B" Member, may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members shall elect a director to serve the remainder of the director's term of office. This shall not affect the right of the Class "B" Member set forth in Section 3.5(d) to elect to declare a vacancy and appoint a successor for any director elected by Class "A" Members who otherwise would be an appointee of the Class "B" Member. ”

5. Section 6.7(b) of the By-Laws is amended to read as follows:

“Amendment By Board. Except as provided by subsection 6.7(a) above, until the termination of the Class “B” Control Period, as set forth in Section 3.3, above, these By-Laws may be amended only by resolution duly adopted by the Board and with the written consent of the Declarant.”

C. PREPARATION OF AMENDED AND RESTATED DECLARATION AND BY-LAWS.

For the convenience of users, Declarant may at any time prepare amended and restated versions of the Declaration and/or the By-Laws reflecting cumulative amendments to such documents. Such amended and restated versions shall be valid whether or not formally recorded.

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