

Legal Questions for Frank Blanchard, Rosen Hagood

RE: 4 Proposed Covenant Amendments

6-07-2024

1. Are each of the proposed amendments consistent with and enforceable under SC law?
2. Do any of the amendments conflict with existing KICA governing documents?
3. Should Amendment #13 ('Enforcement') fail (quorum met, but less than 75% approved), what is the impact on KICA's ability to enforce and/or modify its current Rules & Regulations?
4. Would the passage or failure of any of the amendments jeopardize rights that KICA may enjoy under the expired ARDA?
5. Is Rosen Hagood aware of any pending litigation that is likely to effectively challenge any of the proposed amendments?
6. Is it likely that the Company/Developer could successfully challenge either Amendment #11 (E-Member/Rights) or Amendment #12 (ARB)?
7. When available/reviewed, is Rosen Hagood comfortable with the legality/effectiveness of the proposed ballot, the methodology for determining quorum and approval, as well as the adequacy of our aggregate disclosure to the Membership?
8. In the Enforcement amendment, specifically in paragraph 3, it states to "create liens." KICA already has the right to lien for failure to pay assessments. The intention of this language would be to be able to create a lien for fines related to infractions of the Rules & Regs. Obviously, this would be for an extreme case. Is this language enough to give us this right or do we need additional language?