

STATE OF SOUTH CAROLINA)
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)
COUNTY OF BEAUFORT) **SECOND AMENDMENT TO AMENDED AND RESTATED
) DECLARATION OF COVENANTS AND RESTRICTIONS
) OF THE ASSOCIATION OF LANDOWNERS OF PORT
) ROYAL PLANTATION, INC.**

THIS SECOND AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS OF THE ASSOCIATION OF LANDOWNERS OF PORT ROYAL PLANTATION, INC. ("Second Amendment") is executed this 5th day of May, 2017 by The Association of Landowners of Port Royal Plantation, Inc. (the "Association") to amend the Amended and Restated Declaration of Covenants and Restrictions of The Association of Landowners of Port Royal Plantation ("Amended Declaration") described below.

WITNESSETH

WHEREAS, on or about March 1, 1973, The Hilton Head Company, a South Carolina Corporation, made its Declaration of Covenants, Restrictions, Easements, Charges and Liens, which included Protective Covenants and Restrictions ("Declaration") encumbering certain real property located on Hilton Head Island, Beaufort County, South Carolina, and more particularly described therein; and

WHEREAS, the Declaration was recorded in the Office of the Clerk of Court for Beaufort County, South Carolina on March 4, 1973 in Deed Book 209 at Page 631; and

WHEREAS, the Declaration was amended by an instrument recorded in the Office of Register of Deeds for Beaufort County, South Carolina, ("RD Office") in Deed Book 338 at Page 789 and subsequently amended by an instrument recorded in the RD Office in Deed Book 369 at Page 177; and

WHEREAS, the declarant rights reserved by The Hilton Head Company, Inc., have been assigned to the Association by instrument recorded in the RD Office in Deed Book 517 at Page 1765; and

WHEREAS, Plans Approval Board functions were assigned to the Association by an instrument recorded in the RD Office in Deed Book 517 at Page 1770; and

WHEREAS, the Association amended and restated the Declaration by a document entitled "Amended and Restated Declaration of Covenants and Restrictions of The Association of Landowners of Port Royal Plantation, Inc." ("Amended Declaration") which was recorded in the RD Office in Deed Book 1167 at page 1983; and

WHEREAS, the Association amended the Amended Declaration by a document entitled First Amendment to Amended and Restated Declaration of Covenants and Restrictions of The

Association of Landowners of Port Royal Plantation, Inc., which was recorded in the RD Office in Deed Book 3451 at Page 2122; and

WHEREAS, the Amended Declaration provides that the terms thereof, except where inconsistent with the provisions of the 1973 Protective Covenants and Restrictions, may be amended by an affirmative vote of two-thirds (2/3) of the total membership of the Association by referendum; and

WHEREAS, pursuant to the Amended Declaration and the By-Laws of the Association a Special Referendum was called for the purpose of permitting the Members of the Association to vote on additional amendments to the Amended Declaration, which voting closed at 5:00 p.m., April 5, 2017; and

WHEREAS, pursuant to an affirmative vote of two-thirds (2/3) of the total membership by said Special Referendum the Association approved and adopted the amendments set forth below.

NOW, THEREFORE, The Association, by and through its undersigned officers, does hereby declare the Amended Declaration is hereby amended as follows:

ARTICLE V

COVENANTS FOR ASSESSMENTS

Article V is hereby amended by adding a new section 11 as follows:

Section 11. Transfer Fee. Upon the transfer of title for a Residential Lot, Family Dwelling Unit or Golf Course, a Transfer Fee not to exceed one-half (1/2) of one percent (1%) of the gross sales price of the property being transferred shall be paid to the Association by the purchaser, transferee, or grantee. The Board shall have the sole discretion to determine the amount of the Transfer Fee. This fee shall be collected upon each transfer of title for a Residential Lot, Family Dwelling Unit or Golf Course. A transfer of title shall include, but is not limited to, (i) a contract of sale which provides for a closing more than one (1) year beyond the date of execution of said contract; (ii) a lease for a term, including renewal terms, in excess of one (1) year with a purchase option which applies rental payments towards the purchase price; (iii) an option for a term, including renewal terms, in excess of one (1) year which applies option payments towards the purchase price; and (iv) the transfer of any portion of the stock of a corporate Owner, or any portion of the interest of a partnership or limited liability company Owner, or any portion of the beneficial interest of a Trust. This fee shall be payable to the Association at the closing of the transfer of property and secured by the Association's lien for assessments under Article V, Section 1 and shall be collectible as an assessment against the transferred Residential Lot, Family Dwelling Unit or Golf Course in the event the Transfer Fee is not paid at the time of closing of the transfer of title. All collection and enforcement provisions applicable to assessments shall apply to the Transfer Fee. The Owner (Seller) shall notify the Association's Treasurer and General Manager of a pending transfer of such owner's Residential Lot, Dwelling Unit or Golf Course at least 10 days prior to the transfer. Such notice shall include the name, address and contact information of the purchaser, the proposed closing date, the location of the closing and

legal representative's name, address and contact information, and other information as the Association may reasonably require.

Purpose. The Transfer Fees collected shall be placed in a segregated account(s) and used to provide funding for disaster recovery, asset replacement and capital enhancements.

(i) All Transfer Fees collected must first be used to repay any loan or line of credit used for disaster recovery. Once the debt is completely repaid, the transfer fees collected will be allocated as listed below.

(ii) Disaster Recovery Fund.

50% of the total annual collection of Transfer Fees shall be allocated to the Disaster Recovery Fund up to \$250,000, at which time 34% will be allocated until it is fully funded at \$1,000,000. Once fully funded, the 34% allocation may be redirected to one or more of the Association funds below, as directed by the Board. At any time this fund drops below \$1,000,000, the 34% allocation will automatically be reinstated until fully funded. The Disaster Recovery Fund will be used to offset costs for any natural disaster or emergency, including clean up and restoration of common areas, roads, infrastructure, and facilities.

(iii) Asset Replacement Fund.

33% of the total annual collection of Transfer Fees shall be allocated to the Asset Replacement Fund. These funds will be used as identified in any comprehensive reserve study and shall be in addition to any funds reserved and/or allocated from the Annual Assessments.

(iv) Capital Enhancement Fund.

17% of the total annual collection of Transfer Fees shall be allocated to the Capital Enhancement Fund until the Disaster Recovery Fund reaches \$250,000, at which time 33% of the total annual collection of Transfer Fees shall be allocated to the Capital Enhancement Fund. The Capital Enhancement Fund can be used, with Board approval, for the construction of recreational facilities or other community enhancements or beautification programs which enhance the overall appearance of Port Royal Plantation, including preservation and maintenance of natural areas within Port Royal Plantation.

Any expenditure from the Capital Enhancement Fund in excess of \$100,000 for a single item or project must be approved by the Members in a separate Referendum providing that such Referendum shall have received the assent of a majority of the votes of Members voting in the Referendum (50% +1). At the Annual Meeting, the Board shall submit a report to Members showing how funds have been spent from the Capital

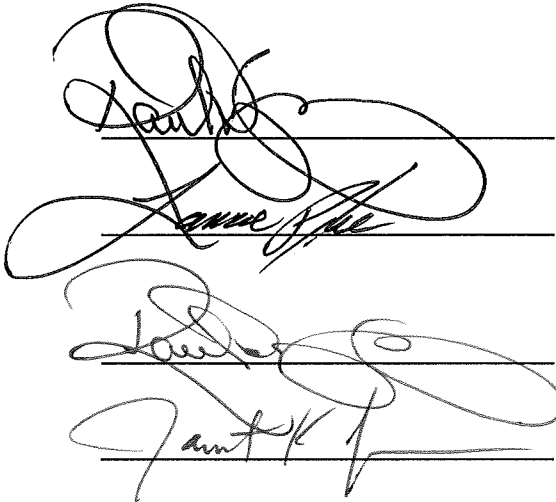
Enhancement Fund account for the prior year and anticipated expenditures from the fund for the following year.

Exceptions: No Transfer Fees will be levied upon the transfer of title to a Residential Lot, Family Dwelling Unit or Golf Course Owner in the following circumstances:


- (i) by a co-owner to any person who was a co-owner immediately prior to such transfer;
- (ii) to the Lot Owner's estate, surviving spouse, or heirs at law upon the death of the Land Owner;
- (iii) to an entity wholly owned by the grantor or to a family trust created by the grantor for the benefit of grantor, his or her spouse, and/or heirs at law; provided, upon any subsequent transfer of an ownership interest in such entity, the Transfer Fee shall be due;
- (iv) to a first mortgagee pursuant to a decree of foreclosure or deed in lieu of foreclosure;


IN WITNESS WHEREOF, the undersigned duly authorized officers of The Association of Landowners of Port Royal Plantation, Inc., have executed this Second Amendment to Amended and Restated Declaration of Covenants and Restrictions of The Association of Landowners of Port Royal Plantation, Inc., this 5th day of May, 2017.

WITNESS:



**ASSOCIATION OF LAND OWNERS OF
PORT ROYAL PLANTATION, INC.**

By: 
Douglas Bolton
Its: President

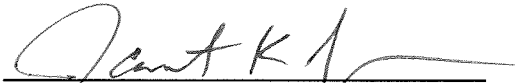
Attest: 
Kaye Black
Its: Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

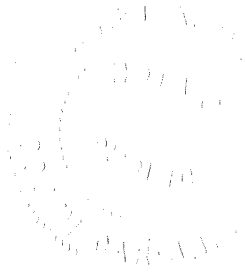
ACKNOWLEDGMENT

I, the undersigned Notary Public, do hereby certify that Douglas Bolton and Kaye Black duly authorized officers of **The Association of Land Owners of Port Royal Plantation, Inc.** personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 5th day of May, 2017.



Notary Public for South Carolina
My Commission expires: 2/21/18



**ASSOCIATION OF LANDOWNERS OF PORT ROYAL
PLANTATION, INC.**

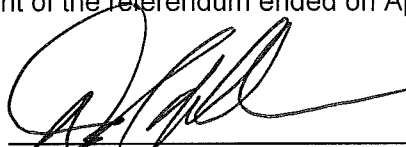
Certification of Vote

Referendum to Amend the Amended and Restated Declaration of Covenants and Restrictions of The Association of Land Owners of Port Royal Plantation, Inc. recorded on May 6, 1999 in the Beaufort County Register of Deed's Office in Book 1167 at Page 1983 as amended by that First Amendment to First Amendment to the Amended and Restated Declaration of Covenants and Restrictions of The Association of Land Owners of Port Royal Plantation, Inc. recorded December 28, 2015 in the Beaufort County Register of Deed's Office in Book 3451 at Page 2122.

Issue: Amend Article V Covenant for Assessments: Section 11 Transfer Fee (new)

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|-------------------------------|-------------|
| Total Eligible Votes | 1008 |
| Total Votes Cast | 894 |
| Total Votes In Favor | 720 |
| Total Votes Against | 174 |
| Votes Required to Pass | 672 |

I certify the above tally to be a true vote count of the referendum ended on April 5, 2017.



Douglas Bolton
President ALOPRP

I, the undersigned Notary Public, do hereby certify that Douglas Bolton, personally appeared before me this day and duly acknowledged the execution of the foregoing instrument.

Sworn to and Subscribed before me on this 5th day of May, 2017.



Notary Public for South Carolina

My Commission Expires: 7/21/18

