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BEAUFORT COUNTY SC - ROD
BK 02549 PGS 0652-0657
FILE NUM 2007026626
04/05/2007 09:45:13 AM
REC'D BY P BAXLEY RCPT# 481386
RECORDING FEES 12.00

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS OF THE HILTON HEAD PLANTATION PROPERTY OWNERS ASSOCIATION, INC.

This Amendment is made this 24th day of March, 2007 by the Hilton Head Plantation Property Owners Association, Inc., a South Carolina non-profit corporation (hereinafter called "Association").

WITNESSETH

WHEREAS, the Hilton Head Plantation Company, Inc. created a planned development community known as Hilton Head Plantation with certain facilities, amenities, and services for the use and benefit of all Property Owners within such community and subjected said Property with such additions as may thereafter have been made to a Declaration of Covenants and Restrictions dated July 11, 1973, which were recorded in the R.M.C. Office of Beaufort County, South Carolina, Deed Book 211, Page 1487 ("Original Declaration"); and

WHEREAS, the Original Declaration was deleted in its entirety and replaced with the Amended Declaration of Hilton Head Plantation Property Owners Association, Inc. dated April 16, 1997, recorded in Deed Book 936, Page 746 of the Beaufort County, South Carolina land records ("Amended Declaration"); and

WHEREAS, Article VIII, Section 2 of the Amended Declaration provides, in relevant part, that the Declaration may be amended at any time with the approval of three-fourths (3/4) of the votes cast in favor of an amendment; and

WHEREAS, at least three-fourths (3/4) of the votes cast voted in favor of the following Amendment.

NOW, THEREFORE, the Amended Declaration is hereby amended as follows:

1.

Article V of the Amended Declaration is amended by adding thereto a new Section 11 as follows:

Section 11. Capital Improvement Fee.

(a) *Authority.* In order to provide an additional source of funds, Hilton Head Plantation Property Owners' Association, Inc. may establish and collect a Capital Improvement Fee upon each Transfer of title of a Residential Lot, Family Dwelling Unit, Multi-Family Tract, Public and Commercial site Public and Commercial Unit, Development Unit Parcel, or unsubdivided Land ("Land"). The fee shall be charged to the purchaser of the Land and shall be payable to the Hilton Head Plantation Property Owners Association, Inc. at the closing of the Transfer.

For purposes of this Section, a "Transfer" shall be deemed to occur upon the execution of a deed, instrument, or other similar writing whereby any Land or interest therein, is sold, granted, conveyed, or otherwise transferred by the Owner to another person or entity.

(b) *Purpose.* The Capital Improvement Fee shall be placed in a segregated account and used to provide funding for activities and such other purposes as the Association's Board of Directors, deems beneficial to the general good and welfare of the Association; provided, the Capital Improvement Fee shall not be used to fund routine day-to-day operations of the Association. For example, Capital Improvement Fees might be used to fund or sponsor:

(i) the construction of new recreational facilities or other capital improvements or the substantial rehabilitation/renovation, or emergency repair (if such emergency repair is necessitated by reason of storm, fire, or flood damage, and then, only to the extent not covered by insurance) of existing recreational facilities or other capital improvements within Hilton Head Plantation; provided, the Capital Improvement Fee shall not be used to fund the normal maintenance and repair of items which are the responsibility of the Association to maintain;

(ii) beautification programs which enhance the overall appearance of Hilton Head Plantation;

(iii) the preservation and maintenance of natural areas within Hilton Head Plantation.

Such Capital Improvement Fees shall not be used to engage in any political activity, including lobbying or protesting.

(c) *Calculation of Fee.* Except as limited in (d), the Association's Board of Directors shall have the sole discretion to determine the amount and method of calculating the Capital Improvement Fee. The fee may be based upon a sliding scale that varies in accordance with the "Gross Selling Price" of the Land or any other factor the POA's Board of Directors deems appropriate.

(d) *Maximum Sum.* Regardless of the method of calculating the Capital Improvement Fee adopted by the Association's Board of Directors, the maximum amount of any Capital Improvement Fee that may be imposed on the Transfer of any Land shall not exceed the sum calculated as follows, which shall be the "Maximum Sum":

(i) the Maximum Sum that may be imposed in 2007 shall be calculated by multiplying the highest Gross Selling Price of any Residential Lot in 2006 by one-quarter of one percent (1/4%). The Gross Selling Price is the contract sales price paid by a purchaser of any Land as shown on Line 101 of the HUD Settlement Statement.

(ii) Thereafter, the Maximum Sum shall increase annually by **four percent (4%)** or by the C.P.I., whichever is greater.

(e) *Obligation and Lien for Fee.* The purchaser of any Land shall be solely responsible for the payment of the Capital Improvement Fee and it must be paid to the Association within seven (7) days after the date of the closing of the sale. The Association shall have a lien against the Land in accordance with Article V, Section 2 for any unpaid Capital Improvement Fee.

(f) *Exempt Transfers.* No Capital Improvement Fee shall be levied upon the transfer of title to any Land:

- (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 Capital Improvement Fee shall be due;
- (iv) to an institutional lender pursuant to a mortgage or upon foreclosure by a first mortgagee; or

- (v) under circumstances which the Board of Directors, in its discretion, deems to warrant classification as an exempt transfer (*e.g.*, a transfer made solely for estate planning purposes may be, but is not required to be, deemed exempt from payment of the Capital Improvement Fee).

2.

Article V, Section 2 is hereby amended as follows:

(a) by adding “(3) Capital Improvement Fee” after “(2) Special assessments or charges for the purposes set forth in this Article” in the first sentence.

(b) by adding “as well as the Capital Improvement Fee” to the second sentence after the words “Special assessment”.

So, as amended, Article V, Section 2 shall read as follows:

Each Owner of any Residential Lot, Family Dwelling Unit, or Multi-Family Tract, Public and Commercial Site, Public and Commercial Unit, Development Unit Parcel, or Unsubdivided Land, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all terms and provisions of this Declaration and to pay to the Association: (1) Annual assessments or charges; (2) Special assessments or charges for the purposes set forth in this Article; (3) Capital Improvement Fee, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special assessments, as well as the Capital Improvement Fee, if applicable, together with such interest or late charges thereon and costs of collection therefore as hereinafter provided, shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, together with such interest or late charges thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such real property at the time the assessment first became due and payable. In the case of co-ownership of a Residential Lot, Family Dwelling Unit, Multi-Family Tract, Public and Commercial Site, Public and Commercial Unit, Development Unit Parcel, or Unsubdivided Land, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned officers of the Hilton Head Plantation Property Owners Association, Inc. hereby certify that the above amendment to the Amended and Restated Declaration of Covenants and Restrictions of the Hilton Head Plantation Property Owners Association, Inc. was duly adopted by at least three-fourths (3/4) of the votes cast.

This 24th day of March, 2007.

Plantation
**HILTON HEAD/PROPERTY OWNERS
ASSOCIATION, INC.**

By: Charles B. Christ
President

Attest: Richard O. Hill
Secretary

[CORPORATE SEAL]

WITNESSES:

Denise McAllister
Witness

Sharon White
Notary Public
Notary Public For South Carolina
My Commission Expires July 24th, 2012
[NOTARY SEAL]

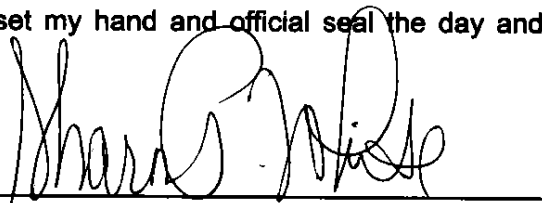
STATE OF SOUTH CAROLINA)

ACKNOWLEDGMENT

COUNTY OF BEAUFORT)

I HEREBY CERTIFY that on this 24th day of March, 2007, before me, the undersigned Notary Public of the State and County aforesaid, personally appeared Charles B. Cherrix and Richard Sell, as President and Secretary, respectively, of HILTON HEAD PLANTATION PROPERTY OWNERS ASSOCIATION, INC., known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument, who acknowledged the due execution thereof on behalf of the Association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above-mentioned.



Notary Public for South Carolina

My Commission Expires:

~~Notary Public For South Carolina~~
My Commission Expires July 24th, 2012

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