Association of Sea Pines Plantation Property Owners, Inc., and The Advisory Board (ASPPPO)

Board of Directors Special Meeting

Videoconference and YouTube Stream Monday, November 30, 2020, 10:00 a.m.

Agenda

Call to Order Scanlon
 Establishment of Quorum
 New Business
 Approval – Amendment, Covenants, 1974 *
 Adjournment Scanlon

Reference Material Attachments

o Resolutions, November 30, 2020

^{*} Denotes Action Item

Association of Sea Pines Plantation Property Owners, Inc., and The Advisory Board (ASPPPO)

Board of Directors Special Meeting

Videoconference and YouTube Stream Monday, November 30, 2020, 10:00 a.m.

Resolutions

Resolution for 3. Approval – Amendment, Covenants, 1974

"RESOLVED, Association of Sea Pines Plantation Property Owners, Inc. and The Advisory Board, approves amendment to the Covenants, 1974, Amendment V, Infrastructure Fund, as presented and attached to the minutes of record".



Sea Pines Community Critical Infrastructure Projects For the Next Ten Years

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Cost Estimates of Infrastructure Projects Over the Next Ten Years	\$	51,000,000
Reserve Study Projects Identified Over the Next Ten Years		
Infrastructure		
Road Resurfacing - mill and overlay only - drainage improvements not included		
Primary Roads as Identified Below (3,000,000)		
Roads Identified in Reserve Study over Next Ten Years (112 roads or sections of roads) (10,000,000)		(13,000,000)
Leisure Trail and Bridge Resurfacing		(2,000,000)
Beach Access	8	(1,000,000)
Infrastructure Total		(16,000,000)
Revenues Anticipated to be Available for Major Projects Over Ten Years		16,000,000
(Average available to spend on major projects per year has been \$1.6 million)		
FUNDING SHORTFALL NECESSARY TO ADDRESS CRITICAL NEEDS	\$	35,000,000
Expenditures:		
Drainage Projects	\$	14,400,000
Bank Stabilization		
Lagoon Dredging		
Pipe and Inlet Replacement		
Drainage Ditch Restoration		
Drainage Improvements on Roads being Milled and Repaved not Funded in the Reserve Study		
Primary Roads		
Sea Pines Drive Reconstruction		
Ocean Gate to Lighthouse Road		2,500,000
Lighthouse to Audubon Pond Drive		3,400,000
Audubon Pond Drive to Lands End		3,200,000
Greenwood Drive Reconstruction		
Sea Pines Circle to Greenwood Gate		1,300,000
Greenwood Gate to Club Course		600,000
Plantation to Fraser Circle Fraser Circle to South Sea Pines Drive		1,700,000 2,000,000
Lighthouse Road Reconstruction		
Plantation to North Sea Pines Drive		1,200,000
New Leisure Trail Construction		
Lighthouse Road Addition from Harbour Town to Fraser Circle Bridge Replacement		2,000,000
Deer Island		2,700,000
Total Additional Expenditures Necessary Over Ten Years	<u>\$</u>	35,000,000

Prepared by and after recording return to: Burr & Forman LLP (WJN) 23-B Shelter Cove Lane, # 400 Hilton Head Island, SC 29928 843-785-2171 STATE OF SOUTH CAROLINA FIFTH AMENDMENT TO **DECLARATION OF COVENANTS** AND RESTRICTIONS BY SEA PINES PLANTATION COMPANY, INC. COUNTY OF BEAUFORT Reference Documents: Book 224, Page 1036 Book 495, Page 2140 Book 590, Page 875 Book 2594, Page 500 Book 3254, Page 2711 THIS FIFTH AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS BY SEA PINES PLANTATION COMPANY, INC. ("Fifth Amendment") is made as of the ___day of_, 2021, by Sea Pines Resort, LLC a Virginia limited liability company (the "SPR"), with the acknowledgment and consent of Community Services Associates, Inc., a South Carolina nonprofit corporation ("CSA") and the Association of Sea Pines Plantation Property Owners, Inc. and The Advisory Board, a South Carolina nonprofit corporation ("ASPPPO"). WHEREAS, the Sea Pines Plantation Company, Inc. ("SPPC") prepared and recorded that certain Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc., dated September 7, 1974 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina ("ROD") in Deed Book 224 at Page 1036 (together with amendments thereto, collectively the "1974 Covenants"); and WHEREAS, Article V, Section 1, of the 1974 Covenants provide that the 1974 Covenants may be amended pursuant to a Referendum approved by Participating Property Owners (as defined in Article I(C) of the 1974 Covenants) and the SPPC; and WHEREAS, Article I, Section (J) of the 1974 Covenants defines a Referendum as the power of the Participating Property Owners to approve certain actions by mail ballot where at least seventy-five percent (75%) of the votes returned by Participating Property Owners within the specified time are in favor of such amendment; and WHEREAS, SPR is the successor in interest to SPPC; and WHEREAS, SPR has approved this Fifth Amendment; and WHEREAS, this Fifth Amendment was also approved by percent %) of the Participating Property Owners by a Referendum vote as certified by and stated in their letter dated NOW, THEREFORE, SPR, with the acknowledgement and consent of CSA and ASPPPO, does hereby amend

The aforesaid recitals are fully incorporated into this Amendment as set forth herein. Said provisions

1.

the 1974 Covenants as hereinafter provided.

are material terms of the Fifth Amendment.

2. Article V, General Provisions, is renumbered to Article VI and a new Article V entitled "Infrastructure Improvements Fund" is inserted as follows:

"ARTICLE V

<u>Infrastructure Improvements Fund</u>. A new fund is hereby created entitled the "Infrastructure Improvements Fund" which is hereby defined as a restricted fund maintained and managed by CSA, to be used only for the repair, replacement, addition and improvement of the roads, bridges, bulkheads, leisure trails, storm water facilities and systems located in or servicing Sea Pines, defined as that parcel of land described in Exhibit A to the 1974 Covenants. The Infrastructure Improvements Fund shall be funded and enforced as follows:

- A. <u>Participating Property Owners</u>. Participating Property Owners of record as of January 1, 2022 shall contribute annually \$360.00 per Residential Lot and \$600.00 per Family Dwelling Unit to the Infrastructure Improvements Fund. This amount shall be adjusted annually in the same manner as the Participating Property Owner annual assessment pursuant to Paragraph A.2 of Article III.
- B. The Company. Commencing January 1, 2022, the Company shall annually contribute one-quarter (1/4) of one percent (0.25%) of its Adjusted Gross Resort Revenue earned during each immediately preceding calendar year to the Infrastructure Improvements Fund. This amount shall be adjusted annually in the same manner as the Participating Property Owner annual assessment pursuant to Paragraph A.2 of Article III.
- C. Owners of Business Land. Commencing January 1, 2022, leased business and commercial facilities owned by the Company and Owners of Business Land (herein "Commercial Landlords") shall contribute annually, on behalf of their tenants, \$.36 per square foot for first floor tenants and \$.27 per square foot for second floor tenants (herein the "Commercial Tenant Annual Assessment"). This Commercial Tenant Annual Assessment shall be adjusted annually in the same manner as the Participating Property Owner annual assessment pursuant to Paragraph A.2 of Article III. At the date of the assessment of the Commercial Tenant Annual Assessment, any unoccupied space will be excluded from the contribution. Any unoccupied business or commercial space becoming leased during any calendar year shall result in a Commercial Tenant Annual Assessment. Said Commercial Tenant Annual Assessment shall be prorated monthly throughout the calendar year. Beginning in 2023, the Commercial Tenant Annual Assessment shall be increased annually for three (3) years, in the amount of \$.04 for first floor tenants and \$.03 for second floor tenants, for each year."
- D. Collection. Delinquent or unpaid contributions to the Infrastructure Improvements Fund required by this Article V shall accrue interest and be collectable in the same manner as delinquent annual and special assessments as described in Article III, Paragraph E and Paragraph F of the 1974 Covenants.
- 3. Except as amended herein, the remaining provisions of the 1974 Covenants as amended shall remain in full force and effect.

[End of Document]