

# Sea Pines

COMMUNITY SERVICES ASSOCIATES

December 15, 2020

## NOTICE OF REFERENDUM VOTE

SUBJECT: **REFERENDUM TO FUND SEA PINES INFRASTRUCTURE NEEDS BY ADOPTION OF A FIFTH AMENDMENT TO THE 1974 DECLARATION OF COVENANTS AND RESTRICTIONS BY SEA PINES PLANTATION COMPANY, INC., ("1974 COVENANTS")**

Dear Sea Pines Participating Property Owner,

Community Services Associates, Inc. (CSA) has identified long underfunded infrastructure projects that must be completed if we are to retain our status as the premier community on Hilton Head Island. CSA has developed a multi-year plan to address and fund these needs which requires us to raise \$35 million over the next decade to start to repair, rebuild, and improve our aging infrastructure.

After considering at length various alternatives for raising these funds, the CSA Board has unanimously voted to seek approval for an Infrastructure Improvements Fund, to be funded by separate annual assessments. These new funds will be dedicated only for use on specific categories of infrastructure projects, so many of which are in desperate need of repair. Therefore, CSA is noticing a vote by referendum to adopt a Fifth Amendment to the 1974 Covenants, to be voted upon by all Participating Property Owners. The approval of this funding referendum will allow CSA to address these long deferred and deteriorating community assets that are the very core of Sea Pines.

**A copy of the proposed Fifth Amendment is included in this mailing; please review it carefully.** We want to ensure that you have all of the information you need to make an informed vote. To learn more about the proposed Fifth Amendment to the 1974 Covenants, please visit [www.SeaPinesLiving.com/referendum](http://www.SeaPinesLiving.com/referendum); there you can also watch a video that should help you understand the matters that are being addressed in this referendum.

Your CSA Board and Staff are committed to caring for and properly maintaining our community. After years of attempting to secure the funding to restore Sea Pines to its first-class status, we believe that with this very simple referendum, the finish line is *finally* in sight. **We are one Sea Pines, and we need your support and vote to approve the Fifth Amendment.** We urge you to vote in favor of this simple referendum that will allow Sea Pines CSA to continue to protect and enhance the value of our community.

Your ballot (on blue paper) is enclosed together with a self-addressed, pre-stamped envelope for use in voting. **Your ballot envelope must be postmarked by January 20, 2021, to be counted.** Because this is the holiday season, we hope you will consider this matter promptly and return the ballot before your holiday celebrations begin. Please email any questions you may have to [referendum@csaseapines.com](mailto:referendum@csaseapines.com).

We thank you for your support of our Sea Pines community.



Larry Movshin  
CSA Board Chairman

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                    )  
  )  
  )  
  )  
COUNTY OF BEAUFORT                        )  
  )

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

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 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 I, 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, this Fifth Amendment was approved by \_\_\_\_\_ percent  
( \_\_\_\_\_ %) of the Participating Property Owners by a Referendum vote as certified by  
\_\_\_\_\_ and stated in their letter dated \_\_\_\_\_.

WHEREAS, based on the above Referendum results, SPR has approved this Fifth Amendment; and

NOW, THEREFORE, SPR, with the acknowledgement of CSA and ASPPPO, does hereby amend the 1974 Covenants as hereinafter provided.

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

Infrastructure Improvements Fund. 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. Participating Property Owners. 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 to the Infrastructure Improvements Fund, 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]

BALLOT  
2020 INFRASTRUCTURE IMPROVEMENTS REFERENDUM

**AS TO THE PROPOSED FIFTH AMENDMENT TO THE 1974 DECLARATION OF COVENANTS AND RESTRICTIONS BY SEA PINES PLANTATION COMPANY, INC., A COPY OF WHICH IS ENCLOSED, THIS PARTICIPATING PROPERTY OWNER VOTES AS FOLLOWS:**

(CHECK ONE)

\_\_\_\_\_ **YES**, I support funding Sea Pines' infrastructure needs and vote to approve the Fifth Amendment to the 1974 Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.

\_\_\_\_\_ **NO**, I do not approve the Fifth Amendment to the 1974 Declaration of Covenants and Restrictions by Sea Pines Plantation Company, Inc.

Please return your ballot to:  
Elliott Davis, LLC  
Attn: RC Lead  
100 Calhoun St., Suite 300  
Charleston, SC 29401-9945

Account Reference Number  
Sea Pines Property Address

TILE OF PROPERTY  
MAILING ADDRESS

SAMPLE