

DECLARATION
OF
COVENANTS AND RESTRICTIONS,
AND PROVISIONS AND
BY-LAWS
FOR THE *CASSIQUE*
HOMEOWNERS'
ASSOCIATION, INC.

TABLE OF CONTENTS

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Article I -	Definitions
Section 1.01	Incorporation of <i>Cassique</i> General Covenants' Definitions
Section 1.02	Specifically Defined Terms
Article II	The Property
Section 2.01	The Existing Property
Section 2.02	Additions to Existing Property
Section 2.03	Mergers
Article III	Cassique Homeowners' Association, Inc.
Section 3.01	Establishment and Purpose of The Association
Section 3.02	Association Membership
Section 3.03	Membership Rights
Section 3.04	Voting Rights
(a)	Class A Association Membership
(b)	Class B Association Membership
(c)	Class C Association Membership
Section 3.05	Governance of the Association/Election of the Board of Directors
Section 3.06	Proxies
Section 3.07	Ballots by Mail and Facsimile
Section 3.08	Electronic Voting
Article IV	Functions of the Association
Section 4.01	Ownership and Maintenance of Common Properties and Restricted Common Properties
Section 4.02	Ownership, Maintenance, and Operation of Purchased Common Properties
Section 4.03	Services
Section 4.04	Minimum Level of Services
Section 4.05	Obligation of the Association
Section 4.06	Mortgage and Pledge
Article V	Cassique Common Properties
Section 5.01	Use and Enjoyment of the Common Properties
Section 5.02	Association Members' Easements of Enjoyment
Section 5.03	Association Members' and Residents' Easements of Enjoyment in Restricted Common Properties
Section 5.04	Change from Restricted Common Property to Unrestricted Common Property
Section 5.05	Purchased Common Properties
Section 5.06	Title to the Common Properties and Restricted Common Properties
Section 5.07	Rules and Regulations
Section 5.08	Extent of Association Members' Easements
Section 5.09	Use of the Common Properties by the Club
Section 5.10	Usage Fee and Special Usage Fee for Club's Use of Common Properties

TABLE OF CONTENTS

Article VI	Covenants for Assessments and Transfer Fees
Section 6.01	Creation of the Lien and Personal Obligations of Assessments
Section 6.02	Purpose of Assessments
Section 6.03	Establishment of Annual Budget, Annual Assessments, and Annual Usage Fees
Section 6.04	Maximum Annual Increase
Section 6.05	Changes in the Maximum Annual Increase Upon Merger or Consolidation
Section 6.06	Date of Commencement of Annual Assessments and Usage Fees
Section 6.07	Special Assessments
Section 6.08	Segment Assessments and Amenity Assessments
(a)	Segment Assessments
(b)	Amenity Assessments
Section 6.09	Rounding
Section 6.10	Effect of Non-Payment of Assessments
Section 6.11	Subordination of Lien
Section 6.12	Exempt Property
Section 6.13	Reserve Funds and Transfer Fees
(a)	Reserve Funds
(b)	Transfer Fees
(c)	Exceptions from Transfer Fees
(d)	Delinquent Payments of Transfer Fees
Section 6.14	Annual Statements
Article VII	Insurance and Casualty Losses
Section 7.01	Insurance
(a)	Property Insurance
(b)	Liability Insurance
(c)	Other Insurance
(d)	Named Insured
(e)	Owner's Insurance
Section 7.02	Damage to or Destruction of the Common Properties, Restricted Common Properties, and Purchased Common Properties
Article VIII	Litigation and Alternative Dispute Resolution
Section 8.01	Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes
Section 8.02	Litigation
Article IX	General Provisions
Section 9.01	Control by Declarant
(a)	Voting Agreement and Proxy
(b)	Creation of New Board of Directors
Section 9.02	Duration
Section 9.03	Amendments
Section 9.04	Enforcement and Waiver
Section 9.05	No Partition
Section 9.06	Interpretation

TABLE OF CONTENTS

Section 9.07	Severability
Section 9.08	Authorized Action
Section 9.09	Assignment
Section 9.10	Notice
Section 9.11	Limited Liability
Section 9.12	Gender and Number
Section 9.13	Construction
Section 9.14	Termination of Association
Section 9.15	Execution of Declaration by The Club and KRA, L.P.

ARTICLE I

DEFINITIONS

Section 1.01 Incorporation of Cassique General Covenants' Definitions. The words and terms, when used in this Declaration of Covenants and Restrictions, and Provisions for and By-Laws of the *Cassique* Homeowners' Association, Inc. ("Association Covenants") or any supplemental declaration (unless the context shall clearly indicate otherwise) shall have the meaning set forth in Article I of the *Cassique* General Covenants being executed simultaneously herewith. Other definitions may appear throughout this instrument or throughout the *Cassique* General Covenants, and shall have the meanings more particularly set forth therein.

Section 1.02 Specially defined Terms Herein. In addition to the defined terms incorporated herein by reference pursuant to Section 1.01 above, the following terms shall have the meaning ascribed to them hereunder.

(a) "*Act*" shall mean and refer to the South Carolina Nonprofit Corporation Act, as the same may be amended from time to time.

(b) "*Functionally Complete*" shall be and is hereby defined as the time when (i) in the case of roads and/or road rights-of-way, the Charleston County Planning Board has approved a final plat thereof and said plat has been recorded in the R.M.C. Office; and (ii) in the case of all Common Properties or other properties to be conveyed to the Association pursuant to the terms hereof, after Declarant has substantially completed the construction or installation of any planned improvements, structures, utilities, drainage facilities, and landscaping, under or upon such areas and has declared the same in writing to the Association to be "functionally complete."

(c) "*Officer*" shall mean and refer to officer(s) of the Association as the same are designated by the Board of Directors of the Association from time to time pursuant to the provisions of Article V of the By-Laws.

(d) "*Referendum*" shall mean and refer to the power of all or some specific portion of the Association Members to vote by mailed ballots on certain actions proposed by the Board of Directors of the Association as more particularly set forth in the Association Covenants and/or in the By-Laws. Unless specified otherwise therein, in the event fifty-one percent (51%) or more of the votes actually returned to the Association within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass," and the action voted upon will be deemed to have been authorized by the Association Members; provided, however, that in each instance where a higher percentage is required to "pass," that higher percentage shall control in that instance.

ARTICLE II

THE PROPERTY

Section 2.01. The Existing Property. The real property which is and shall be held, transferred, sold, conveyed, leased, mortgaged, and occupied subject to these Association Covenants is known generally as *Cassique* and consists of the seven (7) tracts of land located in Charleston County, South Carolina, owned by

Declarant and Kiawah Resort Associates, L.P., a Delaware limited partnership ("KRA, L.P."), all of which are more particularly described on Exhibit "A" attached hereto and incorporated herein by reference. All of the real property hereinabove described shall sometimes be referred to herein as the "Existing Property."

Section 2.02. Additions to Existing Property. Additional lands may become subject to these Association Covenants in the following manner:

During the period of development, which shall by definition extend from the date hereof to January 1, 2040, Declarant, its successors and/or assigns, shall have the right, without further consent of the Association to bring within the plan and operation of these Association Covenants any property which is contiguous or close to *Cassique* if acquired by Declarant prior to or during the period of development. Such property may be subjected to these Association Covenants as one parcel or as several smaller parcels at different times. The additions authorized under this and the succeeding subsection shall be made by filing of record either one or more Supplemental Declarations of Covenants or an agreement impressing the covenants of these Association Covenants with respect to the Additional Properties, which shall extend the operation and effect of these Association Covenants to such Additional Properties.

The Supplemental Declaration of Covenants may contain such complementary additions and/or modifications of the covenants contained in these Association Covenants as may be necessary or convenient, in the sole judgment of Declarant, to reflect, *inter alia*, the differing character, if any, of the added properties and as are in Declarant's discretion not inconsistent with the plan of these Association Covenants, but such modifications shall have no direct effect on the Existing Property.

Notwithstanding the above, Declarant agrees that the number of Lots subdivided by Declarant, its successors and/or assigns, within the Existing Property and any Additions thereto authorized under this Section 2.02, shall at no time exceed a total of two hundred and seventy-five (275).

Section 2.03. Mergers. Upon merger or consolidation of the Association with another association, corporation, or organization as provided for in the By-Laws of the Association, its property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights, and obligations of another association may, by operation of law, be added to the properties of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Existing Property, together with the covenants and restrictions established upon any other properties, as one plan. No merger or consolidation shall effect any revocation, change, or addition to the covenants established by these Association Covenants within the Existing Property, including, without limitation, the maximum limits on Assessments, dues, Usage Fee and Special Usage Fee established by the Association, or any matter substantially affecting the interests of the Association Members.

ARTICLE III

CASSIQUE HOMEOWNERS' ASSOCIATION, INC.

Section 3.01. Establishment and Purpose of The Association. Declarant has established the Association for the purpose of exercising powers of owning, maintaining, repairing, reconstructing, improving, and administering the Common Properties, and providing common services, administering and enforcing the *Cassique* General Covenants, these Association Covenants, and the covenants, conditions, and restrictions set forth herein, levying, collecting, and disbursing the Assessments, the Usage Fee, Special Usage Fee,

Transfer Fee, and any other charges herein imposed, holding, owning, and utilizing the easements or other rights or privileges it may enjoy, and for other purposes. The Association shall also be responsible for the administration and collection of "Annual Access Fees" for use by the *Cassique* Association Members of Kiawah Island Community Association, Inc. ("KICA") roads on Kiawah Island, S.C., pursuant to that certain Access Agreement entered by and among Declarant, KICA, KRA, L.P., and the Kiawah Island Club, Inc. (the "Club"). Such Annual Access Fees shall be included in the Annual Assessment for each Lot within the Subdivision, and shall be payable by the Association to KICA pursuant to the terms of the aforesaid Access Agreement, which is incorporated herein by reference.

Section 3.02. Association Membership. Declarant and every person or entity who is a record Owner of a fee simple or undivided fee simple interest in any Lot, Dwelling Unit, or Development Parcel which is subjected by the Declaration to Assessment by the Association shall be an Association Member; provided that any such person or entity holding record title or interest merely as a security for the performance of an obligation shall not be an Association Member. The Club, as a Licensee of the *Cassique* golf course, shall also be an Association Member; however, such Association Membership shall be in accordance with and subject to the provisions of Section 3.04(c) below. KRA, L.P. also shall be an Class C Association Member; subject also to the provisions of Section 3.04(c) below. The Association Membership of all Class A Members (as set forth in Section 3.04(a) below) and all rights pertaining to same shall be appurtenant to, and shall not be separated from, ownership of any Lot, Dwelling Unit, or Development Parcel which are subject to Assessments except as herein provided.

If and when any two or more Lots in *Cassique* are combined resulting in a new, larger Lot, such new Lot shall retain the same number of votes, approval rights, and responsibilities respecting Association matters and Assessments as were imposed on the number of *Cassique* Lots that were so consolidated (e.g., if Lots 10 and 12 Phase 1 are combined, the resulting Lot would have two (2) votes in Association matters, and would be subject to two (2) Assessments. If the new combined Lot {formerly Lots 10 and 12}, is subsequently combined with yet another Lot, the resulting larger Lot would have three (3) votes in Association matters and be subject to three (3) Assessments).

In the event any Lot in *Cassique* which has been combined with one or more other Lots to create a new, larger lot is subsequently re-subdivided and its boundary lines changed so as to create more than one lot, such newly created Lots shall have the same number of votes in Association matters and the same number of Assessments as the number of initial Lots comprising the area being re-subdivided (e.g., if Lots 10, 12, and 14, are combined into one lot, then re-subdivided into only two lots, the resulting two lots would have three votes "divided" equally between the owner(s) of the resulting two lots). The vote(s) of such re-subdivided Lot(s) shall be handled in the same manner as multiple Owners of a Lot set forth in Section 3.04 hereof. The Assessment(s) for such re-subdivided Lot shall be apportioned between the subject Owner(s) as calculated by the Association on a square foot basis of the re-subdivided Lot. (e.g., if Lots 10, 12, and 14 are combined into one lot which has a total of 1.754 acres, then re-subdivided into two lots, each having .877 acres, the two re-subdivided lots would have three Assessments, with each of the two lots being responsible for the payment of 50% of the three combined Assessments.)

Section 3.03. Membership Rights. The rights of Association Membership are subject to the payment of Assessments levied by the Association, from time to time, the obligation of which Assessments is imposed against each Owner of, and becomes a lien, upon the Lot, Dwelling Unit, or Development Parcel against which such Assessments are made, as provided by Article VI hereof. The rights of KRA, L.P. and the Club as Class C Association Members are subject to the payment of the Usage Fees and Special Usage Fees levied

by the Association, from time to time, the obligation of which Usage Fees and Special Usage Fees is imposed against KRA, L.P. or the Club, subject to the provisions and limitations of Section 5.10 hereof.

Subject to the terms of the Act, an Association Member may be suspended if not less than fifteen (15) days prior written notice sent by first class or certified mail of the proposed suspension of an Association Member and the reason therefor has been delivered to such Association Member in accordance with the procedures set forth in Section 3.06 of the By-Laws of the Association. Such notice shall set forth the date, place, and time such Association Member shall be given the opportunity to be heard orally by the Board of Directors, which shall be not less than five (5) days before the effective date of the suspension. Such written notice shall also set forth the address of the Board of Directors to which and by which such Association Member may be heard. Upon the affirmative majority vote of the Board of Directors of the Association, acting fairly and reasonably taking into consideration all of the relevant facts and circumstances, the Board of Directors may suspend an Association Member; however, if the Association Member is suspended for failure to pay Assessments (or in the case of the Club or KRA, as the case may be, Usage Fees and Special Usage Fees), upon the Association Member's payment in full of such Assessments, such rights and privileges shall be automatically restored. An Association Member who has been expelled or suspended shall remain liable to the Association for dues, Assessments, fees, or charges as a result of obligations incurred or commitments made before such suspension.

Section 3.04. Voting Rights. The Association shall have three classes of voting Association Membership:

(a) Class A Association Membership.

(i) Every Owner of a Lot or Dwelling Unit (other than Declarant) shall be a Class A Association Member. Each Class A Association Member shall be entitled to one vote for each Lot or Dwelling Unit owned.

(ii) Owners of Development Parcels shall also be Class A Association Members. The number of votes to which such Owner shall be entitled shall be established by Declarant by including in the deed of conveyance to such Owner, a limit on the number of Lots that may be subdivided from the subject Development Parcel. Such Owner shall be entitled to one vote per Lot allowed until such time as a subdivision plat is approved by the appropriate governmental authority having jurisdiction and recorded in the R.M.C. Office. Thereafter, the total number of votes allowed shall be based on the total number of platted Lots shown on such recorded plat.

(iii) When more than one person, other than Declarant, holds title to a Lot or Dwelling Unit, all such persons shall be Association Members, but shall have collectively only one vote, and in no event shall more than one vote be cast with respect to any one Lot or Dwelling Unit.

Further, such multiple owners shall annually appoint one (1) person as the "Primary Association Member" and provide the Board of Directors of the Association with written notification of the name, address, and telephone number of such Primary Association Member. This requirement shall also apply to partnerships, corporations, and other such entities as may hold title to a Lot or Dwelling Unit in *Cassique* from time to time.

(iv) In the event joint Owners of a Lot, Dwelling Unit, or Development Parcel fail to determine the manner in which their vote or votes are to be cast, such vote(s) shall nevertheless be counted and considered as affirmative vote(s) for the measure. In addition, when such vote or votes is considered as affirmative for the measure and (i) is the "deciding" vote necessary to carry the measure, (ii) all joint Owners of each Lot, Dwelling Unit, or Development Parcel casting such affirmative vote(s) are required to execute an instrument in connection with the passage of the measure (such as in the case of an Amendment in accordance with Section 9.03 hereof), and (iii) one or more of the joint Owners of such Lot, Dwelling Unit, or Development Parcel fail to determine the manner in which their vote or votes are to be cast and/or refuses to execute such required instrument, the President of the Association may attach a sworn affidavit to such instrument reciting the circumstances of the vote (including a statement that the joint Owners of such Lot received proper notice in accordance with the By-Laws of the Association, failed to determine the manner in which their vote or votes should be cast and as a consequence their vote(s) was considered as affirmative in the voting on the measure in accordance with the By-Laws) and thereupon the validity and enforceability of such instrument shall not be affected or be subject to question by reason of the lack of the execution thereof by any one or more of the joint Owners of such Lot, Dwelling Unit, or Development Parcel.

When one joint Owner signs a proxy or purports to vote for his or her co-Owners, such vote or votes shall be counted and bind all unless the other joint owners object in writing. The principles of this paragraph shall apply, insofar as possible, to the execution of proxies, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum.

The voting rights of any Owner may be assigned by said Owner to his lessee by giving written notice to the Secretary of the Association; provided, however, that the Owner may not assign to such lessee any vote or votes not attributable to the property actually leased by such lessee.

(b) Class B. Declarant, its successors and assigns, shall be the only Class B Association Member. The Class B Association Member shall be entitled to four (4) votes for each of the Lots or Dwelling Units in which it holds an interest. The Class B Association Membership of Declarant shall cease upon the earlier of the dates set forth in Section 9.01 hereof.

(c) Class C.

(i) To further protect its interest in utilizing the Common Properties for all means of access to and from the Club Facilities, and to provide a means for (1) ensuring the continued high standard and quality of the maintenance, repair, and landscaping of the existing (and any future) entrance road and the unmanned and/or manned security gate(s) for the *Cassique* golf course and other Club Facilities; and (2) the payment of the Club's pro-rata share of the cost of same, The Kiawah Island Club, Inc. (and its successor or assignee as either licensee or owner of the Kiawah Island Club) shall be a Class C Association Member.

(ii) It is the intention of Declarant that the Class C Association Membership of the Club run with and be an appurtenance to the Club's operation and maintenance of the Club Facilities at *Cassique*. Accordingly, in the event of a sale of all or any part of the *Cassique* Club Facilities and/or transfer of the assets or control of the Club, the Club's Class C Association Membership shall in the sole discretion of Declarant and KRA, L.P., either (i) immediately and automatically revert to KRA, L.P., or (ii) be assigned to such new entity as shall thereafter operate and maintain the Club Facilities at *Cassique*. In such event, Declarant and KRA, L.P. shall cause to be executed and recorded in the R.M.C. Office, a Supplement to these Association Covenants, evidencing of record the disposition of the Club's Class C Association Membership.

(iii) The number of votes to which the Club (or its successor or assignee) is entitled shall be a "floating" number, and shall at all times equal, in voting number, twenty-five percent (25%) of the total votes of all Class A Association Members, from time to time existing, rounded to the next whole number. For example, if the total number of Class A votes is 32, the total number of Class C votes shall be 8, being 25% of the Class A votes, rounded to the next whole number, and together the Class A and Class C votes shall equal 40.

(iv) So long as the Club, or an assignee or successor in interest of same retains a Class C Association Membership, KRA, L.P. shall not be responsible for the payment of any Assessments, Usage Fees, or Special Usage Fees, nor shall KRA, L.P. be entitled to votes in Association matters. However, in the event the Class C Association Membership of the Club, its successors and/or assigns, reverts to KRA, L.P. pursuant to the provisions of paragraph (ii) above and KRA, L.P.'s usage of the Association Common Properties is projected to be substantially less than the usage by the Club; Declarant, KRA, L.P., and the Board of Directors, their successors in interest or assigns, shall determine a reasonable percentage for calculating a new, reduced usage fee to be payable by KRA, L.P., its successors and/or assigns, and shall cause to be prepared, executed, and recorded, a Supplement to these Association Covenants, reciting the amount of such percentage, and amending Section 5.10 hereof accordingly. In no event shall the percentage used to calculate the usage fee charged by the Association to KRA, L.P. exceed the percentage used to calculate the Usage Fee charged by the Association to the Club.

(d) Payment of Special Assessments shall not entitle Association Members to additional votes.

(e) The Class A, B, and C Association Members are sometimes collectively referred to as the "Association Members."

Section 3.05. Governance of the Association/ Election of the Board of Directors. The Association shall be governed by a Board of Directors consisting of three (3) or five (5) Association Members. The initial Board of Directors shall consist of three (3) Association Members, with the number in subsequent years to be determined by the members of the Board of Directors as set forth in the By-Laws of the Association.

The Board of Directors shall be appointed by Declarant until the Date of Transition (as defined in Section 9.01 hereof). Thereafter, so long as the Club is a Class C Association Member, the Club shall have the right to appoint one member of the Board of Directors, and the remaining members shall be elected by the Association Members in accordance with the provisions of Article IV of the By-Laws.

Section 3.06. Proxies. Each Association Member entitled to vote may vote in person, via the Internet, Intranet, or electronic mail (with sufficient verification and if permitted by law and the Board) or by proxy at all meetings of the Association. All proxies shall be executed in writing by the Association Member or his duly authorized attorney-in-fact, and filed with the Secretary of the Association or such other officer or agent of the Association authorized to tabulate votes before or at the time of the meeting; provided, however, that proxies shall not be required for any action which is subject to a Referendum.

Unless a proxy otherwise provides, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless it states otherwise.

An appointment of a proxy is revoked by the person who appointed the proxy: (i) attending any meeting and voting in person, or (ii) signing and delivering to the Secretary or other officer or agent of the Association authorized to tabulate votes for the Association, either a written statement that the appointment of the proxy is revoked or a subsequent appointment form. If at least ten (10) days (thirty {30} days if notice is mailed by other than first class or registered mail) prior to a duly called meeting, an Association Member is informed pursuant to the provisions of Section 3.05 and 3.06 of the By-Laws of (a) the time and place of the meeting, (b) the agenda for the meeting, and (c) such data as is then available relative to the issues on which there will be a vote, and a proxy form is included in such mailing, and the Association Member neither attends the meeting nor returns an executed proxy, then such Association Member shall be deemed present for purposes of determining a quorum, and shall be deemed to have given his proxy to and for the majority present and voting.

No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date; and no proxy shall be valid for more than three (3) years from the date of execution. Any proxy shall automatically cease upon closing of the sale by the Association Member of his Lot, Dwelling Unit, or Development Parcel.

Section 3.07. Ballots by Mail or Facsimile. When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association a statement of certain motions to be introduced for the vote of the Association Members and a ballot on which each Association Member may vote for or against the motion. Each ballot which is presented at such meeting, whether received by mail or by facsimile, shall be counted in determining whether a quorum is present to vote upon motions, including those not appearing on the ballot.

Section 3.08. Electronic Voting. The Board may permit votes to be cast electronically (*i.e.*, via the Internet, Intranet, or electronic mail) with sufficient verification and if permitted by law.

ARTICLE IV

FUNCTIONS OF THE ASSOCIATION

Section 4.01. Ownership and Maintenance of Common Properties and Restricted Common Properties. The Association shall be authorized to own and/or maintain (subject to requirements of any governmental authority having jurisdiction), Common Properties and Restricted Common Properties, equipment, furnishings, and improvements devoted to the following and other uses as may be determined by the Board of Directors of the Association from time to time:

- (a) For roads and/or roadways, and parkways along said roads or roadways throughout the Property;
- (b) For leisure trails, walking paths, and bicycle paths throughout the Property;
- (c) For transportation facilities throughout the Property and other authorized areas other than privately owned automobiles (*e.g.* buses, vans, and other vehicles);

(d) For security and fire protection services, including security checkpoints, maintenance buildings and/or guardhouses, police equipment, fire stations and fire fighting equipment and buildings used in connection with maintenance functions;

(e) For emergency health care, including ambulances and emergency medical facilities and the equipment necessary to operate such facilities;

(f) For providing any of the services which the Association is authorized to provide under Section 4.03 of this Article;

(g) for purposes set out in deeds or other instruments by which the Common Properties and Restricted Common Properties are conveyed or leased to the Association;

(h) For lakes, playing fields, tennis and golf facilities, historic parks, wildlife areas, fishing facilities, community dock facilities, boat storage facilities, and other recreational facilities of any nature; community meeting facilities serving the Property;

(i) For water and sewage storage facilities and any other utilities, if not adequately provided by a private utility, Charleston County, or some other public body.

Section 4.02. Ownership, Maintenance, and Operation of Purchased Common Properties. The Association shall be authorized to purchase, own, operate, and maintain Purchased Common Properties following approval of the Association Members pursuant to the requirements of Section 5.05 hereof. The Association shall be authorized to maintain and operate Purchased Common Properties from receipts of Annual Assessments, Special Assessments, Amenity Assessments, loans, and/or proceeds from the sale of Association properties.

Section 4.03. Services. The Association shall be and is hereby authorized and empowered, but not obligated, to perform any and all of the following acts and services, the costs of which shall be a Common Expense:

(a) Clean-up and maintenance of all roads, roadways, roadway medians, parkways, lakes and lagoons, marshes, leisure trails, walkways, bike paths, boardwalks, observation and viewing areas, residual, conservation, and Open Space areas, and other Common Properties, Restricted Common Properties, and Purchased Common Properties within the Subdivision, and any public properties which are located within a reasonable proximity of the Subdivision such that their deterioration would affect the appearance of the Subdivision as a whole. Such clean-up and maintenance shall include, but is not limited to the repair, enhancement, and replacement of: improvements thereon, therein, and thereunder, improvements to roads and rights of way, lighting, signage, and landscaping.

(b) Administrative services in connection with the Access Agreement between Declarant, KRA, L.P., KICA, and the Club dated September 12, 2000, in connection with the use by *Cassique* Owners of KICA roads and roadways to access the Kiawah Island Club Facilities on Kiawah Island; including, but not limited to the collection and payment of annual fees to KICA, the issuance of vehicle decals, and any and all other services essential or necessary to ensure the proper administration of said Access Agreement.

(c) Stocking the lakes and lagoons and maintaining said lakes and lagoons and the banks thereof within the Subdivision, including those lakes and lagoons which are part of or adjacent to the *Cassique* golf course, as the same are an integral part of the overall drainage system for the Subdivision.

(d) To maintain, repair, and replace the *Cassique* Drainage System (the term "Drainage System" includes, but is not limited to any lagoons, drainage easement areas, holding or retention ponds, pipes, pumps, outfall and other structures, drainage ditches, swales, control devices and other equipment or facility associated with the drainage system for the Subdivision).

(e) To provide, maintain, and control water pollution and shoreline erosion abatement measures and flood control improvements and devices located within or adjacent to the Subdivision.

(f) Clean-up, maintenance, improvement, enhancement, and replacement of landscaping on each Lot within the Subdivision as otherwise provided in these Association Covenants, or if deterioration of the landscaping on any Lot or Development Parcel would affect the appearance of the Subdivision as a whole, including, without limitation, the right to bushhog and/or perform limited clearing in order to maintain filtered views.

(g) Planting, maintaining, improving, and replacing the trees and other landscaping within the twenty-five (25) foot easement reserved by Declarant and the Association over each Lot in the Subdivision as set forth in Section 3.10(d) of the *Cassique* General Covenants.

(h) Contract for insect and pest control, garbage and trash collection and disposal, and such other services which in the discretion of the Board of Directors are necessary and essential for the Subdivision as a whole.

(i) Provide or contract for police protection and security, including but not limited to the employment of police and security guards, maintenance of electronic and other security devices and control centers for the protection of persons and property within the Subdivision and assistance in the apprehension and prosecution of persons who violate the laws of the State of South Carolina within the Subdivision.

(j) Provide or contract for fire protection and prevention.

(k) Provide day care and child care services.

(l) To conduct recreation, sport, craft, and cultural programs of interest to the Association Members, their children and guests, and provide services devoted to the improvement of such programs.

(m) Construct improvements on any owned, leased, or licensed residual, conservation, natural, or Open Space areas, the Common Properties, and such other areas within the Property and/or over contiguous marsh or lowland areas as the Board of Directors deems appropriate, necessary, or useful for the Subdivision.

(n) Provide or contract for landscaping and managerial services and other administrative services including, but not limited to legal, accounting, and financial services, property management and maintenance services, security guards for the security gate(s), communication services informing Association Members of activities, notice of meetings, referendums, etc.

(o) Provide liability, hazard, or other insurance covering improvements and activities on the Common Properties, Purchased Common Properties, and Restricted Common Properties or any property owned, leased, or maintained by the Association, and providing such liability and errors and omission or similar insurance for the Directors and Officers of the Association as the Board may deem appropriate. **The Association shall not have any insurance responsibility for any of the Club Facilities.**

(p) Purchase and acquire personal property and equipment as the Board deems necessary for the proper maintenance and operation of the Subdivision and the Common Properties, Purchased Common Properties, and Restricted Common Properties.

(q) To provide and/or support transportation facilities other than privately owned automobiles (*e.g.* buses and vans, etc.) and transportation services between key points within the Subdivision and/or the Club Facilities and the airports, other public transportation terminals, schools, and public centers serving the area surrounding the Subdivision.

(r) To provide safety equipment and emergency evacuation services for storm and other natural emergencies or catastrophes.

(s) To maintain water search and rescue boats for the protection and safety of those in waters located on or adjacent to the Subdivision.

(t) To provide legal and scientific resources for the improvement of air and water quality within and in the immediate vicinity of the Subdivision.

(u) To provide water, sewage, and any other necessary utility services not provided by a public body, private utility, or the Declarant.

(v) In the event that Declarant or the Board of Directors determines that: (i) any Owner, Resident or Tenant has failed or refused to discharge properly his or its obligations with regard to the maintenance, cleaning, repair, or replacement of items for which he or it is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair, or replacement which is the responsibility of the Association hereunder is caused through the willful or negligent act of an Owner, Resident or Tenant, and is not covered or paid for by insurance in whole or in part, then, in either event, Declarant or the Association, except in the event of an emergency situation, may give such Owner written notice of Declarant's or the Association's intent to provide such necessary maintenance, cleaning, repair, or replacement, at the sole cost and expense of such Owner, and setting forth with reasonable particularity the maintenance, cleaning, repairs, or replacement deemed necessary. Except in the event of emergency situations, such Owner will have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair, or replacement is not capable of completion within said fifteen (15)-day period, to commence said maintenance, cleaning, repair, or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situations or the failure of any Owner to comply with the provisions hereof after such notice, Declarant or the Association may provide (but will not have the obligation to so provide) any such maintenance, cleaning, repair, or replacement at the sole cost and expense of such Owner and said cost will be added to and become a part of the Assessment to which such Owner and his property is subject and will become a lien against such property. In the event that Declarant undertakes such maintenance, cleaning, repair, or replacement, the Association will promptly reimburse Declarant for Declarant's costs and expenses.

(w) In the event any property subject to these Association Covenants or any improvements thereon become either (i) damaged or destroyed by fire or other casualty; or (ii) become overgrown and/or accumulate trash or debris so that the same becomes unkempt or unsightly and in the opinion of the Board of Directors, detracts from the overall beauty and safety of the Subdivision, the Owner thereof, as soon as reasonably practicable and at such Owner's sole cost and expense, shall be responsible for clearing away the ruins and debris of any damaged improvements or unsightly growth or vegetation within fifteen (15) days of such damage or destruction or notification by the Association of such unsightly condition (whichever first occurs), so that the subject property is promptly restored to a clean, orderly, safe, and sightly condition.

In the event such Owner shall fail or refuse to clear away the ruins and debris of any damaged improvements, or unsightly growth or vegetation within said fifteen (15) day period, or such extended period as the Board may allow, in its sole discretion, the Association may enter the said property, and its agents may undertake (but are not obligated to do so), any such cleaning and/or clearing, and charge the costs thereof to the responsible Owner, which costs shall be a lien upon such property until the same is paid.

(x) To establish, maintain, and operate an architectural review board in the event the Association is designated by Declarant as the agent of Declarant for such purpose.

(y) Take any and all actions necessary to enforce these Association Covenants and to perform any of the functions or services required or delegated to the Association under these Association Covenants, the *Cassique* General Covenants, and any amendments or supplements thereto.

(z) In addition to the above, the Association is authorized and empowered to perform or provide any and all other services and to take all steps necessary or desirable in the judgement of the Board of Directors to carry out the Association's obligations and duties under the terms and intent of these Association Covenants and the By-Laws.

(aa) To exercise any rights reserved by Declarant in these Association Covenants and/or the *Cassique* General Covenants and transferred by Declarant to the Association in writing.

(bb) To provide any and all of the above listed services to another association of Owners of real property under a contract, the terms of which must be approved by the Board of Directors.

Nothing contained in these Association Covenants shall be deemed to mean that the Association is responsible for the maintenance and/or operation of any portion of the Club Facilities.

Section 4.04. Minimum Level of Services. By the end of calendar year 2001, the Board of Directors of the Association shall establish and define the minimum level of services which shall be furnished by the Association, and submit the same to the Association Members at the 2002 annual meeting. The Association shall not reduce the level of services it furnishes below such minimum level.

Such minimum level of services shall expressly include an obligation of the Association to maintain roadways and the Drainage Facilities in a functional and acceptable condition.

Section 4.05. Obligation of the Association. The Association shall not be obligated to carry out or offer any of the functions and services specified by the provisions of this Article except the Minimum Level of Services as specified in Section 4.04 above. The functions and services to be carried out or offered by the

Association at any particular time shall be determined by the Board of Directors of the Association taking into consideration the funds available to the Association and the needs of the Association Members of the Association. Special Assessments shall be submitted for referendum as herein provided. Subject to the provisions of Section 4.04 above, the functions and services which the Association is authorized to carry out or to provide may be added to or reduced at any time upon the affirmative vote of fifty-one (51%) percent or more of the Association Members voting in a Referendum conducted by the Board of Directors under the same procedures as for a Special Assessment.

Section 4.06. Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association, which loans shall be used by the Association in performing its authorized functions. The Declarant may make loans to the Association; subject to approval by Declarant of the use to which such loan proceeds shall be put, and by the terms pursuant to which such loans shall be repaid. Notwithstanding anything in these Association Covenants to the contrary, the Association shall not be allowed to reduce the Annual Assessment from the amount charged for the preceding year at any time there are outstanding any amounts due Declarant as repayment of any loans made by Declarant to the Association.

ARTICLE V

CASSIQUE COMMON PROPERTY(IES)

Section 5.01. Use and Enjoyment of the Common Properties. All the Common Properties are ultimately intended for the common use and enjoyment of the Association, the Owners, Association Members, and their respective guests, invitees, tenants, permittees, heirs, successors and assigns, subject to any operating rules promulgated by the Association, its successors and assigns (and as to the Club Members, the terms and conditions of the Club Membership Plan); nothing contained herein or set forth on any Subdivision Plat shall in any way or manner be construed as a dedication to the public of any of the Common Property(ies), nor other such areas, permits, rights, and/or amenities associated therewith.

Section 5.02. Association Members' Easements of Enjoyment. Subject to the provisions of these Association Covenants and the rules and regulations of the Association and compliance therewith by each Owner, each and every Owner shall have a non-exclusive easement of enjoyment in and to the Common Properties, and such easement shall benefit and be appurtenant to and shall run with the title to each and every Lot, Development Parcel, and/or Dwelling Unit within the Subdivision. It is the intention of Declarant that such rights of enjoyment shall be and are hereby deemed for the use and benefit of the Owners, and their respective guests, invitees, tenants, permittees, heirs, successors and assigns, and successors-in-title.

Employees of Declarant, KRA, L.P., and their subsidiaries, and their respective successors and assigns shall have access to and enjoyment of the Common Properties subject to rules, regulations, and user fees established by the Board of Directors.

An Association Member's spouse and children who reside with such Association Member in *Cassique* shall have the same easement of enjoyment under this Section as an Association Member, and in those instances where a Lot or Dwelling Unit is owned or occupied by two (2) or more persons (who do not have a relationship of spouse, parent, or child, one to the other) as a Tenant, or by a corporation, partnership, limited partners, trust, or other such entity, such joint owners and the principal officers or partners of such entity, shall have the same easement of enjoyment under this Section as an Association Member.

Section 5.03. Association Members' and Residents' Easements of Enjoyment in Restricted Common Properties. Subject to the provisions of these covenants, the rules and regulations of the Association, and any fees or charges established by the Association, every Class A Association Member and every lessee Resident and employee of Declarant and KRA, L.P. shall have a right and easement of enjoyment in and to the Restricted Common Properties, and such easement shall be appurtenant and pass with the title to every Lot and Dwelling Unit.

A Class A Association Member's spouse and children who reside with such Association Member in *Cassique* shall have the same easement of enjoyment under this Section as a Class A Association Member, and in those instances where a Lot or Dwelling Unit is owned or occupied by two (2) or more persons (who do not have a relationship of spouse, parent, or child, one to the other) as a Tenant, or by a corporation, partnership, limited partners, trust, or other such entity, such joint owners and the principal officers or partners of such entity, shall have the same easement of enjoyment under this Section as the Class A Association Member.

Section 5.04. Change from Restricted Common Property to Unrestricted Common Property. By an affirmative vote of seventy-five percent (75%) of the votes cast at a meeting of the Association called for the purpose of voting on such proposal, a "Restricted Common Property" may be changed into an unrestricted "Common Property."

Section 5.05. Purchased Common Properties. Subject to the provisions of these Association Covenants, the rules and regulations of the Association, and any charges established by the Association, every Class A Association Member shall have a right and easement of enjoyment in and to any property now or hereafter designated "Purchased Common Properties" pursuant to these Association Covenants. A Class A Association Member's spouse and children who reside with such Class A Association Member in *Cassique* shall have the same easement of enjoyment under this Section as a Class A Association Member.

(a) In those instances where a Lot or Dwelling Unit or other property in *Cassique* is owned or occupied by two (2) or more persons (who do not have the relationship of spouse, parent, or child, one to the other) as a Tenant, or by a corporation, partnership, or other such entity, such joint owners, partnerships, corporations, and other such entities shall annually appoint one (1) person as the "Primary Association Member." Such Primary Association Member shall have the same easement of enjoyment in the Purchased Common Properties as Association Members who own or occupy such property singularly. Each of the remaining joint Association Members or Tenants, other principal officers of such corporation, partnership, or entity, shall be entitled to an easement of enjoyment in the Purchased Common Properties by (i) paying to the Association annually an amount equal to the Annual Assessment charged against the property so owned, or in the alternative (ii) should user fees be deemed appropriate, by payment of applicable user fees, and in conforming to rules, regulations and other criteria approved by the Board of Directors for the particular Purchased Common Property.

(b) Purchased Common Properties may be acquired by the Association when such acquisition and the concomitant Amenity Assessment are approved by a Referendum of the Class A Association Members. Any debt incurred in acquiring Purchased Common Properties by the Association may be paid over a period not to exceed thirty (30) years from receipts of Annual Assessments, Special Assessments, and/or Amenity Assessments.

(c) Purchased Common Properties may be offered to the Association by Declarant subject to acceptance of title thereto by the Association and implementation of an additional assessment (herein "Amenity Assessment") to fund the continued operation thereof. Purchased Common Properties may be offered to the Association subject to such restrictions, limitations, and reservations as are stated in the offering and submitted to the Association as part of the Referendum. The Amenity Assessment shall be initially established by the Board of Directors of the Association at an amount that the Board deems sufficient to fund the continued operation and maintenance of the Purchased Common Property, which assessment shall commence as to all Class A Association Members. The Amenity Assessment shall be established by the Board of Directors for each succeeding year, but shall not be increased by more than ten (10%) percent over the previous year, or by the percentage increase between the first month and the last month of an annual assessment period in the Consumer Price Index (as defined below), whichever of these two percentage figures is larger. The Amenity Assessment may be increased above the stated maximum by approval of a majority of the votes of the Class A Association Members responding to a mail Referendum, which increase in the maximum Amenity Assessment, if approved, shall be effective for all subsequent years and shall thereafter increase each subsequent year as stated above.

"Consumer Price Index" as used herein shall mean and refer to the Consumer Price Index for all Urban Consumer-U.S. City Average for All Items (1982/84=100) of the Bureau of Labor Statistics of the United States Department of Labor. If the Consumer Price Index is changed so that it affects the calculations achieved hereunder, the Consumer Price Index shall be redefined in accordance with a conversion factor published by the U.S. Department of Labor, Bureau of Labor Statistics. If the Consumer Price Index is discontinued or revised during the term of this License, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would have been obtained if the Consumer Price Index had not been discontinued or revised. If the Consumer Price Index is discontinued and no government index or computation replaces same, such indexed calculation shall be made by reference to an index or computation which would produce substantially the same measure, as determined by the Board of Directors in the exercise of reasonable business judgement.

(d) The Association may not accept title to any Purchased Common Property without implementing an Amenity Assessment sufficient to provide funding for the continued maintenance and operation of the facility, unless the Board of Directors shall first determine that adequate funding can be provided from Annual Assessments and to provide for the continued operation and maintenance of the Purchased Common Property without detrimentally affecting existing operations of the Association.

(e) The Amenity Assessment shall be levied against Class A Association Members only. Purchased Common Properties may, in the discretion of the Board of Directors, be restricted to the exclusive use of the Class A Association Members, or other persons may be permitted to use the facility subject to such rules and regulations as the Board of Directors may promulgate. The Board of Directors may establish initiation fees and user fees as the Board may in its discretion so determine.

Section 5.06. Title to the Common Properties and Restricted Common Properties.

(a) Declarant agrees, for itself and its successors and assigns, that it shall convey, or cause to be conveyed to the Association (and the Association agrees to accept) by deed, lease, easement, or such legal instrument as Declarant and the Board of Directors of the Association deem appropriate with respect thereto and for a nominal consideration, those parcels of land and facilities described below, together with any and all improvements, personal property, and easements associated therewith, and all structures, improvements,

appurtenances, landscaping, and infrastructure located thereon and/or thereunder, within three (3) years after Declarant has completed improvements thereon, if such be required, and/or provided written notice to the Association that such facility is Functionally Complete.

(i) As Common Properties. There shall be conveyed to the Association, without charge by Declarant, and the Association shall accept title to the following:

(1) Private community roads and rights of way thereof within the Subdivision which connect the Lots, Dwelling Units, Development Unit Parcels, and the Club Facilities to public roads or highways.

(2) Bike trails, leisure trails, walking paths, residual, conservation, and Open Space areas, observation areas, and such other areas intended by Declarant for the common use and enjoyment of the Association.

(ii) As Restricted Common Properties. There shall be conveyed to the Association without charge, and the Association shall accept title to all properties designated by Declarant for the exclusive common use and enjoyment of Residents, Type A Association Members, their immediate families and guests accompanying such Residents and Type A Association Members, Declarant, and employees of Declarant and/or its subsidiaries.

(b) Upon the earlier to occur of (1) such conveyance to the Association, or (2) completion of any improvements thereon or thereto by the Declarant, if such be required, such that the Common Properties, Restricted Common Properties or other areas intended by Declarant to be conveyed to the Association as Common Properties and Restricted Common Properties is/are deemed by Declarant to be Functionally Complete, the Association shall immediately become responsible for all maintenance, repair, replacement, operation thereof. It is the purpose of this provision to provide that the Association shall be responsible for the maintenance of Common Properties, Restricted Common Properties, and other areas intended by Declarant to become Common Properties and Restricted Common Properties, upon which all improvements required to be made by the Declarant have been completed and Declarant has deemed such improvements to be Functionally Complete, notwithstanding the fact that the Declarant is not obligated to convey such properties until some later date. Said properties, once conveyed to the Association, are to be held and administered in accordance with these Association Covenants. The legal costs and expenses of such conveyances shall be borne by Declarant, and Declarant further reserves the right to convey or transfer to the Association, the Club, and/or KRA, L.P., any and all rights and obligations of Declarant set forth herein.

(c) Such conveyance shall be free and clear of mortgages and other monetary liens, subject to all matters of record, and in addition thereto, certain rights reserved by the Declarant, and other rights and easements in favor of the Club as licensee of the Club Facilities, and permissive rights in favor of the Club Members established under the Club Membership Plan, for access, ingress, and egress to and from the Club Facilities, and for parking, the installation and maintenance of utilities, drainage facilities, and landscaping.

(d) Declarant further reserves the right to designate as Common Properties or Restricted Common Properties, additional properties and/or improvements for the beneficial and common use and enjoyment of the Owners and/or the Club Members, and to impose on any and all such areas, such additional covenants and restrictions as Declarant, in its sole discretion, deems beneficial to the Subdivision and/or the Club.

Section 5.07. Rules and Regulations. The Association, by and through its Board of Directors, may adopt from time to time, additional rules, regulations, and fee schedules governing the use of the Common Properties, Restricted Common Properties, and Purchased Common Properties within the Subdivision, which rules, regulations, and fee schedules shall be binding upon the Owners.

Section 5.08. Extent of Association Members' Easements. The non-exclusive rights and easements of enjoyment created under this Article V shall be subject to the following:

(a) The right of Declarant and/or the Association to give, convey, lease, or sell all or any part of the Common Properties, Restricted Common Properties, or Purchased Common Properties, or any part thereof, to KRA, L.P., the Club, or to any non-profit agency or governmental agency or authority or private concern for such purposes and subject to such conditions as may be agreed to by the Association Members; provided (i) that such conveyance first shall be approved by a vote of the Association Members holding not less than 75% of the total amount of votes of all classes of membership in the Association pursuant to the notice, meeting, and voting requirements set forth in the By-Law; and (ii) that so long as Declarant remains a Class B Association Member, such conveyance shall be invalid unless approved in writing by Declarant. A true copy of such resolution together with a certificate of the results of the vote taken thereon shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument of dedication or transfer affecting the Common Properties, Restricted Common Properties or Purchased Common Properties prior to the recording thereof. Such certificates shall be conclusive evidence of authorization of the membership.

(b) Notwithstanding the above, the Board of Directors, by majority agreement and with the written consent of Declarant, shall have the right, power, and authority, without further consent of the Association Members or any Mortgagees, to make adjustments in the boundary lines of the Common Properties, Restricted Common Properties, and Purchased Common Properties; including, without limitation, the relocation of road rights-of-way, lakes, lagoons, drainage facilities, utility and drainage easements, etc.

(1) Deeds of conveyance of the Association in connection with such boundary line adjustments shall include (i) a certificate evidencing the majority consent of the Board of Directors to the conveyance; (ii) the written consent of Declarant, its successors and/or assigns; and (iii) a statement signed by the Board of Directors and the Declarant declaring that such property shall no longer be a Common Property, Restricted Common Property, or Purchased Common Property, and the rights and easements of enjoyment in said properties created hereunder shall immediately and automatically become null, void, and of no further force and effect.

(2) Newly relocated Common Properties, Restricted Common Properties, and Purchased Common Properties, shall be accepted by the Association only when it has been determined and declared that any improvements constructed thereon are Functionally Complete. Further, in the case where properties are being exchanged, the Board of Directors shall not execute any deeds of conveyance as authorized in the preceding paragraph, until and unless it is in receipt of a fully and properly executed deed of conveyance to the Association for the replacement property upon which the Common Properties, Restricted Common Properties, and Purchased Common Properties have been relocated, and such other instruments of conveyance as may be necessary to transfer to the Association any easements, rights, or other appurtenances thereto.

(3) It is the intent of the Declarant that subject to the limitations set forth herein, the Board of Directors shall have undisputed authority with regard to the proper administration of the Common

Properties, Restricted Common Properties, and Purchased Common Properties so long as the essential rights and easements in the Association Members, Declarant, the Association, KRA, L.P., and the Club as set forth in these Association Covenants are preserved and protected.

(c) The right of Declarant and the Association, by and through the Board of Directors, to dedicate or transfer to any public or private utility, utility or drainage easements on any part of the Common Properties, Restricted Common Properties, and Purchased Common Properties.

(d) Non-exclusive, appurtenant, perpetual, permanent, assignable, transmissible, commercial easements in favor of Declarant, the Association, KRA, L.P., and the Club for access, ingress, egress, and for the installation, maintenance, inspection, repair, and replacement of all utilities and services, irrigation systems, landscaping, and for all other lawful purposes deemed necessary, useful, or beneficial, in the discretion of Declarant, the Association, KRA, L.P., and the Club for the orderly development of the Subdivision; and the right of Declarant and of the Association, their successors and assigns, to grant, reserve, and accept such easements and rights-of-way through, under, over, and across the Common Properties.

(e) The right of the Association, as provided in its By-Laws, to suspend the voting rights and/or easements of enjoyment of any Class A Association Member, or Tenant, or guest of any Class A Association Member, for any period during which any Assessment remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations, it being understood that any suspensions for either non-payment or any Assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Class A Association Member's obligations to pay the Assessment, and provided that the Association shall not suspend the right to use any roads belonging to the Association subject to the rules, regulations and fees, if any, established by the Association for such use.

(f) The right of the Declarant and the Association, as the case may be, to establish rules and regulations, to charge Common Expenses, and to prescribe fees and charges from time to time for use of any Association amenities; provided, however, that the Association may not impose fees or tolls on Club Members (or guests of Club Members) who are not Owners of a Homesite in *Cassique* for the use of roads or roadways within *Cassique*, nor prescribe rules and regulations applicable only to such non-Owner Club Members (or their guests) which would either prohibit or impede on any Association right-of-way their access to and from the Club Facilities or preclude or diminish their use and enjoyment thereof.

(i) The Board of Directors of the Association shall have full discretion to determine the amount of the fee or toll for use of any roadway it may own, provided, however, that such fee or toll shall be limited to an amount which generates sufficient sums to cover the cost of the operation of entry control security stations; to repair, rehabilitate, resurface and otherwise maintain such roadways; to provide for the maintenance and cleanup of the rights of way; to provide drainage along said roadways; to provide for motorized security patrols and to provide such other roadway maintenance or services as the Association shall deem desirable. The Board of Directors of the Association shall further have the power to place any reasonable restrictions upon the use of the Association's roadways, subject to the rights of ingress and egress granted herein, including, but not limited to, the types and sizes of vehicles permitted to use said roads, the maximum and minimum speeds of vehicles using said roads, all other necessary traffic and parking regulations, and the maximum noise levels of vehicles using said roads. The fact that such restrictions on the use of the roads shall be more restrictive than the laws of any state or local government having jurisdiction over the Properties shall not make such restriction unreasonable. This paragraph establishes maximum fees which may be charged for road entry and use of roads. The Board of Directors of the Association may

supplement, with an allocation of a portion of the receipts from the Annual Assessment, the funds (if any), received from road use fees or tolls to carry out the functions and activities as described in this Section.

(g) All applicable covenants, conditions, restrictions and easements of record, including, without limitation, the *Cassique* General Covenants, and all applicable regulations and ordinances adopted or as may be adopted in the future by any governmental agency or entity having jurisdiction over the Property. These Association Covenants are intended as a supplement to the *Cassique* General Covenants and any such governmental regulations or ordinances, and shall be interpreted to be consistent therewith wherever possible. This instrument shall, however, be construed as provided in Section 3.13 of the *Cassique* General Covenants in the event of a conflict.

(h) The right of the Association, in accordance with the provisions of these Association Covenants and the By-Laws, to borrow money from the Declarant or any lender for the purpose of improving and/or maintaining the Common Properties and providing services authorized herein, and in connection therewith, to mortgage all or part of the Common Properties, Restricted Common Properties, and/or Purchased Common Properties to secure any such loan.

(i) Subject to the provisions of Section 5.09 hereof, the right of the Club and the Club Members thereof to use the Common Properties for access, ingress, and egress to and from the Club Facilities and the Kiawah Island Parkway.

(j) The right of the Association to assume and pay any liens or encumbrances against the Purchased Common Property at the time of conveyance.

(k) The right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosures.

(l) The right of reversion of the lessor of any Common Properties or Restricted Common Properties leased by the Association upon the expiration of the lease.

Section 5.09. Use of The Common Properties by the Club.

(a) Access to the *Cassique* Subdivision, the *Cassique* golf course, and the *Cassique* Club Facilities is afforded over the right-of-way of Old Cedar Lane, which road is shown on a plat recorded in Plat Book EE, at pages 194-202, in the R.M.C. Office.

Accordingly, as the Common Properties shall be utilized by the Club and the Club Members, the Club shall be a Class C Association Member of the Association and shall have such voting rights as are set forth in Section 3.04 hereof, and shall be subject to the Usage Fee and Special Usage Fee established in Section 5.10 hereof, until and unless Declarant and KRA, L.P., their successors and assigns, either relinquish such designation or assign such Class C Association Membership to another entity by filing in the R.M.C. Office, a Supplemental Declaration as more particularly set forth in Section 3.04 hereof.

(b) Subject to the other provisions of these Association Covenants, use of the Common Properties by the Club and the Club Members (*i.e.*, those not owning Homesites in *Cassique*) shall at all times be subject to non-discriminatory rules and regulations promulgated from time to time by Declarant and/or the

Association, their respective successors and assigns. Such rights of use by such Club Members shall be permissive only and subject further to the terms and conditions of the Club Membership Plan.

(c) Nothing contained herein shall be construed so as to grant to Club Members who are not Owners of properties in *Cassique*, any easements or rights in the Common Properties other than as permittees of Declarant, the Association, KRA, L.P., and/or the Club.

Section 5.10. Usage Fee and Special Usage Fee for Club's Use of Common Properties.

(a) The Club and Club Members who are not *Cassique* Owners are permitted hereunder to use the Common Properties of *Cassique* on the same basis as any Owner, which use is subject to certain terms and conditions more particularly set forth herein and in the Club Membership Plan. Accordingly, the Club shall be responsible for the payment of a portion of the Common Expenses and other charges lawfully incurred by the Association in connection with the ownership and maintenance of the Common Properties, and the administration of the Association, to the extent such expenses are payable by the Owners by means of Annual, Special, and other Assessments levied by the Association from time to time.

(b) Declarant has calculated that the Club's projected pro-rata portion of such expenses shall be twelve percent (12%) of the total cost of such expenses, and the Club has agreed to remit the same to the Association as a "Usage Fee" (the "Usage Fee") for the rights and privileges of the Club and Club Members to use the Common Properties of *Cassique*.

(c) The Usage Fee shall be determined by the Board of Directors of the Association each fiscal year, based on the annual budget of the Association as provided herein. When the Board of Directors determines the budget for each fiscal year, it shall cause to be prepared in connection therewith and delivered to the Club, a statement indicating the anticipated services to be provided by or on behalf of the Association, the total anticipated or budgeted amount in payment thereof, and the total amount of the Club's pro-rata portion thereof as set forth in subparagraph (b) above.

(d) The Club shall have thirty (30) days from receipt of such statement (or such extended grace period as the Association determines), in which to remit the Usage Fee to the Association. Thereafter, the Usage Fee shall incur a late charge of such amount as may be set by the Board of Directors; and shall commence to accrue simple interest at the lesser rate of (i) eighteen percent (18%) per annum, or (ii) the maximum rate provided by applicable law. In addition, in the event the Usage Fee is not received by the Association within thirty (30) days of the due date thereof, the Association shall have the right to declare the balance of the Usage Fee immediately due and payable upon written notice to the Club of such default.

(e) In the event of a default in the payment in the Usage Fee, and the continuance of such default for a period of more than sixty (60) days after written notice of such default has been delivered to the Club by the Association, the Association may bring legal action against the Club, and shall be entitled also to recover reasonable attorney's fees and all other costs of collection. The Club, as a party to these Association Covenants, vests in the Association or its agent the right and power to bring all actions against it for the collection of such charges as a debt and collect the same by any appropriate proceeding at law. **However, in no event shall the Association have the right at any time or from time to time, to deny Club Members ingress and egress to and from the Club Facilities.**

(f) The Association may levy against the Lots and Development Parcels, from time to time, certain Special Assessments for the uses and purposes more particularly set forth in Section 6.07 hereof. In the event the Association levies such a Special Assessment, the Club shall be responsible for the payment of twelve (12%) percent of the total cost of the project necessitating the Special Assessment, which amount shall be considered a "Special Usage Fee" (the "Special Usage Fee"), and shall be billed by the Association to the Club, and subject to the same payment and enforcement provisions as the Usage Fee, all as are more particularly set forth in this Section 5.10.

(g) The percentage set forth in subparagraphs (b) and (f) of this Section, on which the Usage Fees and/or Special Usage Fees are based may not be increased without the express prior, written consent of (i) the Class B Member, if there is any, and (ii) the Class C Member.

ARTICLE VI

COVENANTS FOR ASSESSMENTS AND TRANSFER FEES

Section 6.01. Creation of the Lien and Personal Obligations of Assessments.

Declarant covenants, and each Owner of any Lot, Dwelling Unit, or Development Parcel, whether or not it shall be so expressed in Owner's deed or other conveyance, shall be deemed to covenant and agree to all other terms and provisions of these Association Covenants and pay to the Association, Annual Assessments or charges and/or Special Assessments or charges for capital improvements or for maintenance expenses and other Common Expenses, emergencies and other purposes; such Assessments to be established and collected as hereinafter provided. The Assessments, together with any penalty (to be set by the Board), interest, costs, and reasonable attorneys' fees shall be a charge upon the Lot and shall be secured by a continuing lien on the Lot against which each such Assessment is made. Each such Assessment, together with interest, any penalty, costs, and reasonable Attorney's fees, shall also be the personal obligation of the person(s) or entity who was the Owner of such Lot, Dwelling Unit, or Development Parcel at the time the Assessment became due. The obligation for delinquent Assessments shall run with the title to such Lot, Dwelling Unit, or Development Parcel, and shall pass to the Owner's successors in title. In the case of co-ownership of a property, all such co-owners shall be jointly and severally liable for the entire amount of the Assessment. Upon written request, the Association shall provide or cause to be provided an accounting of an Owner's Assessments and any delinquency in the payment thereof. All reports of delinquency must be given subject to any state and federal laws regarding disclosure of a debtor's financial information.

The Club shall not be responsible for the payment of any Assessments hereunder as the Club's pro-rata portion of the annual expenses of the Association are collected by and through the Usage Fees and Special Usage Fees established under Article V hereof.

Section 6.02. Purpose of Assessments. The Annual Assessments and Special Assessments levied by the Association shall be used exclusively in connection with the operation and administration of the Subdivision. Such use shall include, but is not limited to, the payment of all Common Expenses; to promote and maintain the health, safety, welfare, and convenience of the Owners and their guests; for the acquisition, construction, landscaping, repair, replacement, improvement, maintenance, and use of the Common Property(ies); for the installation, maintenance, improvement and replacement of special landscaping within the Subdivision; labor, equipment, materials, services, management, supervision, security, garbage service, water, sewer and utility service in connection with the Common Properties; insurance premiums and deductibles; emergency repairs,

reconstruction after casualty loss, and such other needs, without limitation, as may arise or as may be required in the sole discretion of the Board of Directors.

Section 6.03. Establishment of Annual Budget, Annual Assessments, and Annual Usage Fee.

(a) The Declarant shall determine the amount of the initial annual budget, and the initial Annual Assessment for each Lot and Dwelling Unit and the initial Annual Usage Fee for the Club shall be based on such annual budget amount. The Annual Assessment for Development Parcels shall be determined by the Board based on the same formula upon which the number of votes are determined and subject to the same increases, as are set forth in Section 3.04(a)(ii) hereof (i.e., based on the number of developable Lots set forth in the deed).

(b) In order to comply with the terms and conditions of the Access Agreement described in Article III hereof, upon the issuance by Charleston County of a certificate of occupancy for a dwelling constructed on a *Cassique* homesite, the Owner thereof shall be responsible for an additional Assessment in an amount equal to one-half ($\frac{1}{2}$) of the then-current annual assessment imposed by the Kiawah Island Community Association, Inc., ("KICA") for an improved residential homesite on Kiawah Island, S.C., LESS one-half ($\frac{1}{2}$) of the then-current annual assessment for an unimproved residential homesite on Kiawah Island, S.C., pro-rated for the remaining full quarters of KICA's fiscal year. (i.e., if a certificate of occupancy is issued for a *Cassique* homesite on January 30, 2001, and the annual KICA assessments for 2001 are (i) \$419 for an unimproved Kiawah property and \$838 for an improved Kiawah property, such Owner would be responsible for an additional Assessment in the amount of \$157.13 ($\{\frac{1}{2}$ of \$838} or \$419, less $\{\frac{1}{2}$ of \$419} or \$209.50 = \$209.50, x .750 {3 remaining full quarters}). Such amount shall be payable to the Association as an additional Assessment, and shall be subject to all terms, conditions, and provisions for collection more particularly set forth herein.

(c) For each subsequent year, no less than thirty (30) days prior to the Annual Meeting, the Board of Directors shall determine the proposed annual budget for each ensuing fiscal year, and shall make available to all Association Members a copy thereof outlining the services provided by or on behalf of the Association, any anticipated receipts and expenses for such fiscal year, the proposed Annual Assessments for each Lot, Dwelling Unit, and/or Development Parcel, and the proposed Annual Usage Fee for the Club. Except as provided herein, the Annual Assessments shall be levied in equal, uniform amounts per Lot and Dwelling Unit.

(d) The initial Annual Assessment for all Owners of Lots for the calendar year in which these Association Covenants is filed in the R.M.C. Office shall be \$3,840.00. Said sum shall cover the costs and expenses of the Association set forth in the initial budget for the Subdivision, less the Club's Usage Fee established in Article V hereof; provided, however, the Board of Directors may charge a lesser amount until such time as said improvements constituting Common Properties have been substantially completed.

(e) Declarant shall not be required to pay Annual Assessments on any Unsubdivided Land within *Cassique*. Lots and Development Parcels shall become subject to the payment of Annual Assessments upon the first day of the quarter of the year after all of the following have occurred:

1. An approved, conditional plat is recorded in the R.M.C. Office subdividing said property into residential Lots and/or delineating the metes and bounds of the Development Parcel;

2. In the case of subdivided Lots, a Statement of Record and Property Report has been made effective by the Office of Interstate Land Sales Registration of the Department of Housing and Urban Development or successor Federal agency with jurisdiction over land sale registration of the Lots to be offered for sale; and
3. The subject property has been conveyed by Declarant to a purchaser.

Section 6.04. Maximum Annual Increase.

(a) Except as hereinafter set forth, the Annual Assessment and the Usage Fee established by the Board may never be increased by more than the larger of (i) ten (10%) percent over the amount of the Annual Assessment and Usage Fee for the previous year; or (ii) the percentage increase in CPI from the first month to the last month of the previous Annual Assessment period (the "Maximum Annual Increases.") In the event CPI is discontinued, then there shall be used the most similar index published by the United States Government that may be procured indicating changes in the cost of living. The Board of Directors shall have full discretion in determining the amount of such increase (so long as the proposed increase in the Annual Assessment and Usage Fee does not exceed the Maximum Annual Increases allowable hereunder) and/or to waive such increase for a period not to exceed one (1) fiscal year.

(b) Notwithstanding the above, if the Board, by majority vote, determines that important and essential functions of the Association will not be properly funded in any year by the Maximum Annual Increases, it may, with Declarant's consent so long as it retains a Class B Association Membership, further increase the amount of the Annual Assessment and the Usage Fee for the subject year only. However, such increase above the Maximum Annual Increase in any year pursuant to this paragraph taken shall not affect Assessments and Usage Fees for subsequent years.

(c) Further, if the Board determines, by majority vote, that the essential functions of the Association may be properly funded by decreasing the Annual Assessment and Usage Fee from the amount charged for the previous year, the Board may, in its discretion, lower such amounts; provided, however, that so long as Declarant retains its Class B Association Membership, the Board first obtains the written consent of Declarant. Such decrease in an Annual Assessment and Usage Fee shall not affect assessments and Usage Fees for subsequent years. Further, in the event the Board levies less than the Maximum Annual Increase for any assessment year, and thereafter determines, by majority vote, that the important and essential functions of the Association cannot be met by such lesser assessments and Usage Fee, the Board may, by majority vote, levy a supplemental Annual Assessment and supplemental Usage Fee; provided, however, that the sum of the initial and supplemental Annual Assessment and Usage Fee for that year, shall not exceed the applicable Maximum Annual Increase.

Section 6.05. Changes in the Maximum Annual Increase upon Merger or Consolidation. The limitations set forth in Section 6.04 above shall apply to any merger or consolidation in which the Association is authorized to participate under Article II, Section 2.03 hereof, and under the By-Laws of the Association.

Section 6.06. Date of Commencement of Annual Assessments and Usage Fees. Notwithstanding anything in the foregoing to the contrary, the Annual Assessments and Usage Fees provided for herein shall commence no earlier than January 1, 2001. Persons becoming Association Members subsequent to January 1 of each year shall pay Assessments prorated as of the date of initial membership.

Section 6.07. Special Assessments.

(a) In addition to the other authorized Assessments, the Board of Directors of the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against only the Class A Members if, in the Board's discretion, such Special Assessment would affect and/or benefit only Class A Members and/or their properties. Except as otherwise provided in this Declaration, any Special Assessment shall require the affirmative vote of (i) fifty (50%) percent of the total votes allocated to the properties which will be subject to such Special Assessment, (ii) the Class C Association Member if the Special Assessment is for a Common Expense, or if the Club Facilities and/or property licensed by the Club are affected and/or benefitted, and (iii) the Declarant, so long as Declarant retains its Class B Association Membership. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

The Club's portion of such Special Assessment, if any, shall be collected by the Board in the form of a Special Usage Fee, based on the formula established under Section 5.10 hereof.

(b) Further in addition to the other authorized Assessments, the Board of Directors may, in its discretion, levy in any fiscal year, an amount not to exceed one hundred (100%) percent of the Annual Assessment for such fiscal year *only* (without an affirmative vote of the Association Membership) a Special Assessment to cover unbudgeted expenses or expenses in excess of those budgeted. Such Special Assessment, shall be calculated and levied in the same manner as set forth in subparagraph (a) above.

Section 6.08. Segment Assessments and Amenity Assessments.

(a) Segment Assessments. In addition to the Annual Assessments and Special Assessments authorized in Sections 6.03 and 6.07 of this Article, the Board of Directors of the Association is hereby empowered to levy Assessments to be used for the benefit and/or operation of a particular portion or segment of the Subdivision, the payment of which assessment shall be borne by the Owners within such segment only; such assessment being herein referred to as "Segment Assessments." A Segment Assessment can only be levied by the Board of Directors of the Association after a determination that the affected segment of the Subdivision has such need of a particular addition or improvement as would justify the expenditure therefor by the Owners who would be assessed and who would enjoy the benefits of such improvement or addition and/or the operation thereof. In cases where such determination is made by the Board, the levy of the applicable Segment Assessment by the Board of Directors of the Association shall be final and not subject to approval by either the whole body of Association Members or by those Association Members who would be subject to the Segment Assessment. Any one Segment Assessment may not exceed a sum equal to one-half of the amount of the Annual Assessment for the year in which the Segment Assessment is imposed. The proportion of each Segment Assessment to be paid by the affected Owners of the various classifications of assessable property shall be in proportion to the payment of the Annual Assessment. In the event the Segment Assessment affects property owned by the Club, the Board of Directors shall determine the amount of the Segment Assessment by taking (i) the total cost of the project; (ii) subtracting the Club's Special Usage Fee from such amount; and (iii) dividing the balance among the Owners of the Lots and Development Unit Parcels affected by the Segment Assessments in the same proportions as the Annual Assessments are determined. **However, the Board shall not be authorized to levy a Segment Assessment which would affect property**

owned or licensed by the Class C Association Members without the prior, written consent of the Class C Association Members, their successors and/or assigns.

If a Segment Assessment is made for an improvement or addition which requires a continuing assessment for maintenance and/or operational costs, then those Owners subject to the levy of the Segment Assessment may discontinue and abolish such Segment Assessment if a majority of such Owners so vote in a Referendum held during the second or any subsequent year of such a continuing Segment Assessment; provided, however, that in the event the Segment Assessment has been imposed upon property owned by the Club, the total number of votes to which the Club is entitled shall be equal, in voting number, to twenty-five percent (25%) of the total votes of the Class A Association Members whose properties are affected by the Segment Assessment, rounded to the next whole number. Should any costs result from the removal of any addition or improvement where a particular Segment Assessment is discontinued, such costs shall be funded by the Segment Assessment before its discontinuance.

(b) Amenity Assessments. In addition to all other assessments authorized herein, the Board of Directors is empowered to levy Amenity Assessments as provided in Article V, Section 5.05 hereof. An Amenity Assessment may be discontinued or abolished if (i) the Type "A" Association Members so vote in a Referendum, and (ii) the Board of Directors so approve.

Section 6.09. Rounding. All Assessments, Usage Fees, and Special Usage Fees charged by the Association shall be rounded off to the nearest dollar.

Section 6.10. Effect of Non-Payment of Assessments.

(a) If an Assessment (whether Annual, Special, or otherwise) is not paid on the date when due, as hereinabove provided, then such Assessment together with such late charges and interest thereon and any reasonable costs of collection thereof as hereafter provided, shall be a charge and continuing lien on the property to which it relates, and shall bind such property in the hands of the Owner, his heirs, legal representatives, successors, and assigns. The personal obligation of the then Owner to pay such Assessment, however, shall remain his personal obligation, and if his successors in title assume his personal obligation, such prior Owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which he was obligated to pay immediately preceding the transfer. Furthermore, such prior Owner and his successor in title who assumes such liabilities shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such prior Owner and his successor in title creating the relationship of principal and surety as between themselves, other than one by virtue of which such prior Owner and his successor in title would be jointly and severally liable to pay such amounts.

(b) Any Assessment which is not received within ten (10) days of the due date thereof, or within any established grace period, shall incur a late charge of such amount as may be set by the Board of Directors; and shall commence to accrue simple interest at the lesser rate of (i) eighteen percent (18%) per annum, or (ii) the maximum rate provided by applicable law. In addition, in the event any Assessment is not received within thirty (30) days of the due date thereof, the Association shall have the right to declare the balance of the Assessments immediately due and payable upon written notice to the defaulting Owner.

(c) The Association may bring legal action against the Owner personally obligated to pay the same or foreclose its lien against the property to which it relates or pursue both such courses at the same time or successively. In any event, the Association shall be entitled also to recover reasonable attorney's fees and

all other costs of collection. Each Owner, by his acceptance of a deed or other transfer of any property within the Subdivision, vests in the Association or its agent the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien in any appropriate proceeding at law or in equity. All Owners, to the fullest extent permitted by law, waive the right to assert any statute providing appraisal rights which may reduce any deficiency judgment obtained by the Association against any Owner in the event of such foreclosure and further, waive all benefits that might accrue to any Owner by virtue of any present or future homestead exemption or law exempting any property or portion thereof from sale. If the Association commences to foreclose its lien, the Owner may be required to pay a reasonable rental for the subject property after the commencement of the action and at its option the Association shall be entitled to the appointment of a receiver to collect such rents. The Association shall have the power to bid on the subject property at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. In the event the Association takes title to a Homesite or Development Parcel at a foreclosure sale, the requirement for mandatory membership in the Club as set forth in Article IV of the *Cassique* General Covenants may be suspended by Declarant, in its sole discretion. However, the mandatory membership requirement shall be suspended only for such period of time that the Association holds record title to such Homesite or Development Parcel, and shall immediately and automatically be reinstated upon the conveyance thereof by the Association to a third party. No Owner may be relieved from liability from the Assessment provided for herein by abandonment of his property or otherwise.

(d) During any period in which an Owner shall be in default in the payment of any Assessment (whether Annual, Special, or otherwise) levied by the Association, the voting rights of the Owner and the rights of the Owner and lessees of the Owner, their families, invitees and guests, to use and enjoy the recreational areas of the Common Properties may be suspended by the Board of Directors until such time as the Assessment has been paid.

Section 6.11. Subordination of Lien.

(a) The lien and permanent charge for the Assessments (together with late charges, interest, fees and cost of collection) authorized herein with respect to any property within the Subdivision is hereby made subordinate to the lien of any holder of an Institutional Mortgage or its assigns, and the lien of the Club, if any, recorded before the due date of the Assessment sought to be enforced. The lien and permanent charge hereby subordinated is only such lien and charge as relates to Assessments authorized hereunder having a due date subsequent to the date such Institutional Mortgage or lien of the Club is filed for record and prior to the satisfaction, cancellation, or foreclosure thereof.

(b) Such subordination is merely a subordination and shall not relieve the Owner of the subject property of his personal obligation to pay all Assessments coming due at a time when he is the Owner; shall not relieve such property from the lien and permanent charge provided for herein (except as to the extent the subordinated lien and permanent charge is extinguished against a Mortgagee, such Mortgagee's assignee, the Club, or transferee by foreclosure); and no sale or transfer of such property pursuant to a foreclosure sale or conveyance in lieu thereof shall relieve any previous Owner from liability for any Assessment coming due before such sale or transfer.

(c) To the extent any subordinated lien and permanent charge for any Assessment is extinguished by foreclosure or conveyance in lieu thereof, then the amount or amounts otherwise secured thereby which cannot otherwise be collected shall be deemed a Common Expense collectible from all Owners, including the person who acquires title through the foreclosure sale.

Section 6.12. Exempt Property. The following Property, individuals, partnerships, or corporations subject to these Association Covenants shall be exempted from the charge and lien of Assessments created herein:

- (a) The grantee in conveyances made for the utility purposes;
- (b) All Common Properties, Restricted Common Properties and Purchased Common Properties;
- (c) All Open Space Areas;
- (d) All properties owned by KRA, L.P., and licensed to the Club (which are subject to Usage Fees and Special Usage Fees created hereunder); and
- (e) All properties owned by Declarant.

Section 6.13. Reserve Funds and Transfer Fees.

(a) Reserve Funds. The Association may, in the discretion of the Board of Directors, establish reserve funds from its Annual Assessments and/or the Transfer Fees as described in subsection (b) below, to be held in reserve in an interest bearing account or otherwise invested (in the discretion of the Board), for:

- (i) major rehabilitation or major repairs of infrastructure owned or leased by the Association;
- (ii) for emergency and other repairs of infrastructure owned or leased by the Association;
- (iii) periodic maintenance;
- (iv) major improvements and repairs to Common Properties, Restricted Common Properties, Purchased Common Properties, including, without limitation, repairs to structure, infrastructure, aesthetic improvements, and landscaping;
- (v) initial costs of any new service to be performed by the Association; and
- (vi) such other purposes as the Board of Directors may, in its sole discretion, deem essential or necessary, including, without limitation, to (i) preserve and protect the Common Properties, Restricted Common Properties, and Purchased Common Properties; (ii) enhance and maintain property values within the Subdivision; (iii) implement and incorporate new advances in technology or to take advantage of such other services and/or conveniences that may be beneficial to the Subdivision and/or the Owners and their guests.

Once established, the Board shall have the fiduciary responsibility to ensure that a reasonable amount of funds remain on deposit at all times, and shall not allow such reserve funds to be unnecessarily depleted.

(b) Transfer Fee. Upon each transfer (as hereinafter defined) of any property subject both to the terms of these Association Covenants and the jurisdiction of the Association, the Association shall be paid a transfer fee ("Transfer Fee") equal to .50 percent (.0050) of the gross purchase price for such property. In no event shall the Transfer Fee due upon property that is not exempt under subsection (c) hereof be less than the amount of the Association's current Annual Assessment for such property. For purposes of these Covenants, the Transfer Fee shall not be considered an Assessment.

- (i) The Board of Directors shall have full power and authority to determine how the funds collected from the Transfer Fee shall be allocated, it being the intent of the

Declarant that the Board shall have the discretion to determine and establish reasonable reserves for the purposes stated in subparagraph (a) above, yet have the flexibility to utilize the funds collected from the Transfer Fee for other purposes that the Board deems necessary to preserve, protect, and enhance the properties and property values within *Cassique*.

- (ii) For purposes of these Covenants, a "transfer" shall be deemed to occur upon the execution of a deed, instrument, or other similar writing whereby any property or an interest therein, is sold, granted, conveyed or otherwise transferred.
- (iii) The Transfer Fee shall be paid to the Association at, or prior to, the time the deed, instrument, or other document evidencing the transfer of the property or an interest therein, is recorded in the R.M.C. Office, but in no event later than thirty (30) days after the date of such deed, instrument, or other document evidencing the transfer, is recorded.
- (iv) Payment of the Transfer Fee shall be the liability of the purchaser or grantee of the property. In the event there is more than one grantee, all of such grantees shall be jointly and severally liable for the Transfer Fee. Any agreement between the grantee and the grantor or any other person with regard to the allocation of the responsibility of the payment of said fee shall not affect the liability of the grantee thereof to the Association.

(c) Exemptions from Transfer Fee. The above-described Transfer Fee shall not apply to the following or applicable portion thereof:

- (i) A transfer effected pursuant to a court order;
- (ii) A transfer when the grantee of such property is the United States of America, the State of South Carolina, or any of their political subdivision or departments, and such grantee is to utilize the property for a public purpose;
- (iii) A transfer which, without additional consideration, confirms, corrects, modifies or supplements a transfer previously made;
- (iv) A transfer made as a gift, without consideration, if the grantee shall have been at the time of transfer the spouse, lineal descendant, or lineal ancestor of the grantor, by blood or adoption;
- (v) A transfer to the trustee(s) of a trust in exchange for a beneficial interest received by the grantor in such trust or a distribution by the trustee(s) of the trust to the beneficiary or beneficiaries of the trust;
- (vi) A transfer by operation of law without actual consideration, including, but not limited to, a transfer occurring by virtue of the death or bankruptcy of an owner of a property or an interest therein;
- (vii) A transfer to any charitable organization or any religious organization provided that the property or interest therein so transferred will be held by the charitable or religious organization solely for its public charitable or religious purposes. For purposes here, a charitable organization shall be limited to a charitable organization as defined in Section 33-55-20, S.C. Code of Laws, 1976, as amended;
- (viii) A transfer to a Mortgagee in foreclosure of the mortgage held by such mortgagee, or transfer of a property or an interest therein subject to a mortgage to the mortgagee in lieu of foreclosing said mortgage on said property;

- (ix) A transfer to an escrow agent, trustee, or qualified intermediary pursuant to a "like-kind exchange" in accordance with Section 1031 of the Internal Revenue Code of 1986, as amended;
- (x) A transfer of a property or interest therein which is exempt from Assessment pursuant to Section 6.12 hereof;
- (xi) A transfer of a property or interest therein either to or from the Association, the Declarant, the Club, or KRA, L.P.
- (xii) A transfer made by quit-claim deed, when the consideration therefor is nominal, such as in the case of adjustments of boundary lines.

Any party claiming to be exempt from payment of the Transfer Fee to the Association shall submit to the Association a copy of the deed, or other instrument evidencing the transfer and an original affidavit signed under oath and penalty of perjury by the grantee attesting the basis upon which the transfer is claimed to be exempt from the herein described Transfer Fee, in whole or in part, and the name and mailing address of the grantee.

The Association may require the grantor and/or the grantee of the property or interest therein which is transferred to provide the Association with copies of documentation associated with the transfer, such as a copy of an executed closing statement, the applicable contract of sale and/or the deed or other instrument evidencing the transfer, and may further require the grantor and/or the grantee to provide an original affidavit signed under oath under penalty of perjury attesting to the gross purchase price or other consideration for the transfer.

(d) Delinquent Payments of Transfer Fee. In the event the Transfer Fee is not paid to the Association when due, a delinquent payment fee not to exceed five (5%) percent of the unpaid amount per month from the due date and each month thereafter until paid shall be added to the Transfer Fee so long as any portion thereof remains unpaid. The aforesaid delinquent payment fee shall be established from time to time, by the Board of Directors of the Association. Additionally, if the Transfer Fee is not paid to the Association when due, the amount of such fee plus all costs of collection thereof, including, but not limited to, reasonable attorney's fees as hereinafter provided, shall be a charge and continuing lien on the property transferred in the hands of the then Owner, his heirs, devisees, personal representatives, tenants, successors and/or assigns. If the Transfer Fee is not paid to the Association when due, the Association may bring an action at law against the Owner personally obligated to pay the same for such fee (including any delinquent payment fees, costs, and reasonable attorney's fees of any such action), and/or foreclose the lien for such fee (including any delinquent payment fee, costs and reasonable attorney's fees of any such action).

Notwithstanding the establishment of the above-described lien for any unpaid Transfer Fees together with any delinquent payment fee and costs of collection, said lien shall be subordinate to the lien of any Institutional Mortgage placed upon the property in connection with or arising out of the transfer upon with the unpaid Transfer Fee is based.

Section 6.14. Annual Statements. The President, Treasurer, or such other officer as may have custody of the funds of the Association shall annually within ninety (90) days after the close of the fiscal year of the Association, prepare and execute under oath a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, costs, and expenses. It shall be necessary to set out in the statement the name of any creditor of the Association; provided, however, that this requirement shall be construed to apply only to creditors of more than \$1,000. Such officer shall furnish to each Association Member, the Club, and KRA, L.P., upon written request therefor, a copy of

such statement, within thirty (30) days after receipt of such request. Such copy may be furnished to the Association Member either in person, by mail, or by facsimile.

ARTICLE VII

INSURANCE AND CASUALTY LOSSES

Section 7.01. Insurance.

(a) Property Insurance. The Board of Directors or its duly authorized agents shall have the authority to and shall obtain and continue in effect casualty insurance at replacement value, in such form and with such coverage and deductibles as the Board deems appropriate for the benefit of the Association, insuring all insurable improvements in and to the Common Properties, Restricted Common Properties, Purchased Common Properties, and other properties either owned, leased, or licensed by the Association, against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism, and malicious mischief; such coverage, if available at reasonable costs, to be in an amount sufficient to cover the full replacement cost (without depreciation, to include anticipated costs of demolition and clearing prior to building, but subject to such deductible amounts as are deemed reasonable by the Board), of any repair or reconstruction in the event of damage or destruction from any such hazard.

(b) Liability Insurance. The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all the Common Properties, Restricted Common Properties, Purchased Common Properties, or other properties either owned, leased, or licensed by the Association, as to all damage or injury caused by the negligence of the Association, its Association Members, Directors, and Officers, or any of their agents. Such public liability policy shall provide such coverages as are deemed necessary by the Board, and shall initially be in the minimum amount of \$5,000,000 and subject to increase on January 1, 2006, and every five (5) years thereafter by the percentage increase in CPI over such preceding five year period. In the event CPI is discontinued, then there shall be used the most similar index published by the United States Government that may be procured indicating changes in the cost of living.

(c) Other Insurance. The Board or its duly authorized agents shall have the authority to and may obtain:

- (i) worker's compensation insurance and employers liability insurance, if and to the extent required by law;
- (ii) Directors and Officers liability coverage;
- (iii) Commercial crime insurance, including fidelity insurance covering all persons responsible for handling Association funds in an amount determined by the Board in its reasonable discretion. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation; and
- (iv) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.

(d) Named Insured. All such insurance coverage obtained by the Board shall be written in the name of the Association as trustee for each of the Association Members. The cost of such coverage shall be a Common Expense. The Association shall have exclusive authority to adjust losses under such insurance policies with respect to the Subdivision; provided, however, that no mortgagee or other security holder of the

Common Properties having any interest in such losses may be prohibited from participating in *Cassique* negotiations, if any, relating thereto.

(e) Owner's Insurance. Each Owner shall be solely responsible for obtaining, at each such Owner's sole expense, public liability, property damage or casualty coverage, flood, title, and any other insurance coverage in connection with such Owner's individual Lot, Dwelling Unit, and/or Development Parcel, and all improvements thereon, as each such Owner deems necessary or appropriate.

Section 7.02. Damage to or Destruction of the Common Properties, Restricted Common Properties, and Purchased Common Properties.

(a) Should any of the Common Properties, Restricted Common Properties, or Purchased Common Properties, or any other property owned by and/or covered by insurance written in the name of the Association as such trustee for the Association Members, be damaged or destroyed by fire, windstorm, flood, or any other casualty, the Board of Directors, or its agent shall be responsible for timely filing all claims and adjustments arising under such insurance. In such event, the Board shall be further responsible for obtaining detailed estimates for repairing or restoring and/or reconstructing such damaged property to substantially the same condition as existed prior to such casualty, and such estimates must be obtained by the Board from reputable, reliable, licensed individuals or companies. The Association shall restore, repair, or replace such damaged improvements, including structures, trees, shrubbery, fences, lawns, boardwalks, docks, piers, landscaping, signage, personal property, and natural vegetation, within sixty (60) days of such damage or destruction, or as soon thereafter as reasonably possible under the circumstances.

(b) In the event insurance proceeds, if any, are insufficient to repair, restore, and/or replace such damaged or destroyed property and reserve funds as may have been appropriated or established for such purpose are, in the sole discretion of the Board, insufficient or inadequate to defray the costs thereof, or would unreasonably deplete such reserve funds, the Board may levy a Special Assessment against all Owners, and a Special Usage Fee against the Club, without the necessity of a vote of the Association Members, in an amount sufficient to provide adequate funds to pay such excess costs of repair, reconstruction, or replacement. Such a Special Assessment shall be levied against the Owners in the same manner as Annual Assessments are levied, and additional Assessments may be made at any time during or following the completion of any repair, reconstruction, or replacement. Such Special Usage Fee shall be levied against the Club pursuant to the provisions of Section 5.10(f) hereof, and additional Special Usage Fees may be made at any time during or following the completion of any repair, reconstruction, or replacement. Any and all sums paid to the Association under and by virtue of such Special Assessments and Special Usage Fees shall be held by and for the benefit of the Association together with the insurance proceeds, if any, for such damage or destruction. Such insurance proceeds, if any, the Assessments and Special Usage Fees shall be disbursed by the Association in payment of such repair, reconstruction, or replacement pursuant to and in accordance with such method of distribution as is established by the Board of Directors.

(c) Any funds remaining after defraying such costs shall be retained by and for the benefit of the Association. Special Assessments and Special Usage Fees levied according to this Section may include but are not limited to Special Assessments and Special Usage Fees for insurance deductibles, temporary emergency repairs and uninsured losses as well as the legal or other costs of collection.

ARTICLE VIII

LITIGATION AND ALTERNATIVE DISPUTE RESOLUTION

Section 8.01 Agreement to Avoid Costs of Litigation and to Limit Right to Litigate Disputes. The Association, Owners and any person not otherwise subject to the Declaration who agrees to submit to this Article VIII (collectively, "Bound Parties") agree to encourage the amicable resolution of disputes against the Declarant, the Association, the Club, and/or KRA, L.P. involving the Declaration or the Subdivision, and to avoid the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that all claims, grievances or disputes between a Bound Party and the Declarant, the Association, the Club, and/or KRA, L.P. involving these Association Covenants or the Subdivision, including without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement thereof, shall be subject to the procedures set forth in Article V of the *Cassique* General Covenants, except for "Exempt Claims" under Section 5.02 of the *Cassique* General Covenants.

Section 8.02. Litigation. No judicial or administrative proceeding with an amount in controversy exceeding \$25,000.00, shall be commenced or prosecuted by the Association unless approved by Association Members representing at least seventy-five (75%) percent of the total votes of the Association voting in person or by proxy, at a meeting at which a quorum is present, duly called, in whole or in part, for the purpose of approving such proceeding. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of these Association Covenants (including, without limitations, the foreclosure of liens); (b) the imposition and collection of Assessments or Transfer Fees as provided in Article VI; (c) the imposition and collection of the Usage Fee and Special Usage Fee as provided in Article VI; (d) proceedings involving challenges to ad valorem taxation; (e) counterclaims brought by the Association in proceedings instituted against it; or (f) actions brought by the Association to enforce written contracts with its suppliers and service providers. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above. This provision shall apply in addition to the negotiation and arbitration provisions of this Article VIII, if applicable.

ARTICLE IX

GENERAL PROVISIONS

Section 9.01. Control By Declarant. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THESE ASSOCIATION COVENANTS, IN THE ARTICLES OF INCORPORATION, OR IN THE BY-LAWS OF THE ASSOCIATION, Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following dates: (i) December 31, 2040; (ii) the date on which Declarant has conveyed to Owners, other than Declarant, Lots representing one hundred (100%) percent of the total number of Lots to be developed on all of the Property and the Additional Property, as such number is set forth in a Supplemental Declaration making specific reference to this Section; or (iii) the date Declarant terminates its Class B Association Membership by an express amendment to these Association Covenants executed and filed in the R.M.C. Office for Charleston County by Declarant. Until Supplemental Declarations setting the total number of Lots to be developed on all of the Property and the Additional Property are filed, such total number shall be deemed to be 275. The first to occur of such dates shall be known and referred to as the "**Date of Transition.**" Every grantee of any interest in the Subdivision, by acceptance of a deed or

other conveyance of such interest, agrees that Declarant shall have the authority to appoint directors and officers of the Association until the Date of Transition in accordance with the foregoing provisions of this Section 9.01. The provisions of this Section are supplemental to, and not in substitution of, any other rights retained by Declarant pursuant to these Association Covenants.

(a) Voting Agreement and Proxy. By acceptance of a deed or other conveyance of an interest, all Association Members do hereby grant, and if further required, do agree to vote in a manner to provide, to Declarant all voting rights and other corporate powers specifically reserved to and designated for Declarant under these Association Covenants. IN CONNECTION WITH THIS VOTING AGREEMENT, EACH ASSOCIATION MEMBER APPOINTS DECLARANT AS PROXY FOR SUCH ASSOCIATION MEMBER WITH FULL POWER OF SUBSTITUTION TO VOTE FOR THE ASSOCIATION MEMBER ON ALL SUCH MATTERS ON WHICH THE ASSOCIATION MEMBER MAY BE ENTITLED TO VOTE, AND WITH RESPECT TO WHICH THERE IS A RESERVATION OR DESIGNATION OF VOTING RIGHTS IN DECLARANT UNDER THESE ASSOCIATION COVENANTS, AND WITH ALL POWERS WHICH THE ASSOCIATION MEMBER WOULD POSSESS IF PERSONALLY PRESENT AT ANY MEETING OF ASSOCIATION MEMBERS. SUCH APPOINTMENT SHALL BE, UPON ACCEPTANCE OF A DEED OR OTHER CONVEYANCE BY THE ASSOCIATION MEMBER AND WITHOUT THE NECESSITY OF FURTHER ACTION BY THE DECLARANT OR THE ASSOCIATION MEMBER, A POWER COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE. Such appointment shall be effective as of the date on which a deed or other conveyance of an interest to the Owner/Association Member is filed in the R.M.C. Office. This irrevocable proxy shall automatically terminate on the Date of Transition. The within voting agreement and proxy are in addition to, and not in substitution of, all rights of Declarant herein provided, which shall run with the Property.

(b) Creation of New Board of Directors. Upon the Date of Transition, the right to appoint and remove any member or members of the Board of Directors or any officer or officers of the Association shall pass to the Owners, including Declarant if Declarant then owns one or more properties subject to these Association Covenants; and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board of Directors at the end of the ensuing term of the then-current Board, and Declarant shall deliver all books, accounts, and records, if any, which Declarant has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period and which Declarant has in its possession.

Section 9.02. Duration. The covenants and restrictions of these Association Covenants shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Declarant, the Association, the Club, KRA, L.P., or any Owner, their respective, heirs, personal representatives, successors, successors-in-title and assigns, for a period of twenty-five (25) years from the date of recordation of these Association Covenants in the R.M.C. Office. Upon the expiration of said twenty-five (25) year period, these Association Covenants shall be automatically renewed and extended for additional successive ten (10) year periods; provided, however, that there shall be no renewal or extension of these Association Covenants if during the last year of the initial twenty-five year period, or the last year of any subsequent ten year renewal period, three-fourths (3/4ths) of the votes cast at a duly held meeting of the Association votes in favor to terminate these Association Covenants at the end of its then current term. It shall be required that written notice of any meeting at which such a proposal to terminate these Association Covenants is to be considered, setting forth the fact that such a proposal will be considered, shall be given each Association Member at least thirty (30) days in advance of said meeting. In the event the Association Members vote to terminate these Association

Covenants, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of the Association Members, the total number of votes required to constitute a quorum at the meeting of the Association, the number of votes necessary to adopt a resolution terminating these Association Covenants, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution. Said certificate shall be made of record and may be relied upon for the correctness of the facts contained therein as they relate to the termination of these Association Covenants. Further, no such termination shall be effective without the written consent of (i) Declarant, so long as Declarant retains its Class B Association Membership; and (ii) KRA, L.P. and the Club, their successors and/or assigns, so long as either retains a Class C Association Membership.

Section 9.03. Amendments.

(a) Until the Date of Transition, Declarant may amend these Association Covenants by a recorded instrument and without the approval of any Owner or Mortgagee; provided, however, that, with the exception of the addition of any portion of the Additional Property to the terms of these Association Covenants, in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of his property or the Common Properties as set forth in these Association Covenants or adversely affects the title to any property, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby; in the event that such amendment, in Declarant's sole discretion, would materially and adversely affect the security title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected; and in the event that such amendment also is an amendment to the By-Laws, the amendment will be adopted pursuant to the applicable procedures of the By-Laws. Notwithstanding the foregoing to the contrary, the Date of Transition shall not effect and/or terminate Declarant's right to amend the Declaration for the purpose of submitting the Additional Property or any portion thereof to the provisions of these Association Covenants. Any amendment made pursuant to this Section 9.03(a) shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required, and shall be effective only upon it being filed in the R.M.C. Office or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to his property within the Subdivision, agrees to be bound by such amendments as are permitted by this Section 9.03 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of these Association Covenants or any other instruments relating to the Subdivision if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule, or regulation or any judicial determination which shall be in conflict therewith, if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any properties subject to these Association Covenants, if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on any properties subject to these Association Covenants, or if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on the properties or other improvements subject to these Association Covenants.

(b) Declarant specifically reserves for itself and its successors and assigns, the exclusive right and privilege to amend these Association Covenants at any time to correct typographical, clerical, or

scrivener's errors, by written instrument duly recorded in the R.M.C. Office, with or without the prior consent or approval of either any Owner or Mortgagee holding a lien on any property within the Subdivision.

(c) In addition, so long as Declarant retains its Class B Association Membership, Declarant shall further have the right and privilege to amend these Association Covenants in other respects with the written consent or approval of the Owners of no less than twenty-five percent (25%) of the Lots, and the Owners of any Development Parcels within the Subdivision, but without the written consent of the respective Mortgagees holding a lien on any such properties. Any amendment made pursuant to this Section shall be effective only upon the date of recordation of such instrument in the R.M.C. Office or such other later date as may be specified in such amendment; and each Owner, by the acceptance and recordation of a deed of conveyance agrees for himself, and his successors in title to such property, to be bound by such amendments hereto as are permitted under this Section.

(d) In addition to the Declarant's rights to amend set forth above, these Association Covenants may be amended at any time by an instrument signed by the Owners of not less than two-thirds (2/3rds) of the Lots and any Development Parcels, if any; provided, however, that so long as Declarant remains a Class B Association Member, or the Club or KRA, L.P. are Class C Association Members, no amendment shall be valid unless approved in writing in advance by Declarant, the Club, and KRA, L.P. Such amendment prior to its execution shall first be subject to the notice, voting, and meeting requirements set forth in the By-Laws, and must be approved by at least two-thirds (2/3rds) of the total votes held by the Owners.

(i) The agreement of the required percentage of Owners and, when required, the Declarant, the Club, and KRA, L.P. to any amendment of these Association Covenants shall be evidenced by their execution of such amendment, or, in the alternative, the sworn statement of the President of the Association attached to or incorporated in the amendment executed by the Owners, stating that the agreement of the required parties was lawfully obtained in accordance with these Association Covenants and the By-Laws of the Association. For purposes of execution of any such amendment, all Owners, if more than one, must sign such amendment for such Lot and Development Parcel to be included in the determination set forth above, except in such instance as set forth in the By-Laws.

Section 9.04. Enforcement and Waiver.

(a) Subject to the provisions of this Declaration, Declarant, the Association, any Owner, the Club, and KRA, L.P. each shall have the right to enforce, by any proceeding at law or in equity, all restrictions, covenants, conditions, easements, reservations, liens, and charges now or hereafter imposed by the provisions of these Association Covenants. Failure by Declarant, the Association, any Owner, the Club, and KRA, L.P. to enforce in whole or in part any covenant or restriction herein contained, regardless of the number or kind of violations or breaches which may have occurred, shall in no event be deemed a waiver of the right to do so thereafter. These Association Covenants shall be governed by, construed, and is enforceable under the laws of the State of South Carolina.

(b) Subject to the provisions hereof, upon the violation of these Association Covenants, the *Cassique* General Covenants, the Bylaws, or any rules and regulations duly adopted by the Board of Directors, including, without limitation, the failure to timely pay any Assessments, the Board will have the power (i) to impose reasonable monetary fines which will constitute an equitable charge and a continuing lien as a specific Assessment, (ii) to suspend an Owner-Member's right to vote in the Association, or (iii) to suspend an Owner's or Occupant's right to use any of the Common Areas. The Board will have the power to impose

all or any combination of these sanctions, and may establish each day a violation remains uncured as a separate violation for which a fine is due; provided, however, an Owner's access to its property over the private roads and streets constituting Common Areas will not be terminated hereunder. A Resident or tenant will be subject to the foregoing sanctions in the event of such a violation by such Resident or tenant. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days.

(c) Procedure. Except with respect to the failure to pay Assessments, the Board will not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner, resident or Tenant for violations of these Association Covenants, the *Cassique* General Covenants, the Bylaws, or any rules and regulations duly adopted by the Board of Directors, unless and until the following procedure is followed:

(i) Demand to Cease and Desist. Written demand to cease and desist from an alleged violation will be served upon the Owner responsible for such violation specifying:

- (1) The alleged violation;
- (2) The action required to abate the violation; and
- (3) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of Association Covenants, the *Cassique* General Covenants, the Bylaws, or any rules and regulations duly adopted by the Board of Directors may result in the imposition of sanctions after notice and hearing.

(ii) Notice of Hearing. Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board may serve such Owner with written notice of a hearing to be held by the Board in executive session. The notice will contain:

- (1) The nature of the alleged violation;
- (2) The time and place of the hearing, which time will be not less than ten (10) days from the giving of the notice;
- (3) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his behalf; and
- (4) The proposed sanction to be imposed.

(iii) Hearing. The hearing will be held in executive session of the Board of Directors pursuant to the notice and will afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice together with a statement of the date and matter of delivery is entered by the officer, director, or other individual who delivered such notice. The notice requirement will be deemed satisfied if an alleged violator appears at the meeting. The

minutes of the meeting will contain a written statement of the results of the hearing and the sanction imposed, if any.

Section 9.05. No Partition. There shall be no judicial partition of the Subdivision or any part thereof, nor shall any person acquiring any interest in the Subdivision or any part thereof seek any such judicial partition unless the Subdivision has been removed from the provisions of these Association Covenants.

Section 9.06. Interpretation. The Board of Directors shall have the right to determine all questions arising in connection with these Association Covenants and the By-Laws and to construe and interpret its provisions, and its determination, construction, or interpretation shall be final and binding upon the Owners. In all cases, the provisions of these Association Covenants and the By-Laws shall be given the interpretation or construction, in the opinion of the Board, that will best preserve, protect, maintain, and benefit the properties within *Cassique*.

Section 9.07. Severability. Should any covenant or restriction herein contained, or any Article, Section, subsection, sentence, clause, phrase, or term of these Association Covenants be declared or rendered void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto or the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

Section 9.08. Authorized Action. All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in a manner provided for in the By-Laws of the Association, unless the terms of this instrument provide otherwise.

Section 9.09. Assignment. Declarant reserves the right to assign to the Association, the Club, KRA, L.P., or any one or more persons, firms, corporations, partnerships, or associations, any and all rights, powers, duties, easements and estates reserved or given to the Declarant in these Association Covenants, including, without limitation, the right to grant and assign utility easements from time to time over, under, and within the Common Properties.

Section 9.10. Notice. Any notice, demand, or other instrument or written communication required or permitted to be given, served, made or delivered to Declarant hereunder shall be given, served, made or delivered first by facsimile at the telephone numbers set forth below, and by mailing the original thereof by certified mail, return receipt requested, postage prepaid, or by overnight courier (e.g., Federal Express), addressed as follows:

Kiawah Development Partners, Inc.
Attn: Townsend P. Clarkson
Chief Operating Officer
Post Office Box 12001
Charleston, SC 29422
Facsimile # (843) 768-1750

With Copies to:

Leonard L. Long, Jr., Esq.
211 King Street, Suite 330
Charleston, SC 29401
Facsimile # (843) 723-2058

or to such other addresses as Declarant may request by written notice to the Owners. Any such notice, demand or other instrument or written communication given by facsimile as above provided shall be deemed to have been given, served, made or delivered when such facsimile transmittal can be confirmed by the sending party by means of a facsimile confirmation notice evidencing that all pages were transmitted. Any such notice, demand, or other instrument of written communication mailed as above provided shall be deemed to have been given, served, made, or delivered at the time that it was personally served or with sufficient postage placed in the mail, certified return receipt requested, or delivered to an overnight courier (e.g., Federal Express). Delivery of any notice, demand or communication to an Owner shall be made in accordance with Article III of the By-Laws.

Section 9.11. Limited Liability.

(a) Neither Declarant, nor the Association shall be liable for injury or damage to any person or property (i) caused by the elements or by any Owner or any other person; (ii) caused in whole or in part from rain or other surface water or any tidal waters which may leak or flow from and/or on or along any portion of the Common Properties or easement areas; or (iii) caused by the malfunction or failure of any pipe, plumbing, drain, conduit, pump, road, appliance, structure, dock, pier, equipment, security system or apparatus, utility line, or facility which the Association is responsible for maintaining.

(b) The Declarant and the Association shall not be liable to any Owner for loss or damage, by theft or otherwise, of any property of such Owner which may be stored or left in or upon any portion of the Common Properties, Restricted Common Properties, Purchased Common Properties, or any other portion of the Subdivision, nor any alleged trespass or damage resulting from entering upon any Lot or Development Parcel under any authority provided expressly or implicitly herein and taking actions thereon as are allowable hereunder.

(c) Further, no diminution, abatement, set-off or deferral of Assessments, Usage Fees, Special Usage Fees, Transfer Fees, or any dues or charges shall be claimed or allowed by reason of any alleged failure of Declarant or the Association to take action or perform a function required to be taken or performed by Declarant or the Association under these Association Covenants, or for inconvenience or discomfort arising from the making of improvements or repairs which are the responsibility of Declarant or the Association, or from any action taken by them to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay any such Assessment or Transfer Fee authorized herein being separate and independent obligations on the part of each Owner, and the obligation to pay such Usage Fee and Special Usage Fee being a separate and independent obligation on the part of the Club or KRA, L.P., as the case may be.

Section 9.12. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and non-personal entities, as well as the singular and plural wherever the context requires or permits.

Section 9.13. Construction. The language in all of the parts of these Association Covenants and the By-Laws shall be construed as a whole according to its fair meaning, and not strictly for or against either Declarant, the Association, the Club, KRA, L.P., or the Owners. By the acceptance and the recordation of a deed of conveyance to any Owner in the R.M.C. Office, such Owner acknowledges that such Owner and/or his legal counsel have reviewed these Association Covenants, and that any rule of construction to the effect

that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of these Association Covenants, the By-Laws, or any amendments thereto.

Section 9.14. Termination of Association.

(a) In the event these Association Covenants are declared void, invalid, illegal, or unenforceable in its entirety, or in such a significant manner that the Association is not able to function substantially as contemplated by the terms hereof, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto or the subject matter hereof, and such adjudication occurs within ten (10) years of the date of recording of these Association Covenants, all the Common Properties, Restricted Common Properties, Purchased Common Properties, and other properties belonging to the Association at the time of such adjudication shall revert to the Declarant, its successors and assigns, and the Declarant, its successors and assigns, shall own and operate said the Common Properties, Restricted Common Properties, Purchased Common Properties and other properties as trustee for the use and benefit of the Owners as set forth herein. If said adjudication shall occur on a date more than ten (10) years after the date of recording of these Association Covenants, or if the Owners should vote not to renew and extend these Association Covenants as provided for in Article IX, Section 9.01 hereof, all the Common Properties, Restricted Common Properties, Purchased Common Properties, and other properties owned by the Association at such time shall be transferred by the Association to a trustee appointed by the Court of Common Pleas of Charleston County, South Carolina, which trustee shall own and operate said the Common Properties, Purchased Common Properties, Restricted Common Properties, and other properties for the use and benefit of Owners within the Subdivision as set forth herein.

(b) In any of the foregoing events, each property within the Subdivision shall continue to be subject to the Assessments which shall be paid by the Owner; the Transfer Fees which shall be paid by purchasers of properties within the Subdivision; and the Club (or KRA, L.P. as the case may be) shall continue to be subject to the Usage Fee and Special Usage Fee which shall be paid by the Club or KRA, L.P. to the Declarant or trustee, whichever becomes successor in title to the Association. The amount of the Assessments, Usage Fees, Special Usage Fees, and Transfer Fees which may be charged by the Declarant or trustee shall be established in accordance with the provisions therefor set forth herein.

(c) Any past due Assessments due the Declarant or Trustee, together with any delinquent payment fees thereon, and all costs of collection, interest and reasonable attorneys' fees, shall continue to be the personal obligation of the Owner and a continuing lien on the subject property and all improvements thereon against which the Assessment was made.

(d) Any past due Usage Fees or Special Usage Fees due the Declarant or Trustee, together with delinquent payment fees thereon, and all costs of collection, interest and reasonable attorneys' fees, shall continue to be the obligation of the Club or KRA, L.P. as the case may be, and subject to the rights of Declarant or Trustee to the collection thereof pursuant to the provisions of Section 5.10 hereof.

(e) The Declarant or trustee, as the case may be, shall be required to use the funds collected as Assessments, Usage Fees, Special Usage Fees and Transfer Fees for the operation, maintenance, repair, and preservation of the Subdivision in accordance with these Association Covenants, and the Declarant or trustee may charge as a part of the costs of such services and functions a reasonable fee for its services in carrying out the duties herein provided. Neither the Declarant nor the trustee shall have the obligation to provide for the operation, maintenance, repair, and upkeep of the Common Properties once the funds provided by the Assessments, Usage Fees, Special Usage Fees, and Transfer Fees may have become exhausted.

(f) The Declarant or trustee shall have the right and power to convey title to the Common Properties, Restricted Common Properties, and Purchased Common Properties, and to assign the rights of Declarant and the Association hereunder, provided that such conveyance is first approved in writing by (i) the Owners of not less than fifty-one percent (51%) of the Lots, with each Lot, if more than one Owner, having one collective vote; (ii) the Owners of any Development Parcels within the Subdivision; (iii) the Club and KRA, L.P. so long as either retains a Class C Association Memberships, and provided further, that the transferee accepts title to the Common Properties, Restricted Common Properties, and Purchased Common Properties subject to the limitations and uses imposed hereby, and affirmatively acknowledges in writing its acceptance of the duties imposed hereby. The agreement of the required percentage of Owners to such a conveyance and/or assignment of rights shall be evidenced by the sworn statement executed by the proper authorized officer(s) of Declarant, or the trustee, attached to or incorporated in such instrument executed by the Declarant or trustee, stating that the agreement of the required parties was lawfully obtained in accordance with these Association Covenants.

Section 9.15. Execution of Declaration by the Club and KRA, L.P.

The Club has joined in the execution of these Association Covenants to evidence its agreement for itself and its successors, successors-in-interest and assigns to abide by the covenants, conditions, restrictions, and agreements herein contained, and to pay to the Association the Usage Fee, Special Usage Fees, and any other fees and charges established hereunder.

Kiawah Resort Associates, L.P. has joined in the execution of these Association Covenants to subject its property (more particularly described on Exhibit "A" hereto) to the operation and effect of said Declaration, and to evidence its agreement for itself and its successors, successors-in-title and assigns to abide by the covenants, conditions, restrictions and agreements herein contained.

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Exhibit "A"
Property Description of the Subdivision

Tracts I-A and I-F
(the Residential Tracts)

Tract I-A

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing 81.388 acres, more or less, comprised of 68.147 acres of highland above the DHEC-OCRM Critical Line, and 13.241 acres of marsh or lowland below the DHEC-OCRM Critical Line, and shown and designated as "Tract I-A" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

Tract I-F

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing 78.627 acres, more or less, comprised of 66.388 acres of highland above the DHEC-OCRM Critical Line, and 12.239 acres of marsh or lowland below the DHEC-OCRM Critical Line, and shown and designated as "Tract I-F" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

Tract IV

All that certain piece, parcel, or tract of land situate, lying and being in the County of Charleston, State aforesaid, known and designated as "Tract IV" containing 32.594 acres, more or less, and shown on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A, I-B, I-C, II, III, III-A, IV THRU X, C, D AND A PUMP STATION OWNED BY EAST SEABROOK LIMITED PARTNERSHIP LOCATED IN THE TOWN OF SEABROOK ISLAND AND CHARLESTON COUNTY CHARLESTON COUNTY, SOUTH CAROLINA" dated January 2, 1998, last revised on January 20, 1998, and recorded in Plat Book EC, at pages 285 - 288, in the R.M.C. Office for Charleston County, South Carolina, said tract having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

Tract V

All that certain piece, parcel, or tract of land situate, lying and being in the County of Charleston, State aforesaid, known and designated as "Tract V" containing 9.345 acres, more or less, and shown on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A, I-B, I-C, II, III, III-A, IV THRU X, C, D AND A PUMP STATION OWNED BY EAST SEABROOK LIMITED PARTNERSHIP LOCATED IN THE TOWN OF SEABROOK ISLAND AND CHARLESTON COUNTY CHARLESTON COUNTY, SOUTH CAROLINA" dated January 2, 1998, last revised on January 20, 1998, and recorded in Plat Book EC, at pages 285 - 288, in the R.M.C. Office for Charleston County, South Carolina, said tract having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

Tracts I-C, I-D, and I-E
(the Golf Course Tracts)

Tract I-C

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing 166.219 acres, more or less, comprised of 148.830 acres of highland above the DHEC-OCRM Critical Line, and 17.389 acres of marsh or lowland below the DHEC-OCRM Critical Line, and shown and designated as "Tract I-C" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

Tract I-D

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing 11.643 acres, more or less, of highland above the DHEC-OCRM Critical Line, shown and designated as "Tract I-D" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

Tract I-E

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing 72.329 acres, more or less, comprised of 66.388 acres of highland above the DHEC-OCRM Critical Line, and 12.239 acres of marsh or lowland below the DHEC-OCRM Critical Line, and shown and designated as "Tract I-E" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

Old Cedar Lane

All that certain piece, parcel, or strip of land situate, lying and being in Charleston County, South Carolina, containing 6.659 acres more or less, of highland above the DHEC-OCRM Critical Line, which right-of-way is shown and designated as "Old Cedar Lane" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said strip of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

the Pump Station tract

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing .057 acres, more or less, of highland above the DHEC-OCRM Critical Line, shown and designated as "Pump Station" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

Exhibit "B"

BY-LAWS
OF
THE CASSIQUE HOMEOWNERS'
ASSOCIATION, INC.

Article I - Name and Location

Section 1.01 Name and Principal Office

Article II - Definitions

Section 2.01 Definitions

Article III - Meetings

- Section 3.01 Initial Meetings
- Section 3.02 Annual Meetings
- Section 3.03 Special Meetings
- Section 3.04 Place of Meetings
- Section 3.05 Notice of Meetings, Waiver of Notice
- Section 3.06 Effective Date of Members Notices
- Section 3.07 Voting
- Section 3.08 Quorum Requirements
- Section 3.09 Action Without Meeting
- Section 3.10 Power of Referendum
- Section 3.11 List of Owners and Members of Record
- Section 3.12 Minutes of Meetings

Article IV - Board of Directors

- Section 4.01 Powers and Duties
- Section 4.02 Number, Tenure, Qualifications, and Compensation
- Section 4.03 Removal and Vacancies
- Section 4.04 Quorum and Manner of Acting
- Section 4.05 Meetings
 - (a) Initial Meeting
 - (b) Annual Meeting
 - (c) Special Meetings
 - (d) Notice of Meetings and Waiver of Notice
 - (e) Place of Meetings
 - (f) Minutes of Meetings
- Section 4.06 Voting
- Section 4.07 Informal Action by Directors

Article V - Officers of the Association

- Section 5.01 Designation of Officers
- Section 5.02 Election, Term of Office, Vacancies and Removal
- Section 5.03 Powers and Duties
- Section 5.04 President
- Section 5.05 Vice-President
- Section 5.06 Secretary
- Section 5.07 Treasurer

Article VI - Committees

- Section 6.01 Committees of Directors
- Section 6.02 Other Committees
- Section 6.03 Rules

Article VII - Control

- Section 7.01 Control by Declarant
- Section 7.02 Termination or Assignment of Declarant's Control

Article VIII - Finances and Management

- Section 8.01 Fiscal Year
- Section 8.02 Corporate Records
- Section 8.03 Budget
- Section 8.04 Financial Statements
- Section 8.05 Management of the Association
 - (a) Club as Property Manager
 - (b) Collection of Assessments
 - (c) Collection of Usage Fees and Special Usage Fees
 - (d) Delinquent Payment Fee
 - (e) Payments
 - (f) Bonding
- Section 8.06 Inspection Rights

Article IX - Liability and Indemnification

- Section 9.01 Liability of Directors
- Section 9.02 Indemnification of Directors

Article X - Amendments

- Section 10.01 Amendments

Article XI - Miscellaneous Provisions

- Section 11.01 Merger
- Section 11.02 Dissolution
- Section 11.03 Seal
- Section 11.04 Conflicts
- Section 11.05 Waiver
- Section 11.06 Severability
- Section 11.07 Captions
- Section 11.08 Gender and Number
- Section 11.09 Roberts Rules

**BY-LAWS
OF
THE CASSIQUE HOME OWNERS' ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

Section 1.01. The name of the Association is the "The *Cassique* Home Owners' Association, Inc." The principal office of the Association shall be located at One Kiawah Island Parkway, Kiawah Island, S.C., 29455, but meetings of Association Members and Directors may be held at such places within the State of South Carolina as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 2.01. The words and terms used in the within By-Laws or any supplemental or amended set of By-Laws, unless the context shall clearly indicate otherwise, shall have the same meanings as set forth in the Declaration of Covenants and Restrictions for *Cassique* about to be recorded in the R.M.C. Office, (the "*Cassique* General Covenants"), and the Declaration of Covenants, Restrictions, Provisions, and By-Laws for The *Cassique* Homeowners' Association, Inc. attached hereto and incorporated herein by reference (the "Declaration"). Other definitions may appear throughout this instrument and shall have the meanings more particularly set forth herein.

ARTICLE III

MEETINGS

Section 3.01. Initial Meeting. The initial meeting of the Association shall be held upon notice by the Declarant as soon as the Declarant deems practicable and convenient. The following matters, and such other business as Declarant deems appropriate, shall be the subject of the initial meeting:

- (a) adoption of a fiscal year;
- (b) approval of a budget for a fiscal year;
- (c) determination of the date for commencement of the Annual Assessment, the billing cycle therefor, and the date upon which such installments shall be due and payable;
- (d) determination of the date of the first and subsequent annual meetings; and
- (e) election of the initial three (3) person Board of Directors in accordance with Section 4.02 of these By-Laws.

Section 3.02. Annual Meetings. The annual meetings of the Association shall be held on a date determined by the Board. Any business which is appropriate for action of the Association Members may be transacted at an annual meeting. Annual meetings may be conducted electronically (*i.e.*, *via* the Internet, intranet, or teleconference) if, and to the extent permitted by law.

Section 3.03. Special Meetings. Special meetings of the Association's Members may be demanded and called for any one or more lawful purposes by the Association's President, two (2) Directors, or the holders of record of twenty-five (25%) percent of the total votes of the Association; provided such holders comply with such demand provisions set forth in the Act and these By-Laws. Upon the written, signed, and dated demand, which states the purpose of the meeting, being delivered in accordance with the foregoing to an officer of the Association personally or by registered or certified mail, the President or Secretary on or before the thirtieth (30th) day after the date of such demand shall fix the date and time of the meeting and provide notice thereof to the Association Members in accordance with Section 3.05 hereof.

If the notice of the meeting is not given within thirty (30) days after the demand is made to the officer of the Association, a person signing the demand may set the time and place of the meeting and give notice thereof in accordance with Section 4.05 hereof. Special meetings of the Association Members shall be held at a time and location designated by the person calling the meeting in the notice of the meeting; provided, however, that if the notice does not designate a time and location, such meetings shall be held at the Association's principal office at the hour of ten o'clock in the morning on the date designated in the notice of the meeting. In the event that the President and Directors timely designate different times or locations, then the designations of the Directors shall control; provided, however, any notice changing the time or place of the meeting shall be effective only if timely received by the Association Members in accordance with Section 3.05 hereof.

Section 3.04. Place of Meetings. All meetings of the Association shall be held at such convenient place as the Board of Directors may determine.

Section 3.05. Notice of Meetings, Waiver of Notice. The Association's Secretary shall cause written notice of any Association meeting stating the place, day, and hour thereof to be given in any manner permitted by law. If permitted, notice may be posted in a conspicuous, prominent place within the Subdivision, delivered by hand delivery, or sent by facsimile, electronic mail, or other electronic communication device, or such other manner which is reasonably calculated, as determined in the Board's discretion, to provide personal notice to the Association Members entitled to notice. Notice shall be given at least ten (10) but less than sixty (60) days before the date of the meeting, by or at the direction of the President, Secretary, or the officers or other persons calling the meeting.

In the case of a Special Meeting or when otherwise required by the Act or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No other business shall be transacted at a special meeting except as stated in the notice.

Notice of a meeting of Association Members need not be given to any Association Member who, in person or by proxy, signs a waiver of notice either before or after the meeting, and such waiver is delivered to the Association for inclusion in the Association's records. To be effective such waiver shall contain statements or recitals sufficient to identify beyond reasonable doubt the meeting to which it applies. Such statements or recitals in such waiver of notice may, but need not necessarily, include the reference to the date and purpose of the meeting and the business transacted thereat. Statement or recital of the proper date of a meeting shall be conclusive identification of the meeting to which a waiver of notice applies unless the waiver contains additional statements or recitals creating a patent ambiguity as to its proper application. An Association Member's attendance at a meeting waives objection to lack of notice or defective notice of

the meeting, unless the Association Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

Section 3.06. Effective Date of Association Member Notices. An oral notice is permissible if the Board determines the same is reasonable under the circumstances, and shall be effective when the same communicated in a comprehensible manner. If posted, notice shall be deemed effective when posted. If mailed, the notice of a meeting shall be deemed delivered as of the earliest of the following:

- (a) When received;
- (b) Five (5) days after its deposit in the United States mail, if mailed correctly addressed with first class postage affixed;
- (c) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee;
- (d) Fifteen (15) days after its deposit in the United States mail, if mailed correctly addressed and with other than first class, registered or certified postage affixed;

Written notice is correctly addressed to an Association Member if addressed to the Association Member's address shown on the Association's current list of Association Members (the "List"). A written notice or report delivered as part of a newsletter, magazine or other publication regularly sent to Association Members constitutes a written notice or report if addressed or delivered to the Association Member's address shown on the List, or in the case of Association Members who are residents of the same household and who have the same address on the List, if addressed or delivered to one of such Association Members, at the address appearing on the List.

Written notice may also be made by such means, other than U.S. mail, as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, Internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

Failure to receive actual notice of an Association meeting shall not affect the validity of any action taken at such meeting.

Section 3.07. Voting.

Association Members shall have such voting rights as are set forth in the Declaration, which provisions are incorporated herein by reference. Association Members may vote at a meeting by voice vote or ballot or may vote by mail without the necessity of a meeting, as determined by the Board; provided, however, that the Board shall hold meetings when required by the Declaration, these By-Laws, or the Act. Votes for the election of Directors shall be cast by secret written ballot. The votes of all Association Members cast at meetings are subject to the quorum requirements of Section 3.08 below. The Board may permit votes to be cast electronically (*i.e.*, via the Internet, intranet, or electronic mail) with sufficient verification and if permitted by law.

Section 3.08. Quorum Requirements. Unless otherwise specified in the Declaration or in these By-Laws, the presence at any meeting of Association Members entitled to cast, or of proxies entitled to cast, fifty-one

(51%) percent of the total votes of the Association shall constitute a quorum for any action taken by or on behalf of the Association. Any Owner who does not execute and return the proxy form sent to such Owner in the required mailing shall be deemed to be present for the purposes of determining the presence of a quorum.

Section 3.09. Action Without Meeting. To the fullest extent permitted by the Act, Association Members may take action without a meeting by written consent as to such matters and in accordance with such requirements and procedures authorized by the Act. Unless otherwise permitted by the Act, such written consent must be signed by the Association Members holding at least eighty (80%) percent of the total votes of the Association, and delivered to the Association for inclusion in the corporate records. Written notice of Association Member approval pursuant to this Section must be given to all Association Members who have not signed such written consent. If written notice is required, Association Member approval pursuant to this Section shall be effective ten (10) days after written notice is given and effective in accordance with Sections 3.05 and 3.06 hereof.

Section 3.10. Power of Referendum. Any vote of Members on a matter which would be cast at an annual, regular or special meeting may be taken, without a meeting, by written ballot delivered to every Member by the Association. The ballot shall set forth the matter to be voted upon and provide thereon a place to vote for or against such matter. Approval by written ballot without a meeting shall be effective only when the number of votes cast by ballot equals or exceed the quorum required to be present had the matter been considered at a meeting, and the number voting for the matter equals or exceeds the number of votes required to approve it had the matter been considered at a meeting at which the requisite quorum is present. A solicitation of votes by ballot shall (1) indicate the record date for Members eligible to vote; (2) indicate the number of returned ballots voting for or against the matter that is required to satisfy the quorum requirement; (3) state the required number of votes or percentage voting in favor of the matter required to approve it (except in the case of election of directors, which shall be by plurality); and (4) state the date and time by which a Member's completed ballot must be received by the Secretary in order to be counted in the vote to be taken. A ballot, once delivered to the Secretary, may not be revoked. A Member's signed ballot shall be delivered to the Secretary by hand delivery, by U.S. mail, or by such other means as shall be permitted under South Carolina law, including, but not limited to and if allowed, overnight courier service, facsimile and e-mail transmission, Internet form submission, or by any other technology or medium, now existing or hereafter devised, provided in every such case the sender retains proof of transmission and receipt.

Section 3.11. List of Owners and Association Members of Record. For the purpose of determining Association Members entitled to vote at any meeting of Association Members, or in connection with any other proper purpose requiring a determination of Association Members, the Board of Directors shall by resolution fix a record date for such determination. Unless otherwise provided for in advance by resolution of the Board of Directors, the record date set by the Board of Directors shall be no more than seventy (70) days, and not less than the last day for timely giving notice, before the meeting or action requiring a determination of Association Members is to occur. If the Board of Directors fails to set a record date, the Association Members at the close of business on the business day on which notice is given or, if notice is waived, at the close of business on the business day preceding the day on which the meeting is held are entitled to notice of the meeting and to vote thereat. The Association Members of record appearing in the books of the Association at the close of business on the record date so fixed shall constitute the Association Members in respect of the activity in question. A determination of Association Members of record entitled

to notice of or to vote at a meeting of Association Members is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote, which it must do if the meeting is adjourned to a date more than one hundred twenty (120) days after the record date for determining Association Members entitled to notice of the original meeting. After fixing a record date for notice of a meeting, the Association shall prepare an alphabetical list of names of all Association Members who are entitled to notice of the meeting and shall list the Association Members by classification of Association Membership, if any. The list shall show the address and number of votes each Association Member is entitled to vote at the meeting. The Association shall prepare on a current basis through the time of the Association Membership meeting a list of Association Members, if any, who are entitled to vote at the meeting but not entitled to notice of the meeting. This list must be prepared on the same basis and be part of the List of Association Members. Such list of Association Members shall be available for inspection by any Association Members for purposes of communication with other Association Members concerning the meeting, beginning the date after notice is given of the meeting for which the list was prepared and continuing through the meeting, at the Association's principal office. Subject to the limitations of Sections 33-31-720, 33-31-1602(c) and 33-31-1605 of the Act, as amended, an Association Member, Association Member's agent, or Association Member's attorney shall be entitled on written demand, at the Association Member's expense, to inspect and copy the List at a reasonable time during the period it is available for inspection. The Association shall make the List of Association Members available at the meeting, and any Association Member, an Association Member's agent, or Association Member's attorney shall be entitled to inspect the List at any time during the meeting or any adjournment. Notwithstanding the foregoing, an Association Member may inspect and copy the Association Membership list only if (i) his demand is made in good faith and for a proper purpose; (ii) he describes with reasonable particularity his purpose; and (iii) the List is directly connected with his purpose.

Section 3.12. Minutes of Meetings. The Secretary of the Association shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Association. The minutes shall be made available for examination by any Association Member at the office of the Association during normal business hours.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.01. Powers and Duties. The Association shall be governed and its business affairs managed by and through a Board of Directors. The powers herein granted to the Association may be exercised by such Board of Directors acting through the Officers of the Association as provided for in Article V hereof, without any further consent of the Owner and Association Members, except as may be limited or otherwise required by provisions of the Act, the Declaration, the within By-Laws, or the Articles of Incorporation of the Association.

The Board of Directors shall have the authority to carry out the powers and functions of the Association set forth in the Declaration and in addition thereto, the following powers and duties:

(a) to adopt and publish rules and regulations governing the use of the Common Properties, Restricted Common Properties and Purchased Common Properties, rights, amenities, personal property, and

facilities, and the personal conduct of the Association Members and their guests and invitees thereon, and to establish penalties for the infraction thereof; provided, however, that such rules and regulations to not prohibit or impede access by the non-Owner Club Members or their guests to and from the Club Facilities, or preclude or diminish their use and enjoyment thereof;

(b) to suspend the voting rights and right to use the Common Properties, Restricted Common Properties and Purchased Common Properties, together with any other amenities and facilities, if any, of an Owner during any period in which such Owner shall be in default in the payment of any Assessment levied by the Association, subject to the requirements set forth in Section 6.10 of the Declaration;

(c) to suspend the voting rights of the Club or KRA, LP. during any period in which the Club or KRA, L.P. shall be in default in the payment of the Usage Fees or Special Usage Fees, subject to the requirements set forth in Section 5.10 of the Declaration;

(d) to exercise for and on behalf of the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Association Membership by other provisions of these By-Laws or the Declaration;

(e) to employ a Property manager as set forth in Section 9.06 hereof, security guards, independent contractors, or such other employees as the Board may deem necessary, to prescribe their duties and enter into contracts in connection therewith;

(f) to grant utility, ingress/egress, and other easements on, over, and across the Common Properties, Purchased Common Properties, or Restricted Common Properties;

(g) to sell, transfer, or convey portions of the Common Properties, Restricted Common Properties, and Purchased Common Properties without a vote of the Association Members in order to (i) divest the Association of properties which are not necessary for the functions and services which the Association is authorized to carry out and deliver; (ii) correct errors or mistakes in deeds or easements to or from the Association; and (iii) to adjust the boundary lines of such Common Properties, Restricted Common Properties, and Purchased Common Properties in accordance with Section 5.08 of the Declaration.

(h) to exercise for the Association all powers and authority necessary to carry out the intent of the Declaration and the By-Laws;

(i) to cause to be kept a complete record of all acts and affairs of the Association and to present a statement thereof to the Association Members at any annual or special meetings of the Association when such statement is requested in writing by a one-third (1/3rd) vote of the Association Members;

(j) to supervise all Officers, agents, and employees of the Association and to see that their respective duties are properly performed;

(k) to perform or cause to be performed such action(s) and services as are set forth in the Declaration and/or prescribed by the Association including, but not limited to:

- (i) determining the amount of the annual budgets and fixing and levying the amounts of all Assessments, the Usage Fee, and Special Usage Fees;
- (ii) sending written notice of all Assessments to every Owner subject thereto, and sending written notice of the Usage Fee and Special Usage Fees to the Club; and
- (iii) in the discretion of the Board, foreclosing the lien against any Lot or Development Parcel for which Assessments are not paid within thirty (30) days after the due date or to bring an action at law against any Owner personally obligated to pay the same;
- (iv) in the discretion of the Board, to bring an action at law against the Club or KRA, L.P. in the event the Usage Fee and/or Special Usage Fees are not paid to the Association within sixty (60) days after the due date.

(l) to enforce by legal means the provisions of the Articles of Incorporation, the Declaration, these By-Laws, and the rules and regulations promulgated by the Board;

(m) to pay all costs associated with the Common Properties, Restricted Common Properties, and Purchased Common Properties, including taxes, assessments, power, water, sewer, and other utility services and all other charges in connection with the operation and maintenance thereof, and/or the operation and affairs of the Association, rendered to the Association and not billed to the Owners of Lots, Dwelling Units, Development Parcels, the Club, or KRA, L.P.

(n) to the extent provided by law, the Board shall have the power and authority to borrow money, pledge or mortgage the properties of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its authorized functions. Notwithstanding anything in the Declaration to the contrary, the Association shall not be allowed to reduce the limits of the minimum regular assessments at any time there are outstanding any amounts in repayment of any such loans.

(o) to implement erosion control steps and/or devices and to levy Assessments, Usage Fees, and Special Usage Fees therefor, should the Board of Directors determine that such steps and/or devices are necessary; and

(p) to exercise for the Association all powers, duties and authority vested in or delegated to the Association by the Declaration and not reserved to the Association Members by other provisions of these By-Laws, the Declaration, the Articles of Incorporation, or the Act.

Section 4.02. Number, Tenure, Qualifications, and Compensation. The initial Board of Directors shall consist of three (3) members appointed by Declarant. Such initial Board of Directors shall serve and Declarant shall have the right to appoint or remove any member or members of the Board of Directors until Declarant relinquishes control of the Association as set forth in Section 9.01 of the Declaration. Thereafter, the Board of Directors shall consist of three (3) members, two (2) of which shall be elected by the Association Members, and a third member appointed by the Class C Association Member. Each Director shall serve for a term of three (3) consecutive years. No cumulative voting is allowed, and Directors need

not be Owners or Association Members. Directors shall not receive any salaries for their services, but by resolution of the Board, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as a Director. Nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

Section 4.03. Removal and Vacancies. Subject to the provisions of the Declaration, any Director may be removed from the Board by the Declarant so long as Declarant retains control of the Association pursuant to Section 9.01 of the Declaration, or by written consent of the Declarant and a majority vote of the Association Members after providing written notice of the removal to the Director and the Association's President. In the event Declarant has relinquished control of the Association, then any Director elected by the Association Members may be removed by majority vote of the Association Members. A Director elected by the Association Members may be removed by the Association Members only at a meeting called for the purpose of removing the Director, and the meeting notice states that the purpose, or one of the purposes, is the removal of the Director.

Vacancies in the Board of Directors shall be filled by Declarant so long as Declarant retains control of the Association. Thereafter, the Directors elected by the Association Members shall be appointed by a majority of the remaining Directors, and the Director appointed by the Class C Association Member shall be appointed by the Class C Association Member. The term of such newly appointed Director shall expire simultaneously with the term of the remaining Directors.

Section 4.04. Quorum and Manner of Acting. A majority of the Board of Directors actually holding office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If a quorum is not present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum is present. The act of a majority of Directors present at a meeting at which a quorum is present shall be the act of and binding upon the Board of Directors.

Section 4.05. Meetings.

(a) **Initial Meeting.** The initial meeting of the Association shall be held upon notice by the Declarant as soon as the Declarant deems practicable and convenient.

(b) **Annual Meetings.** An annual meeting of the Board of Directors shall be called and held for the purpose of annual organization, changes in the established number of Directors, if any, appointment of Officers and committees, and the transaction of any other business. If such meeting is held promptly after and at the place specified for the annual meeting of Association Members, no notice of the Annual meeting of the Board of Directors need be given. Otherwise, such annual meeting of the Board of Directors shall be held at such time (at any time prior to and not more than thirty (30) days after the annual meeting of the Association Members), and place as may be specified in the notice of the meeting. The Board of Directors may by resolution provide for the holding of additional regular meetings without notice other than such resolution; provided, however, the resolution shall fix the dates, times and places (which may be anywhere within or without the State of the Association's principal office) for these regular meetings. Except as otherwise provided by law, any business may be transacted at any annual or regular meeting of the Board of Directors.

(c) Special Meetings. Special meetings of the Board of Directors may be called for any lawful purpose or purposes by the President or a majority of the Directors by giving notice thereof to the Board members as provided herein. The person calling a special meeting shall give, or cause to be given, to each Director at his business address, notice of the date, time and place of the meeting by any means of communication acceptable under the Act not less than two (2) days prior thereto. An oral notice is permissible if reasonable under the circumstances and is effective when communicated in a comprehensible manner.

Written notice is correctly addressed to a Director if addressed to the Director's business address shown on the Corporation's current records. If notice is given by telegram, the notice shall be deemed delivered when the telegram is delivered to the telegraph company and the transmission fee therefor is paid. If notice is given by telecopier facsimile transmission, the notice shall be deemed delivered when the facsimile of the notice is transmitted to a telecopier facsimile receipt number designated by the receiving Director, if any, so long as Director transmits to the sender an acknowledgment of receipt. The notice of a special meeting shall describe the purpose of such special meeting. Any time or place fixed for a special meeting must permit participation in the meeting by means of telecommunications as authorized below.

(d) Notice of Meetings and Waiver of Notice. When notice of any meeting of the Board is required, such notice shall be given one day (or at least two days' notice to each Director of the date, time, and place, of the meeting in the case of a special meeting of the Board) prior to such meeting by notice either personally to a Director or by sending a copy of the notice by first class U.S. Mail, postage thereon fully prepaid, or by overnight courier to such address as shown on the records of the Association for its Director. Any Director may waive notice of any meeting at or before the time of the meeting stated herein, and attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, or the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice at such meeting, unless specifically provided by law, the Articles of Incorporation, these By-Laws or the Declaration.

(e) Place of Meetings. All meetings of the Directors shall be held at such convenient place as the Board may determine.

(f) Minutes of Meetings. The Secretary of the Association shall prepare and keep, or cause to be prepared and kept, accurate minutes of every meeting of the Board of Directors. A copy of the minutes shall be made available for examination by any Association Member at the office of the Association during normal business hours.

Section 4.06. Voting. Each Director shall have one vote on all matters acted upon by the Board of Directors. The affirmative vote of a majority of the Directors shall be sufficient for any action unless otherwise specified in these By-Laws. However, if any action or matter being voted upon by the Board in any way affects or pertains to the Club and/or the Club Facilities, such action or matter shall require the vote of the Director appointed by the Club.

Section 4.07. Informal Action by Directors. Any action required or permitted by law to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent or consents, in writing, setting forth the action so taken shall be signed by all of the Directors, which consent(s) shall be filed with the Secretary of the Association as part of the Association's records. Telephone conference meetings where the action of the Board is subsequently reduced to a written memorandum and signed by all the Directors within seven (7) days after the telephone conference shall be effective as if occurring at a duly called meeting. Actions under this Section are effective when the last Director executes a consent.

ARTICLE V

OFFICERS OF THE ASSOCIATION

Section 5.01. Designation of Officers. The Officers of the Association shall be a President, Vice President, Secretary, and/or Treasurer, or as otherwise determined by the Board of Directors, in their sole discretion. The Board of Directors may further elect such other Officers as they deem necessary or desirable and such Officers shall have the authority to perform the duties prescribed by the Board of Directors, from time to time. Any two or more offices may be held by the same person. The President shall be a Director of the Association, and other Officers may be, but need not be either Directors of the Association, Owners, or Association Members.

Section 5.02. Election, Term of Office, Vacancies and Removal, and Compensation. The Officers of the Association shall be appointed and removed by the Declarant until Declarant relinquishes control of the Association as set forth in Section 9.01 of the Declaration. Thereafter, the Officers shall be elected annually by the Board of Directors following each annual meeting of the Association Members. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by Declarant so long as Declarant retains control of the Association as aforesaid, and thereafter, by the Board of Directors, for the unexpired portion of the term. Any Officer may be removed by the Declarant or the Board of Directors whenever, in their sole discretion, such removal is in the best interest of the Association. Officers shall not receive any salaries for their services, but by resolution of the Board, any Officer may be reimbursed for his actual expenses incurred in the performance of his duties as an Officer. Nothing herein contained shall be construed to preclude any Officer from serving the Association in any other capacity and receiving compensation therefor.

Section 5.03. Powers and Duties. The Officers of the Association shall have such powers and duties as generally pertain to their respective offices, and such other powers and duties as may be prescribed or imposed by the Board of Directors, from time to time.

Section 5.04. President. The President shall be the chief executive officer of the Association and shall be a member of the Board of Directors. The President shall execute on behalf of the Association all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly delegated by the Board to another Officer or agent. The President shall preside at all meetings of the Association and the Board of Directors and shall have all general powers and duties which are customarily vested in the office of President of a property owners' association, including the power to appoint committees.

Section 5.05. Vice-President. The Vice President shall act under the direction of the President and shall perform such duties as may be imposed by the Board. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the President.

Section 5.06. Secretary. The Secretary shall act under the direction of the President and subject to the direction of the President shall attend all meetings of the Board and the Association, and record the proceedings thereof. The Secretary shall give or cause to be given, notice of all meetings of the Association and the Board as required hereunder, and shall perform such other duties as may be prescribed by the President and the Board of Directors.

Section 5.07. Treasurer. The Treasurer shall act under the direction of the President and shall keep or be responsible for keeping the accounts of the Association. The Treasurer shall disburse the funds of the Association as may be ordered by the President or the Board of Directors and shall render upon request or at the regular meetings of the Board of Directors an account of all transactions of the Association and its financial condition. The Treasurer shall be further responsible for mailing or having mailed all Assessment, meeting, and proxy notices and shall keep current the List of all Owners and Association Members required under Section 4.10 hereof.

ARTICLE VI

COMMITTEES

Section 6.01. Committees of Directors. Subject to the Act, the Board may designate one or more committees, each of which shall consist of two or more Directors and such other Association Members as the Board shall determine, which committees to the extent authorized by the Board, shall have and exercise the authority of the Board in the management of the affairs of the Association; provided, however, that no such committee shall have the authority of the Board as to the following matters: (a) the dissolution, merger, or consolidation of the Association; the amendment of the Articles of Incorporation of the Association, or the sale, lease or exchange of all or substantially all of the property of the Association; (b) the designation of any such committee or the filling of vacancies in the Board of Directors or in any such committee; (c) the amendment or repeal of these By-Laws or the Declaration, or the adoption of new By-Laws; (d) the amendment or repeal of any resolution of the Board or (e) any other matter expressly prohibited by the South Carolina Code of Laws.

Section 6.02. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated by a resolution adopted by a majority of Directors present at a duly called meeting. Such committees shall perform such duties and have such powers as may be provided in the resolution, and such committee members need not be Owners or Association Members.

Section 6.03. Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board.

CONTROL

Section 7.01. Control by Declarant. NOTWITHSTANDING ANY OTHER PROVISION IN THE DECLARATION, THE ARTICLES OF INCORPORATION, OR BY-LAWS OF THE ASSOCIATION TO THE CONTRARY, Declarant hereby specifically retains the right, from time to time, to appoint and/or remove any member or members of the Board of Directors until the Date of Transition as set forth in Section 9.01 of the Declaration. Every grantee of an interest in the Subdivision, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and/or remove Directors and Officers of the Association in accordance with the foregoing provisions. Upon the Date of Transition pursuant to Section 9.01 of the Declaration, such right shall pass to the Owners, including Declarant if Declarant is then a Class A Association Member.

Section 7.02. Termination or Assignment of Declarant's Control of the Association. As soon as reasonably possible (but in no event more than sixty {60} days) after the Date of Transition, the Board of Directors shall call a special meeting of the Association wherein the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the previous Board pursuant to the provisions of Section 9.01 of the Declaration.

ARTICLE VIII

FINANCES AND MANAGEMENT

Section 8.01. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors.

Section 8.02. Corporate Records. The Association shall keep as permanent written records a copy of the minutes of all meetings of the Association Members and Board of Directors, a record of all actions taken by the Association Members or Directors without a meeting, and a record of all actions taken by committees of the Board of Directors. The Association shall maintain appropriate accounting records. The Association or its agent shall maintain a record of the name and address, in alphabetical order, of each Association Member. The Association shall keep a copy of the following records at its principal office:

- (a) its articles or restated articles of incorporation and all amendments thereto currently in effect;
- (b) its by-laws or restated by-laws and all amendments thereto currently in effect;
- (c) resolutions adopted by its Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of the Association Members or any class or category of Association Members;
- (d) the minutes of all meetings of Association Members and records of all actions approved by the Association Members for the past three (3) years;
- (e) all written communications to Association Members generally within the past three (3) years, including financial statements furnished for the past three (3) years;
- (f) a list of the names and business or home address of its current Directors and Officers; and
- (g) The Association's most recent report of each type required to be filed by the Association with the South Carolina Secretary of State.

Section 8.03. Budget. The Board of Directors shall prepare and submit the budget, or cause the same to be prepared and submitted to the Association Members in accordance with the provisions of Section 6.03 of the Declaration.

Section 8.04. Financial Statements. The Association, upon written demand from an Association Member, shall furnish to the demanding party the Association's latest annual financial statements which may be consolidated or combined statements of the Association and one or more of its subsidiaries or affiliates, if applicable. Such statements shall include a balance sheet as of the end of the fiscal year and statement of operations for that year. If financial statements are prepared for the Association on the basis of generally accepted accounting principles, the annual financial statements also must be prepared on that basis. If the annual financial statements are reported upon by a public accountant, the accountant's statement must accompany them. If not, the statements must be accompanied by the statement of the President or person responsible for the Association's financial accounting records (1) stating whether or not to the President's or such person's reasonable belief the financial statements were prepared on the basis of generally accepted accounting principles, and if not, describing the basis of preparation, and (2) describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

Section 8.05. Management of the Association.

(a) **Property Manager (the "Manager").** As the Club has a significant interest in the management and efficient operation of the Association and the maintenance of the Common Properties, Declarant has designated the Club as Property Manager for the Association, to assist in the management of the Subdivision and administration of the Association in accordance with the terms and provisions of the Declaration, the By-Laws and the Articles of Incorporation. The Manager shall provide such services and perform such duties as the Board of Directors shall determine and the Manager shall confer fully and freely with the Board of Directors and shall attend meetings of the Board and the Association when so requested by the Board. So long as Declarant retains its Class B Association Membership, the Board of Directors shall not have the power to designate another Property Manager without the prior, written consent of Declarant, its successors and/or assigns.

(b) **Collection of Assessments.** Association Members shall be personally liable for all Assessments and shall pay same promptly when due. The Board of Directors shall take prompt action to collect by suit, foreclosure, or other lawful method any past due Assessment. If any overdue Assessment is collected by an attorney or by action at law, the Association Member owing the same shall be required to pay all reasonable costs of collection, including attorney's fees.

(c) **Collection of Usage Fees and Special Usage Fees.** The Club shall be liable for the payment of the Usage Fee and Special Usage Fees and shall pay same promptly when due. The Board of Directors shall take prompt action to collect by any lawful method any past due Usage Fees and Special Usage Fees. If any overdue Usage Fees and Special Usage Fees are collected by an attorney or by action at law, the Club shall be required to pay all reasonable costs of collection, including attorney's fees.

(d) **Delinquent Payment Fee.** In addition to the interest set forth in Article VI, Section 6.10(b), and Article V, Section 5.10 (d) of the Declaration, an Assessment, Usage Fee, or Special Usage Fee not paid

within thirty (30) days following the date when due shall be subject to a "Delinquent Payment Fee" of one and one-half (1.5%) percent of the unpaid balance per month from the due date and each month or part thereof thereafter so long as the Assessment, Usage Fee, or Special Usage Fee, or any part thereof remains delinquent. The Delinquent Payment Fee shall be added to and collected in the same manner as the Assessment, Usage Fee, or Special Usage Fees. The said Board of Directors may, in its sole discretion, waive all or any portion of a Delinquent Payment Fee imposed pursuant to this Section if it affirmatively appears that the failure to pay the Assessment, Usage Fee, or Special Usage Fees when due was caused by circumstances beyond the control of the Association Member.

(e) Payments. The Board of Directors shall provide for payment of all debts of the Association from the funds collected by the Association. Expenditures for Common Expenses or other expenditures specifically approved in the budget may be paid without further approval unless the Board of Directors shall otherwise determine. All other expenditures in excess of Five Thousand and No/100 (\$5,000.00) Dollars shall be reviewed and approved by the President or a minimum of two (2) members of the Board of Directors before cost is incurred or payment is made unless other provision for the payment thereof has been set forth herein or in the Declaration. All checks and requests for withdrawals drawn upon any account of the Association shall be signed by the President and the Treasurer or by any two Officers of the Association designated by the Board of Directors. The Board may authorize the Manager to draw checks from any account of the Association and the Board may also authorize the Manager to make disbursements from the petty cash fund, if any.

(f) Bonding. The Board of Directors shall procure a fidelity bond in an amount to be determined by the Board covering each and every individual authorized to withdraw funds from any account maintained by the Association. The cost of such bond shall be a Common Expense.

Section 8.06. Inspection Rights. The Association Members shall have only such rights to inspect records of the Association to the extent, and according to the procedures and limitations prescribed by the Act.

ARTICLE IX

LIABILITY AND INDEMNIFICATION

Section 9.01. Liability of Directors. No Director or Officer of the Association shall be liable to any Owner for any decision, action, or omission made or performed by such Director or Officer in the course of his duties unless such Director or Officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these By-Laws.

Section 9.02. Indemnification of Director. The Association shall indemnify and hold harmless each Officer and Director to the extent and in the manner permitted by law, from any liability claimed or imposed upon him by reason of his position or decision, action or omission as an Officer of Director if all of the following conditions are satisfied:

(a) Such Officer or Director has not acted in bad faith or reckless disregard of the rights of any person or of the terms of the Declaration or these By-Laws;

(b) Such Officer or Director reasonably believed:

- (i) In the case of conduct in his official capacity with the Association, that his conduct was in the best interest of the Association;
- (ii) In other cases, that his conduct at least was not contrary to the best interests of the Association;
- (iii) In the case of criminal proceedings, that he had no reasonable cause to believe his conduct was unlawful.

(c) Such Director or Officer gives the Association adequate notice of the claim, assertion or imposition of liability to permit the Association and/or its insurer reasonable opportunity to defend against the same.

(d) Such Director or Officer cooperates with the Association in its defense against such liability.

The expense of indemnifying or defending such Director or Officer as provided herein shall be a Common Expense of the Association, and shall be borne by all Association Members, including such Director or Officer.

ARTICLE X

AMENDMENTS

Section 10.01. These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the Board of Directors, at a regular or special meeting of the Board by a vote of a majority of all Directors, provided notice of such pending action with a copy or summary of the proposal is given in the notice for said meeting, and provided, further, that Declarant consents to such amendment so long as Declarant retains its Class B Association Membership.

These By-Laws may further be altered, amended or repealed and new By-Laws may be adopted by the Declarant, in its sole discretion, so long as Declarant retains its Class B Association Membership.

These By-Laws may also be amended by a two-thirds (2/3rds) vote of the Association Members at a duly called meeting of the Association provided notice of such proposed amendment is given in the notice for such meeting, and provided further that Declarant consents in writing to such amendment so long as Declarant retains its Class B Association Membership.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.01. Merger. To the extent and in the manner provided by law, the Association may participate in mergers and consolidation with other non-profit associations organized for the same or similar purposes, provided, however, that any such merger or consolidation shall require approval by a vote of two-thirds (2/3rds) of the total votes cast at a meeting duly called for such purpose.

Upon merger or consolidation of the Association with another association or associations, its property rights and obligations may, by operation of law, be transferred to the surviving or consolidated association. However, the properties, rights, and obligations of another association which may, by operation of law, be added to the obligations of this Association as a surviving corporation pursuant to such merger,

shall be maintained separately from the property rights and obligations hereunder. The surviving or consolidated association may administer the Common Properties, however, no merger or consolidation shall affect any revocation, change or addition to the Declaration.

Section 11.02. Dissolution. If the Association Members determine that it is in the best interest of the Association and/or the Association Members to completely dissolve the Association, such action may be taken by an affirmative vote of not less than three-fourths (3/4ths) of the Association Members in person or by proxy, at a meeting duly called and held for such purpose; provided that Declarant consents in writing so long as Declarant retains its Class B Association Membership.

Section 11.03. Seal. The seal of the Association shall be circular in form and shall have inscribed thereon the name of the Association, the year of its organization, and the words "Corporate Seal, State of South Carolina."

Section 11.04. Conflicts. The Articles of Incorporation and the Act (as either may be amended from time to time) are incorporated herein by reference. Any conflict between the terms of these By-Laws, the Articles of Incorporation, the Declaration or the Act shall be resolved in the following order (i) the Act; (ii) the Declaration; (iii) the Articles; and (iv) the By-Laws. In the case of any conflict between these By-Laws and any regulation promulgated by the Board of Directors, these By-Laws shall control.

Section 11.05. Waiver. No provision of these By-Laws or any regulation promulgated by the Board pursuant thereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 11.06. Severability. The provisions of these By-Laws are severable, and the invalidity of one or more provision hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remaining provisions.

Section 11.07. Captions. Captions are inserted herein only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision.

Section 11.08. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine, and non-personal entities, as well as the singular and plural wherever the context requires or permits.

Section 11.09. Roberts Rules. All meetings of the Members and of the Board of Directors shall be conducted in accordance with Roberts Rules of Order Revised.

KRA
Elizabeth Simmons

BK K 356PG733

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

3. Article III of the Declaration is hereby amended to include the following additional Section. The Phase 1 Lots, situate in Charleston County, South Carolina and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

Section 3.15. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in Phase 1.

(a) Use. The Lots within Phase 1 of *Cassique* shall be used exclusively for single-family residential purposes.

(b) Design Guidelines.

(i) Each Lot has been carefully planned and configured, and accordingly no more than one (1) detached single-family dwelling (which may be segmented into two or more sections), shall be erected thereon without the prior, written consent of Declarant, its successors and/or assigns. Appropriate accessory buildings may include garages, guest quarters (including garage apartments), studios/workshops, garden pavilions, greenhouses, gazebos, and pool houses. Other accessory building(s) may be permitted by either Declarant or the ARB in their discretion, provided, however, that the construction of such dwelling and/or accessory building(s) shall not, in the discretion of the ARB, overcrowd the Lot, and provided further that the accessory building(s) may not be constructed or occupied prior to the construction of the main dwelling. Preservation of natural vegetation and trees (along with supplementing existing trees on Homesites, as necessary) shall be important considerations of Declarant and/or the ARB in permitting or rejecting one or more accessory structures.

(ii) Each Homesite will be planned with setbacks to take advantage of ideal building areas depicted on individual site plans. Attached as Exhibit "B" is an approximate depiction of each Lot in Phase 1, and the buildable areas and limited buildable areas therefor. The buildable areas and limited buildable areas depicted on Exhibit "B" shall be those applied by the ARB when reviewing proposed plans for the construction of a dwelling and/or improvements in connection with each such Lot.

(1) The exact dimensions of such buildable areas and limited buildable areas will remain on file at the office of the ARB, and in rare circumstances may be revised, altered, and/or varied by the ARB in its sole discretion.

(2) By the acceptance and recordation of a deed of conveyance for a Lot in Phase 1, each Lot Owner shall be deemed to covenant and agree to adhere to and abide by such designated buildable areas and limited buildable areas, as they may be revised, altered, and/or varied by the ARB.

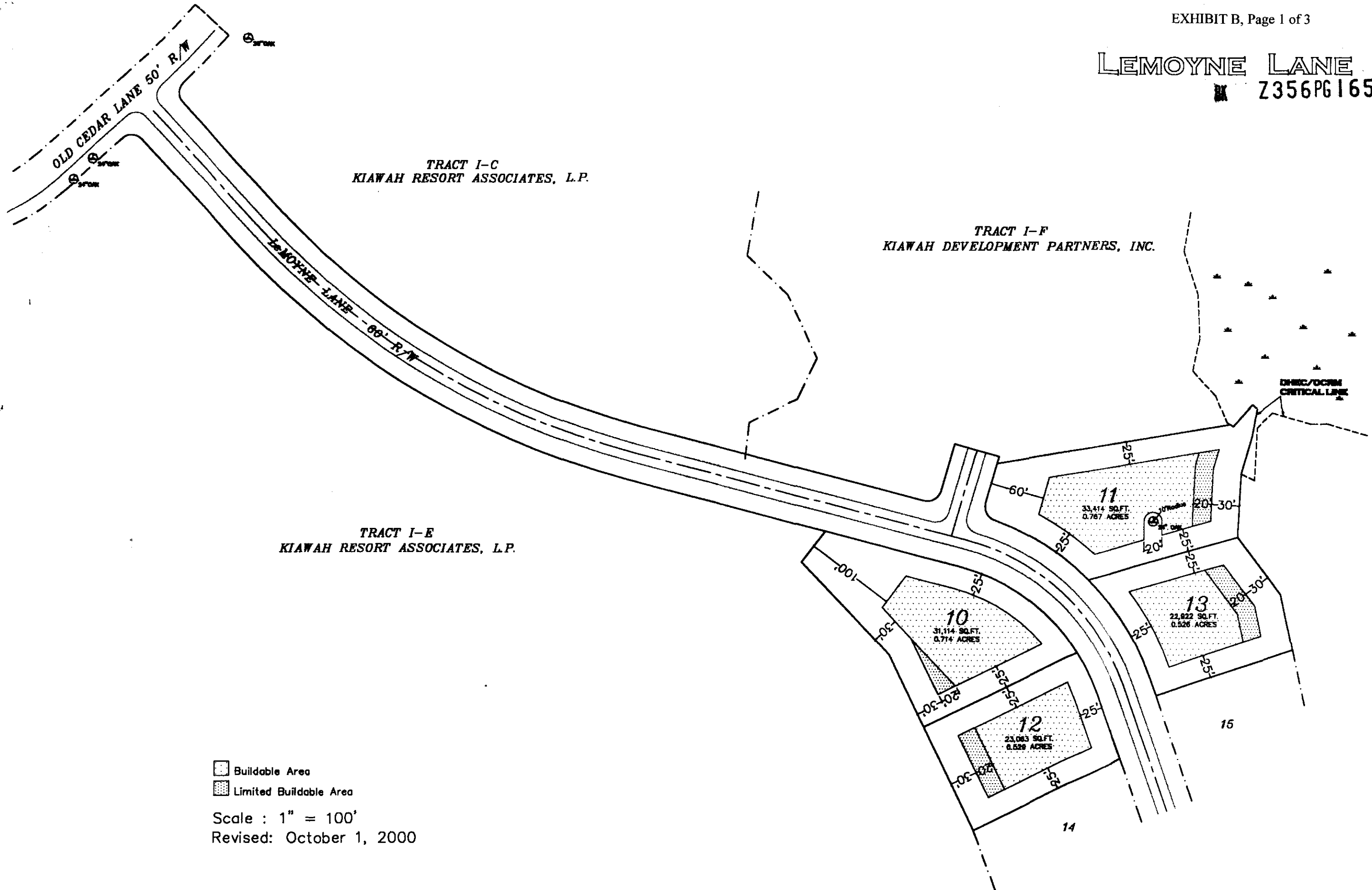
(iii) Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, no residence or dwelling shall be constructed on any Lot in Phase 1 with less than 2,500 square feet of Climate Controlled Dwelling Area (with a minimum of 2,000 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height), and a maximum of 4,500 to 5,000 square feet of Climate Controlled Dwelling Area for individual structures dependent on specific lot conditions. The precise maximum within such range shall be determined in the sole discretion of the ARB and communicated to Lot Owners at the initial meeting on site whenever practicable.

the Phase 1 Lots

All those certain pieces, parcels, or lots of land situate, lying and being in Charleston County, South Carolina, known as Lots 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 23, 24, 26, 100, 101, 102, 104, 106, 108, 110, 111, 112, 150, 151, 153, 154, 155, 157, 158, 159, and 160, in *Cassique*, Phase 1, and shown on a plat prepared by Southeastern Surveying, Inc. entitled "A CONDITIONAL SUBDIVISION PLAT OF LOTS 10 THRU 18, 20, 21, 23, 24, 26, LOTS 100 THRU 102, 104, 106, 108, 110 THRU 112, 150, 151, 153 THRU 155, 157 THRU 160, THE *CASSIQUE* TRACT 1-F PHASE 1 OWNED BY KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA," dated July 27, 2000, last revised on August 18, 2000, and recorded in Plat Book EE, at pages 336, 337, and 338, in the R.M.C. Office; said lots having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

LEMOYNE LANE

Z356PG165



TRACT I-C
KIAWAH RESORT ASSOCIATES, L.P.

TRACT I-F
KIAWAH DEVELOPMENT PARTNERS, INC.

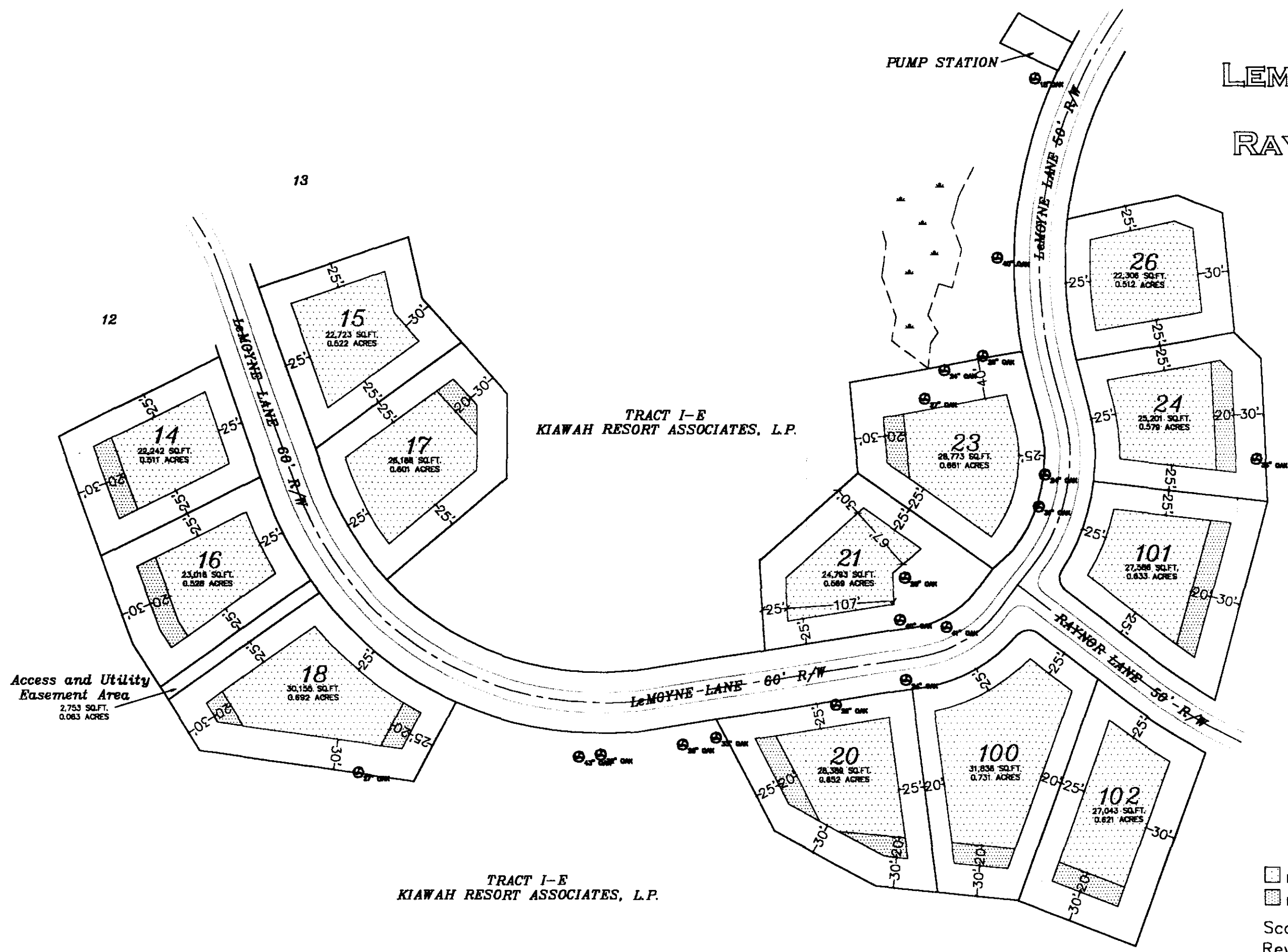
TRACT I-E
KIAWAH RESORT ASSOCIATES, L.P.

- Buildable Area
- Limited Buildable Area

Scale : 1" = 100'
Revised: October 1, 2000



LEMOYNE LANE AND RAYNOR LANE

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TRACT I-E
KIAWAH RESORT ASSOCIATES, L.P.

TRACT I-E
KIAWAH RESORT ASSOCIATES, L.P.

-  Buildable Area
-  Limited Buildable Area

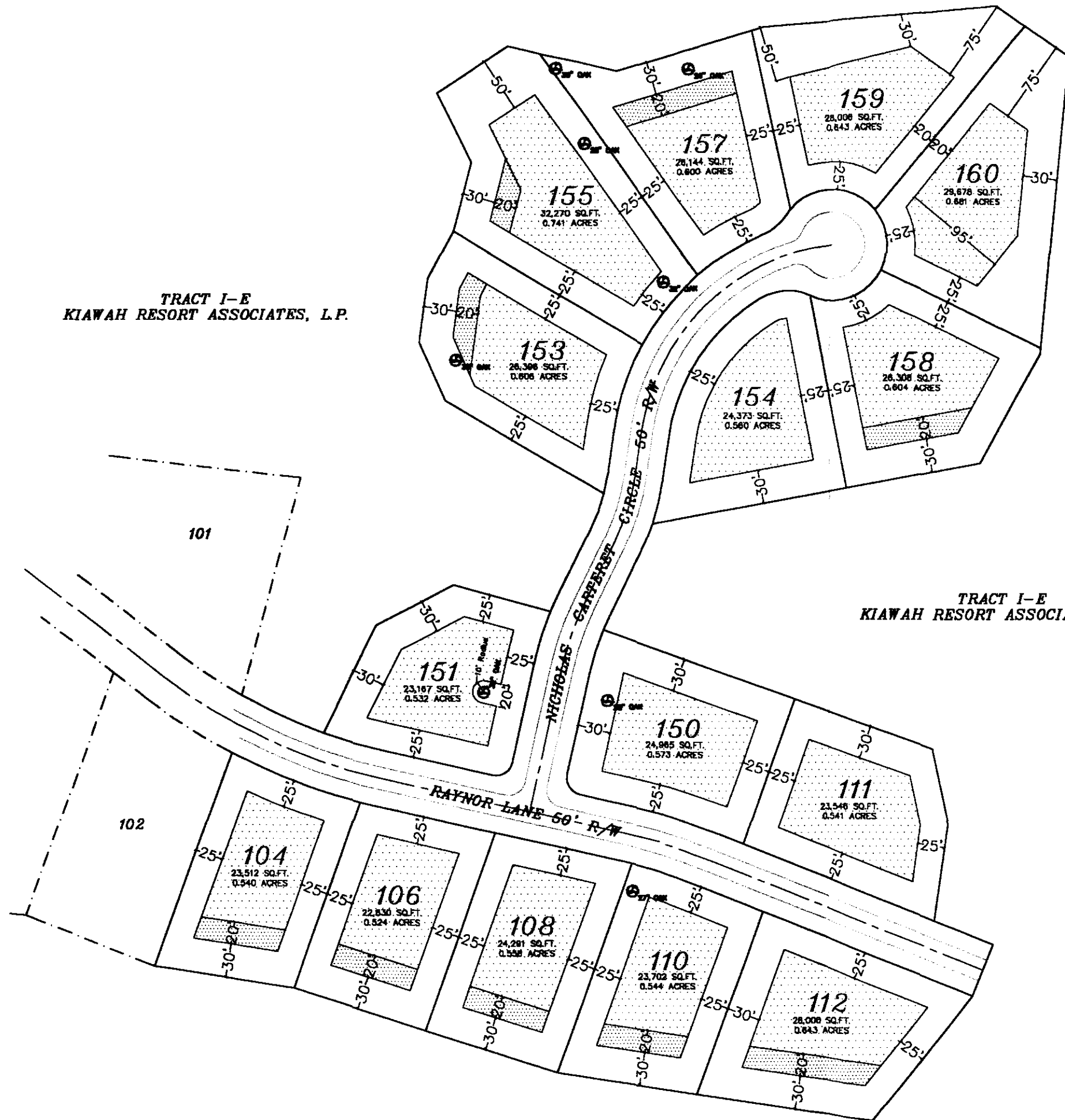
Scale : 1" = 100'
Revised: October 1, 2000

NICHOLAS CARTERET CIRCLE AND RAYNOR LANE

Z356PG167

TRACT I-E
KIAWAH RESORT ASSOCIATES, L.P.

TRACT I-E
KIAWAH RESORT ASSOCIATES, L.P.



- Buildable Area
- Limited Buildable Area

Scale : 1" = 100'
Revised: October 1, 2000

Kiawah Resort Assn.

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

13-00B

A non-exclusive, appurtenant, perpetual, permanent, and assignable commercial easement for free and unimpeded vehicular access and use for ingress and egress to and from the property owned by KDP (the "Residential Tracts") or licensed by the Club (the "Golf Course Tracts"), all of said tracts being more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (collectively, the "Grantees' Property"), over, upon, and across the roadway rights-of-way and/or leisure trail property described on Exhibit "B" attached hereto and incorporated herein by reference (the "Burdened Property").

TO HAVE AND TO HOLD the aforesaid easement unto both the said KIAWAH DEVELOPMENT PARTNERS, INC. and the KIAWAH ISLAND CLUB, INC., their successors and assigns, forever.

And, subject to the terms, conditions, and limitations set forth herein, KIAWAH ISLAND COMMUNITY ASSOCIATION, INC. and KIAWAH RESORT ASSOCIATES, L.P. do hereby bind themselves and their successors and assigns, to warrant and forever defend, all and singular, the said easement herein granted unto KIAWAH DEVELOPMENT PARTNERS, INC. and the KIAWAH ISLAND CLUB, INC., their successors and assigns, against themselves and their successors and assigns, and against all persons whomsoever lawfully claiming or to claim the same or any part thereof.

(a) Legal Effect of Easement Granted to KDP. The easement granted to KDP herein is intended to be permanent and appurtenant in nature, inasmuch as it inheres in and is essentially necessary to the enjoyment of KDP's Residential Tracts. Said easement shall run with the title to the Residential Tracts, and is binding upon and shall inure to the benefit of KDP and its successors and/or assigns. For purposes of the grant of easement to KDP, the Residential Tracts shall constitute the dominant estate, and the Burdened Property shall constitute the servient estate. This easement may be assigned by KDP, its successors and assigns, to each *Cassique* POA member upon the closing of each initial sale of a *Cassique* homesite to such POA member. KDP agrees that such easement, when and if so assigned, shall thereafter run only with the title of such *Cassique* homesite, and may not, by its express terms, be transferred, assigned, or conveyed to third parties except as an appurtenance to the title to such *Cassique* homesite.

(b) Legal Effect of Easement Granted to the Club. The easement granted to the Club herein is intended to be a transferable easement in gross for commercial purposes, essential and necessary to the Club's use and enjoyment of the Golf Course Tracts. Said easement shall inure to the benefit of the Club and its officers, agents, invitees, members, and guests, and may be assigned by the Club only to a successor or assignee as licensee of the Kiawah Club Facilities and the Club facilities at *Cassique*.

2. Grant of Easement by KICA to KRA, L.P. in connection with future Boundary Line Adjustments. KICA acknowledges and understands that certain boundary line adjustments between the Residential Tracts and the Golf Course Tracts may become necessary during the development of the *Cassique* community. In such instances, KRA, L.P. may convey certain areas currently within the bounds

of the Golf Course Tracts to KDP, and such areas will become part of the Residential Tracts; provided, that nothing herein is intended to enlarge the residential homesite cap at *Cassique* of 275 homesites.

Accordingly, in consideration of the sum of One and No/100 (\$1.00) Dollar, paid to KICA by KRA, L.P., the receipt and sufficiency of which is hereby acknowledged, Kiawah Island Community Association, Inc. does hereby grant, bargain, sell, and release unto the said Kiawah Resort Associates, L.P., a non-exclusive, appurtenant, perpetual, permanent, and assignable commercial easement for free and unimpeded vehicular access and use for ingress and egress to and from the Golf Course Tracts over, upon, and across the Burdened Property.

The easement herein granted to KRA, L.P. is intended to be permanent and appurtenant in nature, shall run with the title to the Golf Course Tracts, and is binding upon and shall inure to the benefit of KRA, L.P., and its successors and/or assigns. For purposes of this grant of easement, the Golf Course Tracts shall constitute the dominant estate and the Burdened Property shall constitute the servient estate. However, this easement may be assigned by KRA, L.P., its successors and assigns, only to KDP (and its successors and assigns as developer(s) of the *Cassique* community) and thereafter to a *Cassique* POA member upon the closing of each initial sale of a *Cassique* homesite from KDP, its successors and/or assigns, to such *Cassique* POA member. KDP agrees for itself and its successors, that such easement, when and if so assigned to such initial homesites purchasers, shall thereafter run only with the title to such *Cassique* homesite, and may not, by its express terms, be transferred, assigned, or conveyed to third parties except as an appurtenance to the title to such *Cassique* homesite

TO HAVE AND TO HOLD the aforesaid easement unto Kiawah Resort Associates, L.P., its successors and assigns, forever.

And, subject to the terms, conditions, and limitations set forth herein, KIAWAH ISLAND COMMUNITY ASSOCIATION, INC. does hereby bind itself and its successors and assigns, to warrant and forever defend, all and singular, the said easement herein granted unto KIAWAH RESORT ASSOCIATES, L.P., its successors and assigns, against itself and its successors and assigns, and against all persons whomsoever lawfully claiming or to claim the same or any part thereof.

3. Binding Effect. The parties further agree that upon the conveyance of the Burdened Property, the grantee accepting such conveyance shall thereby become a new party to, and will thereby become bound by, this Indenture Grant of Non-Exclusive Easement for Access, Ingress, and Egress.

4. Severability. Should any sentence, clause, phrase, term, or word of this easement be declared or rendered void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto or the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

5. Amendment. This Agreement may be amended only with the express written consent of the parties hereto, their successors and/or assigns. No consent of any third party (including specifically assignees of KDP as successors in title to the Residential Tracts) shall be required.

6. This grant of Easement is made subject to all applicable covenants, conditions, restrictions, and limitations of record in the R.M.C. Office for Charleston County, S.C.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the dates set forth below.

SIGNED, SEALED, AND DELIVERED
IN THE PRESENCE OF:

KIAWAH ISLAND COMMUNITY
ASSOCIATION, INC. (SEAL)

Barbara J. Keller
Tammy McAdory

By: Peter E. Trees
Peter E. Trees

Its: President

By: William G. Wert
William G. Wert

Its: Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

AS TO KICA

THE FOREGOING INSTRUMENT was acknowledged before me by the Kiawah Island Community Association, Inc. by Peter E. Trees, its President, and by William G. Wert, its Secretary, this 7th day of December, 2000.

Tammy McAdory (SEAL)
Notary Public for South Carolina
My commission expires: / - 12 - 06

Grantees' Property

Tracts I-A, I-F, IV, and V
(the "Residential Tracts")

Tract I-A

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing 81.388 acres, more or less, comprised of 68.147 acres of highland above the DHEC-OCRM Critical Line, and 13.241 acres of marsh or lowland below the DHEC-OCRM Critical Line, and shown and designated as "Tract I-A" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

Tract I-F

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing 78.627 acres, more or less, comprised of 66.388 acres of highland above the DHEC-OCRM Critical Line, and 12.239 acres of marsh or lowland below the DHEC-OCRM Critical Line, and shown and designated as "Tract I-F" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

Tract IV

All that certain piece, parcel, or tract of land situate, lying and being in the County of Charleston, State aforesaid, known and designated as "Tract IV" containing 32.594 acres, more or less, and shown on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A, I-B, I-C, II, III, III-A, IV THRU X, C, D AND A PUMP STATION OWNED BY EAST SEABROOK LIMITED PARTNERSHIP LOCATED IN THE TOWN OF SEABROOK ISLAND AND CHARLESTON COUNTY CHARLESTON COUNTY, SOUTH CAROLINA" dated January 2, 1998, last revised on January 20, 1998, and recorded in Plat Book EC, at pages 285 - 288, in the R.M.C. Office for Charleston County, South Carolina, said tract having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

Tract V

DKA 360PG497

All that certain piece, parcel, or tract of land situate, lying and being in the County of Charleston, State aforesaid, known and designated as "Tract V" containing 9.345 acres, more or less, and shown on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A, I-B, I-C, II, III, III-A, IV THRU X, C, D AND A PUMP STATION OWNED BY EAST SEABROOK LIMITED PARTNERSHIP LOCATED IN THE TOWN OF SEABROOK ISLAND AND CHARLESTON COUNTY CHARLESTON COUNTY, SOUTH CAROLINA" dated January 2, 1998, last revised on January 20, 1998, and recorded in Plat Book EC, at pages 285 - 288, in the R.M.C. Office for Charleston County, South Carolina, said tract having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

BKA 360PG498

Tracts I-C, I-D, and I-E
(the "Golf Course Tracts")

Tract I-C

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing 166.219 acres, more or less, comprised of 148.830 acres of highland above the DHEC-OCRM Critical Line, and 17.389 acres of marsh or lowland below the DHEC-OCRM Critical Line, and shown and designated as "Tract I-C" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

Tract I-D

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing 11.643 acres, more or less, of highland above the DHEC-OCRM Critical Line, shown and designated as "Tract I-D" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

Tract I-E

All that certain piece, parcel, or tract of land situate, lying and being in Charleston County, South Carolina, containing 72.329 acres, more or less, comprised of 66.388 acres of highland above the DHEC-OCRM Critical Line, and 12.239 acres of marsh or lowland below the DHEC-OCRM Critical Line, and shown and designated as "Tract I-E" on a plat prepared by Southeastern Surveying, Inc., entitled "A SUBDIVISION PLAT OF TRACTS I-A AND I-C INTO TRACTS I-A, I-C, I-D, I-E, I-F, A 0.057 ACRE PUMP STATION AND OLD CEDAR LANE CONTAINING 416.922 ACRES OWNED BY KIAWAH RESORT ASSOCIATES, L.P. AND KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" dated December 6, 1999, last revised on May 25, 2000, and recorded in Plat Book EE at pages 194, 195, 196, 197, 198, 199, 200, 201, and 202, in the R.M.C. Office, said tract of land having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

Exhibit "B"

(the "Burdened Property")

BKA 360PG499

All road rights-of-way currently located on Kiawah Island, S.C., and to the extent that Kiawah Resort Associates, L.P. in the future obtains or possesses rights to grant such easement rights, all road rights-of-way to be located on Kiawah Island, S.C., in the future, SAVING AND EXCEPTING, HOWEVER, the following:

With the exception of the rights-of-way of River Course Lane, Green Meadow Lane, and Kiawah Island Club Drive, and any and all leisure trails, and vehicular and/or pedestrian access easement areas located now or in the future within the private community known generally as "The Settlement" (including future phases thereof), all those certain road rights-of-way, leisure trails, and other vehicular and/or pedestrian access easement areas situate, lying and being in the Town of Kiawah Island, Charleston County, S.C., which are or in the future may be located within private subdivisions and/or gated, private communities, and/or such areas as are not intended, either now or in the future, for conveyance to KICA as "Common Properties" as such term is defined in the Declaration of Covenants and Restrictions of the Kiawah Island Community Association, Inc., recorded in Book T108, page 337, in the R.M.C. Office, as amended.

Without limiting the generality of the aforesaid description, the following road rights-of-way, leisure trails, and other vehicular and/or pedestrian access easement areas are specifically excluded from this grant of easement:

- (a) The Bridge to Terrapin Island, that portion of Oyster Shell Lane north of said bridge, the right-of-way of Terrapin Island Lane, and any and all leisure trails, and vehicular and/or pedestrian access easement areas within Terrapin Island Subdivision;
- (b) Any future road rights-of-way, leisure trails and other pedestrian access easement areas located on or within the tract currently designated as Lot 1, Rhett's Bluff Subdivision, also known as Captain Maynard's Island;
- (c) Any future road rights-of-way, leisure trails and other pedestrian access easement areas located on or within tracts conveyed in the future by KRA, L.P. to third party developers, to the extent that such tracts are developed as private communities and/or such areas are not conveyed to KICA as "Common Properties."

Kiawah Resort Assoc.

4/11 Beth Simmons

4/1

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

September 5, 2001, and recorded in Plat Book EF at pages 58, 59, and 60, in the R.M.C. Office.

3. Article III of the Declaration is hereby amended to include the following additional Section. The Phase IIA Lots, situate in Charleston County, South Carolina and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

Section 3.16. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in Phase IIA.

(a) Use. The Lots within Phase IIA of *Cassique* shall be used exclusively for single-family residential purposes.

(b) Design Guidelines.

(i) Each Lot has been carefully planned and configured, and accordingly no more than one (1) detached single-family dwelling (which may be segmented into two or more sections), shall be erected thereon without the prior, written consent of Declarant, its successors and/or assigns. Appropriate accessory buildings may include garages, guest quarters (including garage apartments), studios/workshops, garden pavilions, greenhouses, gazebos, and pool houses. Other accessory building(s) may be permitted by either Declarant or the ARB in their discretion, provided, however, that the construction of such dwelling and/or accessory building(s) shall not, in the discretion of the ARB, overcrowd the Lot, and provided further that the accessory building(s) may not be constructed or occupied prior to the construction of the main dwelling. Preservation of natural vegetation and trees (along with supplementing existing trees on Homesites, as necessary) shall be important considerations of Declarant and/or the ARB in permitting or rejecting one or more accessory structures.

(ii) Each Homesite will be planned with setbacks to take advantage of ideal building areas depicted on individual site plans. Attached as Exhibit "B" is an approximate depiction of each Lot in Phase IIA, and the buildable areas and limited buildable areas therefor. The buildable areas and limited buildable areas depicted on Exhibit "B" shall be those applied by the ARB when reviewing proposed plans for the construction of a dwelling and/or improvements in connection with each such Lot.

(1) The exact dimensions of such buildable areas and limited buildable areas will remain on file at the office of the ARB, and in rare circumstances may be revised, altered, and/or varied by the ARB in its sole discretion.

(2) By the acceptance and recordation of a deed of conveyance for a Lot in Phase IIA, each Lot Owner shall be deemed to covenant and agree to adhere to and abide by such designated buildable areas and limited buildable areas, as they may be revised, altered, and/or varied by the ARB.

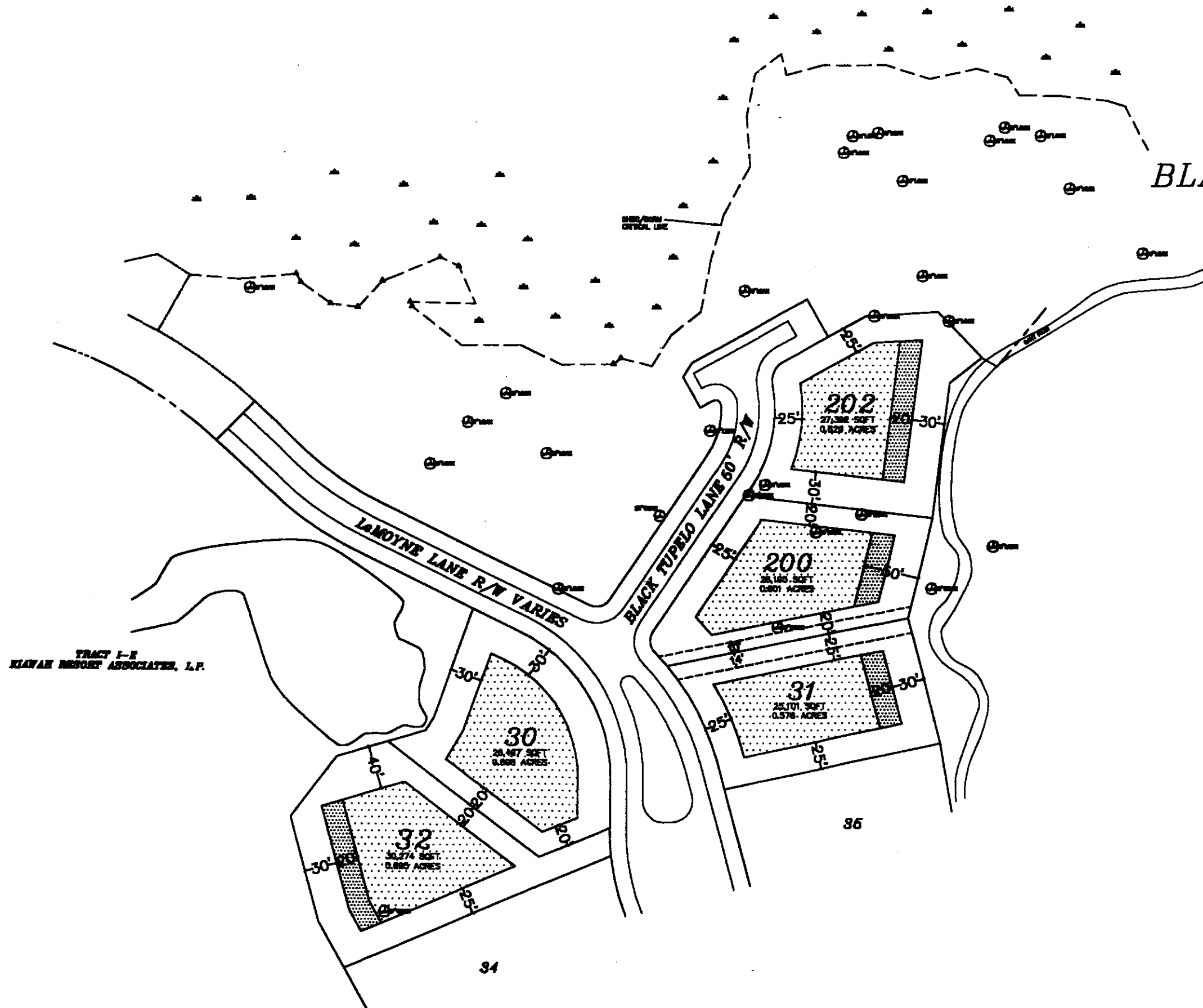
(iii) Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, no residence or dwelling shall be constructed on any Lot in Phase IIA with less than 2,500 square feet of Climate Controlled Dwelling Area (with a minimum of 2,000 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height),

Exhibit "A"

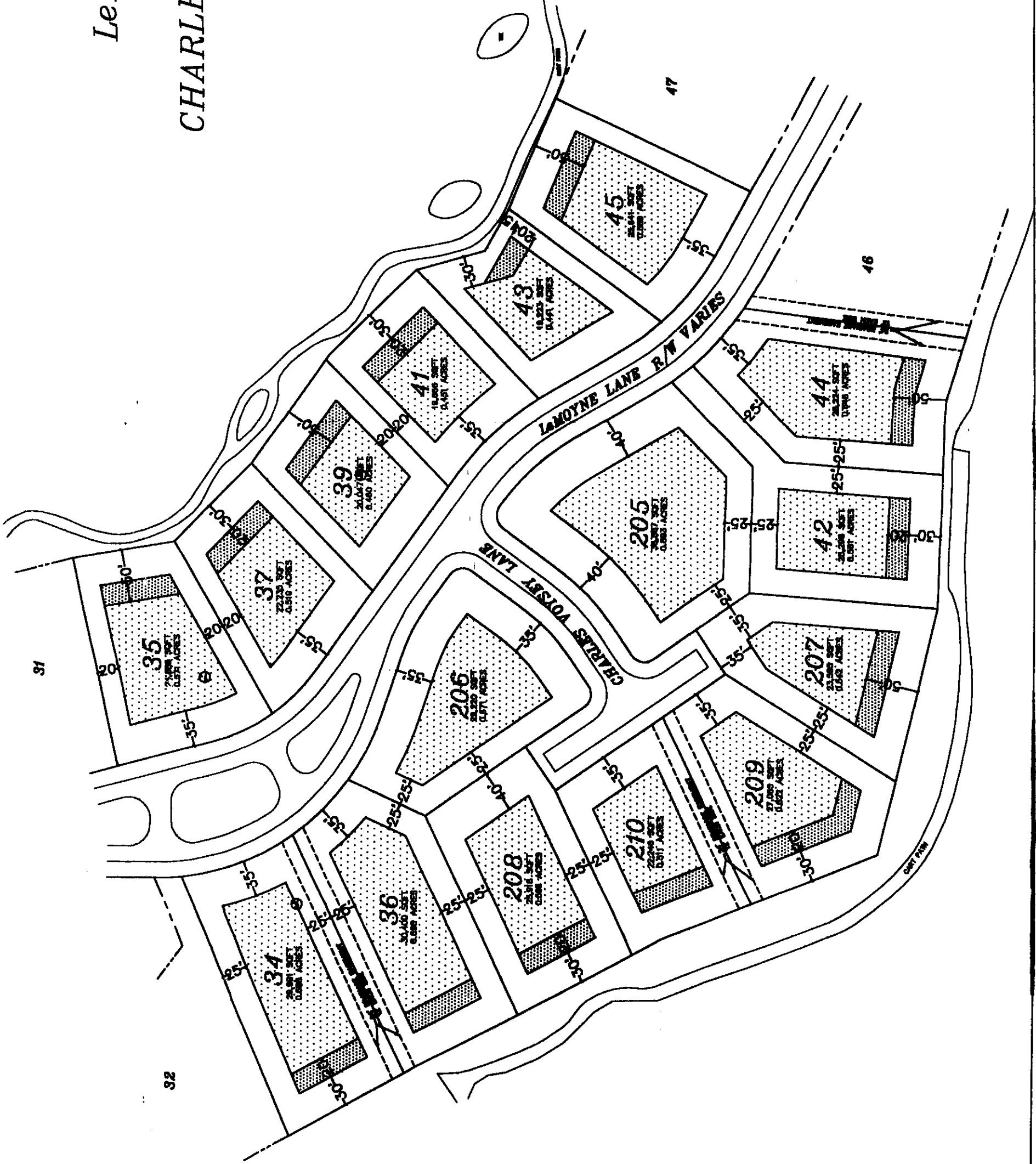
the Phase IIA Lots

All those certain pieces, parcels, or lots of land situate, lying and being in Charleston County, South Carolina, known as Lots 30, 31, 32, 34, 35, 36, 37, 39, 41, 42, 43, 44, 45, 46, 47, 48, 200, 202, 205, 206, 207, 208, 209, and 210, in *Cassique*, Phase IIA, and shown on a plat prepared by Southeastern Surveying, Inc. entitled "A CONDITIONAL SUBDIVISION PLAT OF LOTS 30 THRU 32, 34 THRU 37, 39, 41 THRU 48, 200, 202 AND LOTS 205 THRU 210, THE *CASSIQUE* TRACT 1-F PHASE IIA OWNED BY KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA," dated September 5, 2001, and recorded in Plat Book EF at pages 58, 59, and 60, in the R.M.C. Office; said lots having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

LeMOYNE LANE and BLACK TUPELO LANE



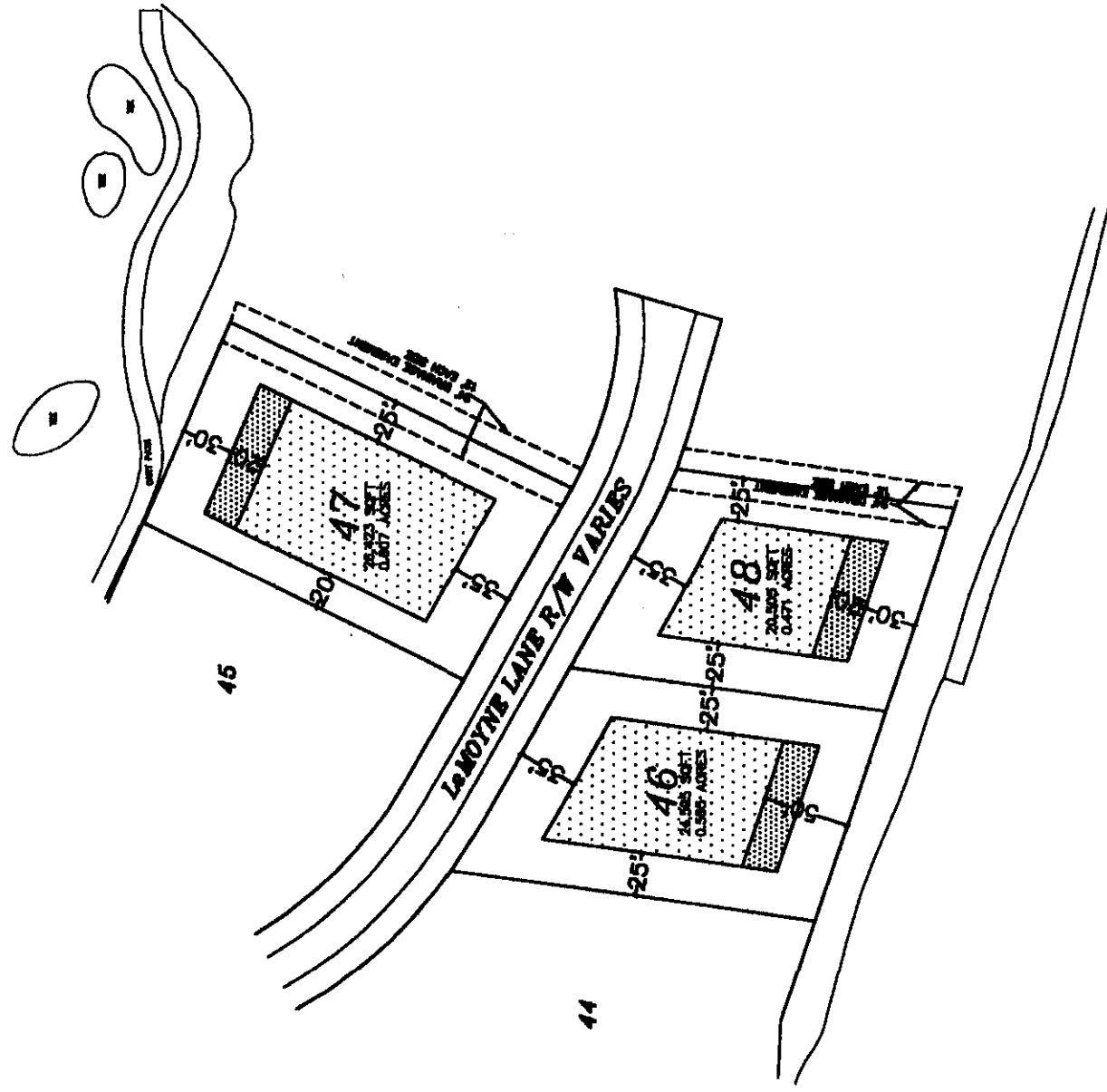
LEMOYNE LANE and CHARLES VOYSEY LANE



Buildable Area
 Limited Buildable Area

Scale : 1" = 100'
 Revised: October 15, 2001

LEMOYNE LANE



- Buildable Area
- Limited Buildable Area

Scale : 1" = 100'

Revised: October 1, 2001

Kiawah Dev.
Beth Nimmons

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

Elizabeth Nimmons
2 N. Odgers Wharf
Chas SC 29401

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

3. Article IV, Section 4.03 (b) of the Declaration is amended to read as follows:

"(b) The Club reserves the right, in its discretion, to amend, modify, or terminate the Club Membership Plan, to discontinue the mandatory membership requirements for some or all of the Owners of Homesites, to discontinue operation of any or all of the Club Facilities, to issue or terminate any category or classification of membership, to sell or otherwise dispose of the Club Facilities, to convert the Club into a membership-owned club and charge a membership fee or contribution for an equity membership and to make any other changes in the terms and conditions of the Club Membership or the Club Facilities available for use by Club Members. In the event that either the Club Membership Plan, any category or classification of Club Membership, or any particular Club Membership is terminated without cause or the operation of all or substantially all of the Club Facilities is discontinued, then the membership deposit shall be refunded in accordance with the terms and conditions set forth in the Club Membership Plan, as the same may be amended from time to time, less such amounts as may be due to the Club."

4. Except as modified or amended by this Second Amendment to the Declaration of Covenants and Restrictions of *Cassique*, effective as of the date first above written, the Declaration shall remain in full force and effect.

The Club has joined in the execution of this Second Amendment to evidence its agreement to the covenants, conditions, restrictions, and agreements herein contained. As of the date hereof, Declarant is a Class B Member of the Association, and has determined that the provisions of this Amendment will not materially alter or change any Owner's rights or adversely affect the title to such property. Accordingly, under the provisions of and pursuant to Article VI of the Declaration the Declaration, the further consent of any Owner or Mortgagee to this Amendment is not required.

IN WITNESS WHEREOF, Kiawah Development Partners, Inc. has caused these presents to be executed by its officer thereunto duly authorized, and its seal to be hereunto affixed, this 7th day of June, 2004.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Susan C. Bryant
Claudia Y. Permonzo

Susan C. Bryant
Claudia Y. Permonzo

KIAWAH DEVELOPMENT PARTNERS, INC.
(SEAL)

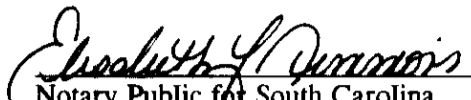
By: *Charles P. Darby, III*
Its: President

KIAWAH ISLAND CLUB, INC. (SEAL)

By: *Charles P. Darby, III*
Its: President

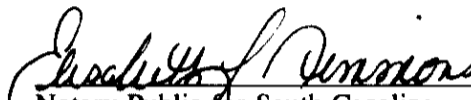
STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

THE FOREGOING INSTRUMENT was acknowledged before me by Kiawah Development Partners, Inc. by Charles P. Darby, III, its President, this 7th day of June, 2004.

 (SEAL)
Notary Public for South Carolina
My commission expires:

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

THE FOREGOING INSTRUMENT was acknowledged before me by the Kiawah Island Club, Inc., by Charles P. Darby, III, its President, this 7th day of June, 2004.

 (SEAL)
Notary Public for South Carolina
My commission expires: 1-19-11

Kiawah Dev.
P o Box 12001
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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

K 542 PG 548
THIRD SUPPLEMENTAL DECLARATION
OF COVENANTS AND RESTRICTIONS
FOR CASSIQUE
(Applicable to the Phase II Lots)

THIS THIRD SUPPLEMENTAL DECLARATION is made as of the 9th day of May, 2005, by KIAWAH DEVELOPMENT PARTNERS, INC. (a South Carolina corporation hereinafter sometimes referred to as "KDP" and/or "Declarant").

WITNESSETH:

WHEREAS, Declarant made and executed that certain DECLARATION OF COVENANTS AND RESTRICTIONS FOR CASSIQUE, which instrument is dated October 4, 2000, and recorded in Book K356, page 612, in the office of the Register of Mesne Conveyances for the County of Charleston, S.C. (the "R.M.C. Office"), as amended by that certain First Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase 1 Lots) dated October 11, 2000, and recorded October 18, 2000, in Book Z356, page 161, in the R.M.C. Office, as amended by that certain Second Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase IIA Lots), dated October 24th, 2001, and recorded in Book W386, page 705, in the R.M.C. Office, as further amended by that certain First Amendment to Declaration of Covenants and Restrictions for Cassique dated as of June 25, 2003, and recorded in Book Y454, page 257, in the R.M.C. Office, and as further amended by that certain Second Amendment to Declaration of Covenants and Restrictions for Cassique dated as of June 7, 2004, and recorded in Book L498, page 341, in the R.M.C. Office (collectively, the "Declaration"); and

WHEREAS, in Article VI, Section 6.02 (a) of the Declaration, Declarant reserved the exclusive right to amend or supplement the Declaration to subject the properties in different phases of the Subdivision to certain additional covenants, restrictions and limitations to reflect the differing character, sizes, types of ownership, and uses of the land, if any, as they may relate to the Subdivision as a whole; and

WHEREAS, Declarant owns and holds record title to that certain real property known generally as "Cassique, Phase II," and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (the "Phase II Lots"), and desires to subject the Phase II Lots to the additional covenants, conditions, restrictions and limitations herein contained,

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Declarant hereby certifies that it has duly approved this Third Supplemental Declaration, and further declares as follows:

1. When used in this Third Supplemental Declaration, unless the context shall prohibit or require otherwise, all words set forth herein as "defined terms" shall have the meanings set forth and defined in the Declaration.

2. Article I of the Declaration is amended to include the following additional defined terms:

- (1) "Phase II" shall mean and refer to the third phase of lots in Cassique which consists of five (5) single family Homesites more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.
- (2) "Phase II Plat" shall mean and refer to the plat of Phase II prepared by Southeastern Surveying of Charleston, Inc. entitled "A PLAT OF LOTS 27, 29, 201, 203 & 204 THE CASSIQUE TRACT I-F PHASE II SHOWING A NEW 30' HABITAT PRESERVATION AREA LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA," dated April 18, 2005, and recorded in Plat Book EH at page 909, in the R.M.C. Office.

3. Article III of the Declaration is hereby amended to include the following additional Section. The Phase II Lots, situate in Charleston County, South Carolina and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

Section 3.17. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in Phase II.

(a) Use. The Lots within Phase II of Cassique shall be used exclusively for single-family residential purposes.

(b) Design Guidelines.

(i) Each Lot has been carefully planned and configured, and accordingly no more than one (1) detached single-family dwelling (which may be segmented into two or more sections), shall be erected thereon without the prior, written consent of Declarant, its successors and/or assigns. Appropriate accessory buildings may include garages, guest quarters (including garage apartments), studios/workshops, garden pavilions, greenhouses, gazebos, and pool houses. Other accessory building(s) may be permitted by either Declarant or the ARB in their discretion, provided, however, that the construction of such dwelling and/or accessory building(s) shall not, in the discretion of the ARB, overcrowd the Lot, and provided further that the accessory building(s) may not be constructed or occupied prior to the construction of the main dwelling. Preservation of natural vegetation and trees (along with supplementing existing trees on Homesites, as necessary) shall be important considerations of Declarant and/or the ARB in permitting or rejecting one or more accessory structures.

(ii) Each Homesite will be planned with setbacks to take advantage of ideal building areas depicted on individual site plans. Attached as Exhibit "B" is an approximate depiction of each Lot in Phase II, and the buildable areas and limited buildable areas therefor. The buildable areas and limited buildable areas depicted on Exhibit "B" shall be those considered and applied by the ARB when reviewing proposed plans for the construction of a dwelling and/or improvements in connection with each such Lot.

(1) The exact dimensions of such buildable areas and limited buildable areas will remain on file at the office of the ARB, and in rare circumstances may be revised, altered, and/or varied by the ARB in its sole discretion.

(2) By the acceptance and recordation of a deed of conveyance for a Lot in Phase II, each Lot Owner shall be deemed to covenant and agree to adhere to and abide by such designated buildable areas and limited buildable areas, as they may be revised, altered, and/or varied by the ARB.

(iii) Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, no residence or dwelling shall be constructed on any Lot in Phase II, with less than 2,500 square feet of Climate Controlled Dwelling Area (with a minimum of 2,000 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height), and a maximum of 4,500 to 5,000 square feet of Climate Controlled Dwelling Area for individual structures dependent on specific lot conditions. The precise maximum within such range shall be determined in the sole discretion of the ARB and communicated to Lot Owners at the initial meeting on site whenever practicable.

(iv) Up to 4,500 square feet of Climate Controlled Dwelling Area for the main structure, and 800-1,500 square feet of Climate Control Dwelling Area for ancillary structures may be permitted by the ARB for the larger Homesites where the ARB both finds that mature tree canopy can either be well preserved and/or supplemented and that the scale of the proposed home is compatible with existing and future development plans, and where Charleston County regulations so allow. Minimum and maximum square footage requirements may be varied by the ARB, either in its discretion, or in order to comply with the requirements and guidelines of governmental regulations and ordinances.

(c) Habitat Preservation Area. That portion of Lots 27, 29, 201, 203 & 204, in Cassique, Phase II, lying within thirty (30) feet of the DHEC-OCRM Critical Line as depicted on Exhibit "B" (the "Habitat Preservation Area") shall be subject to the further covenant and restriction:

The Habitat Preservation Areas shall be preserved substantially in their present natural state, and there shall be no removal, destruction, cutting, trimming, mowing or other disturbance or change in the natural habitat in any manner, other than as specifically permitted herein. Limited clearing for view and breeze shall be permitted provided such limited clearing is conducted in strict compliance with the following written guidelines, as the same may be amended from time to time:

(i) Limited clearing or pruning of trees and vegetation cannot occur until the home is completely framed. View clearing and pruning requires prior, onsite approval by the ARB Manager or an ARB representative.

(ii) All activities within the Habitat Preservation Areas must be conducted in accordance with the Cassique ARB Standards and Guidelines and the Declaration (as the same may be amended from time to time), and regulations promulgated by Charleston County, the State of South Carolina, and/or the Federal government, inclusive of the Department of Health and Environmental Control - Office of Ocean and Coastal Resource Management.

(iii) Appropriate permits must be obtained from the ARB and all other governmental agencies having jurisdiction.

(iv) Removal or trimming of vegetation hazardous to person or property, of timber downed or damaged due to natural disaster, and/or removal of dead or dying trees and shrubbery when such trees or shrubbery are determined by a certified arborist to be diseased or a hazard shall be permitted only with the prior, written consent of the ARB.

(v) Areas damaged or destroyed by disease or natural disaster may be restored with the prior, written consent of the ARB; provided, however, that all plant materials shall be indigenous to the area, no exotic species may be introduced, species of grass, shrubs and trees requiring fertilization shall not be permitted, and such restoration is in strict compliance with all provisions and limitations set forth herein.

(vi) Only low-impact structures that will blend with the natural environment such as boardwalks, pervious foot paths or nature walks, appropriate drainage and water access structures, and permitted docks and marsh improvements shall be allowed.

4. Except as modified or amended by this Third Supplemental Declaration of Covenants and Restrictions of Cassique, effective as of the date first above written, the Declaration shall remain in full force and effect.

Exhibit "A"

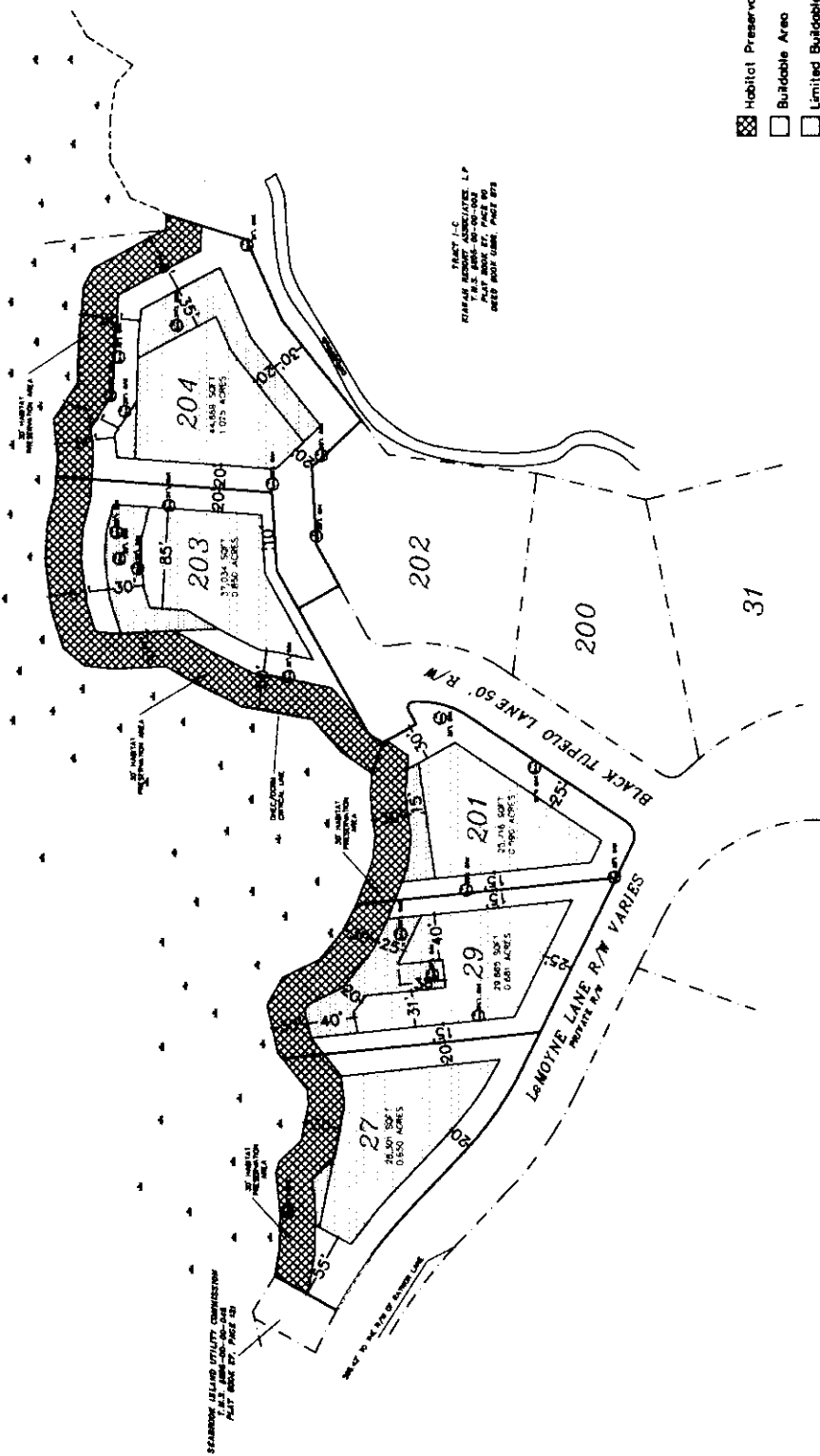
BK K 542PG553

the Phase II Lots

All those certain pieces, parcels, or lots of land situate, lying and being in Charleston County, South Carolina, known as Lots 27, 29, 201, 203, and 204, in Cassique, Phase II, and shown on a plat prepared by Southeastern Surveying of Charleston, Inc. entitled "A PLAT OF LOTS 27, 29, 201, 203 AND 204, THE CASSIQUE TRACT 1-F PHASE II SHOWING A NEW 30' HABITAT PRESERVATION AREA LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA," dated April 18, 2005, and recorded in Plat Book EH at page 909, in the R.M.C. Office; said lots having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

LEMOYNE LANE
AND
BLACK TUPELO LANE

BK K 542PG554



- Habitat Preservation Area (see covenants)
 - Buildable Area
 - Limited Buildable Area
- Scale : 1" = 100'
Revised: April 4, 2005

William H. Jordan, PC
Attorney At Law
8 North Adger's Wharf
P.O. Box 22735
Charleston, SC 29413

BK K 542 PG555

FILED

K542-548

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CHARLIE LYBRAND
REGISTER
CHARLESTON COUNTY SC

1300
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STATE OF SOUTH CAROLINA)	FOURTH SUPPLEMENTAL DECLARATION
)	OF COVENANTS AND RESTRICTIONS
COUNTY OF CHARLESTON)	FOR CASSIQUE
		(Applicable to the Cassique Garden Cottages)

THIS FOURTH SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS FOR CASSIQUE (this "Fourth Supplemental Declaration") is made as of the 27th day of Sept., 2006, by KIAWAH DEVELOPMENT PARTNERS, INC., a South Carolina corporation (hereinafter sometimes referred to as "KDP" and/or "Declarant") and CASSIQUE GARDEN COTTAGES, LLC, a South Carolina limited liability company (hereinafter sometimes referred to as "CGC").

WITNESSETH

WHEREAS, Declarant made and executed that certain DECLARATION OF COVENANTS AND RESTRICTIONS FOR CASSIQUE, which instrument is dated October 4, 2000, and recorded in Book K356, page 612, in the office of the Register of Mesne Conveyances for the County of Charleston, S.C. (the "R.M.C. Office"), as amended by that certain First Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase 1 Lots) dated October 11, 2000, and recorded October 18, 2000, in Book Z356, page 161, in the R.M.C. Office, as amended by that certain Second Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase IIA Lots), dated October 24, 2001, and recorded in Book W386, page 705, in the R.M.C. Office, as further amended by that certain First Amendment to Declaration of Covenants and Restrictions for Cassique dated as of June 25, 2003, and recorded in Book Y454, page 257, in the R.M.C. Office, as further amended by that certain Second Amendment to Declaration of Covenants and Restrictions for Cassique dated as of June 7, 2004, and recorded in Book L498, page 341, in the R.M.C. Office, and as further amended by that certain Third Amendment to Declaration of Covenants and Restrictions for Cassique dated as of May 9, 2005, and recorded in Book K542, Page 548, in the R.M.C. Office (collectively, the "Declaration"); and

WHEREAS, in Article VI, Section 6.02(a) of the Declaration, Declarant reserved the exclusive right to amend or supplement the Declaration to subject the properties in different phases of the Subdivision to certain additional covenants, restrictions, and limitations to reflect the differing character, sizes, types of ownership, and uses of the land, if any, as they may relate to the Subdivision as a whole; and

WHEREAS, Declarant owns and holds record title through its wholly-owned subsidiary Cassique Garden Cottages, LLC, to that certain real property known generally as "Cassique Garden Cottages Subdivision" and more particularly described on Exhibit "A-1" attached hereto and incorporated herein by reference (the "Cassique Garden Cottages Subdivision Lots"), and desires to subject the Cassique Garden Cottages Subdivision Lots to the additional covenants, conditions, restrictions, and limitations herein contained; and

WHEREAS, Anne O. Long owns and holds record title to Lot 239 Beauty Berry Court of the Cassique Garden Cottages as more particularly described on Exhibit "A-2" attached hereto and incorporated herein by reference (Lot 239"), and has joined in the execution of this Fourth Supplemental Declaration to evidence her consent to the additional covenants, conditions, restrictions, and limitations herein contained, and to further subject Lot 239 to the operation and effect of this Fourth Supplemental Declaration.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS. that Declarant and CGC hereby certify that they have duly approved this Fourth Supplemental Declaration, and further declare as follows:

1. When used in this Fourth Supplemental Declaration, unless the context shall prohibit or require otherwise, all words set forth herein as "defined terms" shall have the meanings set forth and defined in the Declaration.

2. Article I of the Declaration is amended to include the following additional defined terms:

(1) "Cassique Garden Cottages Subdivision" shall mean and refer to the twenty-five (25) lots more particularly described on Exhibits "A-1" and "A-2" hereto and incorporated herein by reference.

(2) "Cassique Garden Cottages Plat" shall mean and refer to, collectively, (i) a plat entitled "A FINAL PLAT OF PHASE 1-A GARDEN HOMES AT CASSIQUE OWNED BY KIAWAH RESORT ASSOCIATES, L.P. & KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" by Southeastern Surveying of Charleston, Inc., dated September 10, 2005, and recorded in Plat Book EJ, at pages 246 & 247, in the R.M.C. Office for Charleston County, S.C., and (ii) a plat entitled "A FINAL PLAT OF PHASE 1-B 10 LOTS (3.984 ACRES) GARDEN HOMES AT CASSIQUE OWNED BY KIAWAH RESORT ASSOCIATES, L.P. & KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" by Southeastern Surveying of Charleston, Inc., dated September 12, 2005, and recorded in Plat Book EJ, at Page 248 in the R.M.C. Office.

3. The following shall be added to the end of Section 3.07:

(t) Exempt Property. Section 3.07 shall not apply to the Cassique Garden Cottages Subdivision Lots.

4. Article III of the Declaration is hereby amended to include the following additional Section. The Cassique Garden Cottages Subdivision Lots, situated in Charleston County, South Carolina and more particularly described as such in Exhibits "A-1" and "A-2" attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

Section 3.18. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in the Cassique Garden Cottages Subdivision.

(a) Use. The Cassique Garden Cottages Subdivision Lots shall be used exclusively for single-family residential purposes.

(b) Architectural Strategies and General Design Guidelines.

(i) The Garden Cottages at Cassique is a carefully planned private community. The design, style, and placement of the cottages has been predetermined by Declarant and CGC to accentuate the size, configuration, and features of each individual homesite. Accordingly, in the event of damage or destruction (in whole or in part) of a Dwelling Unit within the Cassique Garden Cottages Subdivision, the Cassique Garden Cottages Subdivision Lot Owner shall renovate, restore and rebuild the home in

accordance with the original building plan and site plan arrangement, which plans shall remain on file with the ARB. The Lot Owner shall also restore all damaged or destroyed (in whole or in part) landscaping in accordance with the original landscaping plan.

(ii) All exterior elements, including, without limitation, doors, windows, colors, textures, materials, finishes, accents, lighting (intensity and/or direction) and landscaping must be approved in advance in writing by CGC. CGC shall determine in its sole discretion the maximum allowable square footage on each Cassique Garden Cottages Subdivision Lot.

(iii) Any construction or occupation of any kind on the second (2nd) floor of a Dwelling Unit within the Cassique Garden Cottages Subdivision shall be approved in writing by the ARB, in its sole discretion.

(c) Completion of Structures in Two Years. The exteriors of all Dwelling Units and other structures must be completed within two (2) years from commencement of construction thereof; provided, however, that the ARB may grant extensions where such completion is impossible or would result in extreme or undue hardship to the Cassique Garden Cottages Subdivision Lot Owner or builder due to strikes, fires, national emergency, natural calamities, or matters beyond their control.

(d) No Occupancy Until Complete. No Dwelling Unit or structure may be occupied until the exterior thereof has been completed, and a certificate of occupancy has been issued by the appropriate governmental authority having jurisdiction.

(e) Stucco Maintenance. Cassique Garden Cottages Subdivision Lot Owners shall perform routine, necessary maintenance in connection with any penetration of exterior stucco. Cassique Garden Cottages Subdivision Lot Owners shall take extreme care to keep caulking to a minimum.

5. CGC hereby reserves unto itself and grants to Declarant, the Association, KRA, L.P., and the Club, subject to the terms of the Declaration, a non-exclusive, appurtenant, perpetual, permanent, assignable, transmissible, commercial easement, over, across, upon, in and under each of the Garden Cottages Lots, for access, ingress, egress, and for the installation, maintenance, inspection, repair, and replacement of all utilities and services, irrigation systems, landscaping, and for all other lawful purposes deemed necessary, useful, or beneficial, in the discretion of CGC, the Declarant, the Association, KRA, L.P., and the Club for the orderly development of the Cassique Garden Cottages Subdivision. CGC and/or Declarant may revise and relocate such easements from time to time as deemed necessary.

6. Exhibits "A-1" and "A-2" attached to this Fourth Supplemental Declaration shall be added to Exhibit "A" of the Declaration.

7. Except as modified or amended by this Fourth Supplemental Declaration, effective as of the date first above written, the Declaration shall remain in full force and effect.

Cassique Garden Cottages Subdivision

All those certain fourteen (14) lots, pieces, or parcels of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lots 220, 221, 222, 223, 225, 227, 229, 231, 234, 236, 237, 238, 240, and 241, in The Garden Homes at Cassique, Phase 1-A, and shown on a plat entitled "A FINAL PLAT OF PHASE 1-A GARDEN HOMES AT CASSIQUE OWNED BY KIAWAH RESORT ASSOCIATES, L.P. & KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" by Southeastern Surveying of Charleston, Inc., dated September 10, 2005, and recorded in Plat Book EJ, at pages 246 & 247 (the "Phase 1-A Plat), in the R.M.C. Office for Charleston County, S.C. (the "RMC Office"), said lots having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

ALSO

All those certain ten (10) lots, pieces, or parcels of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lots 250, 251, 252, 253, 254, 255, 256, 257, 286 and 288, in The Garden Homes at Cassique, Phase 1-B, and shown on a plat entitled "A FINAL PLAT OF PHASE 1-B 10 LOTS (3.984 ACRES) GARDEN HOMES AT CASSIQUE OWNED BY KIAWAH RESORT ASSOCIATES, L.P. & KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA" by Southeastern Surveying of Charleston, Inc., dated September 12, 2005, and recorded in Plat Book EJ, at page 248 (the "Phase 1-B Plat") in the R.M.C. Office, said lots having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

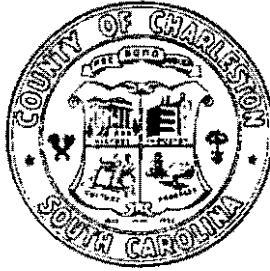
Lot 239 Beauty Berry Court

All that certain piece, or parcel of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lot 239 Beauty Berry Court, in The Garden Homes at *Cassique*, Phase 1-A, and shown on a plat entitled "*A FINAL PLAT OF PHASE 1-A GARDEN HOMES AT CASSIQUE OWNED BY KIAWAH RESORT ASSOCIATES, L.P. & KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA*" by Southeastern Surveying of Charleston, Inc., dated September 10, 2005, and recorded in Plat Book EJ, at pages 246 & 247, in the R.M.C. Office, said lot having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

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RECORDER'S PAGE

NOTE: This page **MUST** remain with the original document



FILED
October 3, 2006
2:48:53 PM
BK R 600PG323
Charlie Lybrand, Register Charleston County, SC

Filed By:

Davidson & Bradshaw LLC
125-H Wappoo Creek Dr.
Charleston SC 29412

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DESCRIPTION	AMOUNT
Misc/amend	\$ 13.00
Postage	
TOTAL	\$ 13.00

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(e) “*Cassique Garden Cottages*” shall mean and refer to twenty-five (25) lots identified as such and more particularly described on Exhibit “A” hereto and incorporated herein by reference.

3. The following subsection is hereby added to Article IV of the Declaration (Functions of the Association), as Section 4.07:

Section 4.07. Services with respect to the *Cassique Garden Cottages*.

(a) The Association shall be and is hereby authorized and empowered, but is not obligated, to perform the following acts and services in connection with the *Cassique Garden Cottages*, the costs of which shall be borne by the Owners of the *Cassique Garden Cottages* by means of a Segment Assessment as more particularly set forth in Section 6.08(a) hereof:

(i) installing and maintaining mailboxes, provided that the appearance of such mailboxes shall conform to the standards set forth in the *Cassique General Covenants* and the Declaration as amended by the First Supplemental Declaration. The Association shall have the right to locate and cluster the mailboxes in its sole discretion;

(ii) routine spray washing of the exterior partition walls;

(iii) maintaining landscaping and plantings for areas outside of the partition walls and boundary hedges and for areas within any exterior courtyards;

(iv) providing irrigation for areas outside of the partition walls and boundary hedges and within any exterior courtyards or easement areas;

(v) Subject to the provisions of Section 4.03(v) of the Declaration, maintaining, repairing or replacing any exterior element or improvement in, on, upon, or under the homesites as may be visible from the street, including, but not limited to general maintenance of any exterior feature of a Dwelling Unit (including, but not limited to, painting, pressure washing and stucco repairs) in the event that the Board of Directors of the Association, in its sole discretion, determines that the appearance of Owner's property is detracting from the overall appearance of the *Cassique Garden Cottages*.

Each Owner hereby grants to the Association a general easement over, across, upon, in and under such Owner's property for the purposes of such maintenance and repair.

In connection with such service and maintenance provided by the Association under the Declaration as amended by this First Supplemental Declaration, the Association shall be entitled to levy a Segment Assessment pursuant to Section 6.08 of the Declaration for any expenses incurred for the *Cassique Garden Cottages* that are greater than those incurred in connection with services provided to other Owners.

(b) The Owners shall be responsible for the following:

(i) landscaping inside any interior courtyard; provided, however, that the Owners shall not add, replace, or remove any landscaping visible from the street without the

express written consent of the Association. In the event an Owner adds, replaces, or removes any such landscaping without the express written consent of the Association, the Owner shall restore the same within fifteen (15) days from receipt of notice from the Association;

- (ii) irrigation inside any interior courtyard;
- (iii) insect and pest control inside any interior courtyard;
- (iv) maintaining any pool(s) or other water feature(s) (including but not limited to pools and fountains) inside any interior courtyard;
- (v) maintaining the partition walls;
- (vi) maintaining the driveways; and
- (vii) maintaining the exterior of the houses.

Any material change or alteration to the exterior of an Owner's property, or any part thereof, including but not limited to changes in landscaping, shall first be approved by the Association. The Owners shall perform all maintenance obligations in conformance with the maintenance and appearance standards set forth in the *Cassique* General Covenants and the Declaration, as amended by the First Supplemental Declaration.

4. Section 6.08(a) is hereby deleted in its entirety and replaced with the following:

(a) Segment Assessments. In addition to the Annual Assessments and Special Assessments authorized in Sections 6.03 and 6.07 of this Article, the Board of Directors of the Association is hereby empowered to levy Assessments to be used for the benefit and/or operation of a particular portion or segment of the Subdivision, the payment of which assessment shall be borne by the Owners within such segment only; such assessment being herein referred to as "Segment Assessments." A Segment Assessment can be levied by (i) Declarant, by executing and recording a Supplemental Declaration of Covenants and Restrictions declaring that such properties shall be subject to a Segment Assessment; or (ii) the Board of Directors of the Association after a determination that the affected segment of the Subdivision has such need of a particular addition or improvement as would justify the expenditure therefor by the Owners who would be assessed and who would enjoy the benefits of such improvement or addition and/or the operation thereof. The levy of the applicable Segment Assessment by Declarant or the Board of Directors of the Association shall be final and not subject to approval by either the whole body of Association Members or by those Association Members who would be subject to the Segment Assessment. The proportion of each Segment Assessment to be paid by the affected Owners of the various classifications of assessable property shall be in proportion to the payment of the Annual Assessment. In the event the Segment Assessment affects property owned by the Club, the Board of Directors of the Association shall determine the amount of the Segment Assessment by taking (i) the total cost of the project; (ii) subtracting the Club's Special Usage Fee from such amount; and (iii) dividing the balance among the Owners of the Lots and Development Unit Parcels affected by the Segment Assessments in the same proportions as the Annual Assessments are determined.

However, the Board shall not be authorized to levy a Segment Assessment which would affect property owned or licensed by the Class C Association Members without the prior, written consent of the Class C Association Members, their successors and/or assigns.

If a Segment Assessment is levied by the Board of Directors of the Association for an improvement or addition which requires a continuing assessment for maintenance and/or operational costs, then those Owners subject to the levy of the Segment Assessment may discontinue and abolish such Segment Assessment if a majority of such Owners so vote in a Referendum held during the second or any subsequent year of such a continuing Segment Assessment; provided, however, that in the event the Segment Assessment has been imposed upon property owned by the Club, the total number of votes to which the Club is entitled shall be equal, in voting number, to twenty-five percent (25%) of the total votes of the Class A Association Members whose properties are affected by the Segment Assessment, rounded to the next whole number. Should any costs result from the removal of any addition or improvement where a particular Segment Assessment is discontinued, such costs shall be funded by the Segment Assessment before its discontinuance. Segment Assessments levied or imposed by Declarant may be abolished only by Declarant, its successors and/or assigns, in its sole and absolute discretion.

5. The following subsection shall be added to Section 6.12:

(f) All properties owned by an entity wholly owned or controlled by KRA, L.P. or Declarant, their successors and/or assigns, including, without limitation, Cassique Garden Cottages, LLC.

6. Section 6.13(c)(xi) shall be amended to read as follows:

(xi) A transfer of a property or interest therein either to or from the Association, the Club, KRA, L.P., Declarant, or an entity wholly owned or controlled by KRA, L.P. or Declarant, their successors and/or assigns, including, without limitation, Cassique Garden Cottages, LLC.

7. The first sentence of Section 9.04(b) is hereby deleted and the following is substituted in lieu thereof:

Subject to the provisions hereof, upon the violation of any one or more of these Association Covenants, the *Cassique* General Covenants, the Bylaws, or any rules and regulations duly adopted by the Board of Directors of the Association, including, without limitation, the failure to timely pay any Assessments or the failure to fulfill any maintenance obligation, the Board of Directors of the Association will have the power (i) to impose reasonable monetary fines which will constitute an equitable charge and a continuing lien as a specific Assessment, (ii) to suspend an Owner-Member's right to vote in the Association, (iii) to suspend an Owner's right to use any of the Common Areas, (iv) to foreclose the lien against an Owner's property, or (v) to perform any action required of Owner on its behalf and impose a Special Assessment upon Owner for all costs.

8. Section 9.04(c) of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

(c) Procedure. Except with respect to the failure to pay Assessments, the Board of Directors of the Association will not impose a fine, suspend voting rights, or infringe upon or suspend any other rights of an Owner, resident or Tenant for violations of these Association Covenants, the *Cassique* General Covenants, the Bylaws, or any rules and regulations duly adopted by the Board of Directors of the Association, unless and until the following procedure is followed:

(i) Demand to Cease and Desist. Written demand to cease and desist from an alleged violation will be served upon the Owner responsible for such violation specifying:

- (1) The alleged violation;
- (2) The action required to abate the violation; and

(3) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of Association Covenants, the *Cassique* General Covenants, the Bylaws, or any rules and regulations duly adopted by the Board of Directors of the Association may result in the imposition of sanctions.

(ii) Board Action. If the Owner does not request a hearing to dispute the occurrence of a violation and the violation continues past the period allowed in the demand for abatement, or if the same violation subsequently occurs, the Board of Directors of the Association may impose any of the remedies set forth in Section 9.04(b). If requested by Owner, the Board of Directors of the Association shall convene a hearing in accordance with Section 9.04(c)(iii) to determine whether a violation has occurred.

(iii) Hearing. The hearing will be held in executive session of the Board of Directors of the Association pursuant to the notice and will afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice together with a statement of the date and matter of delivery is entered by the officer, director, or other individual who delivered such notice. The notice requirement will be deemed satisfied if any alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the sanction imposed, if any.

9. The following sentence is hereby added to the end of Section 4.03(n): Neither the Board nor any officer of the Association will be liable for any omission or improper exercise by such management company of any duty, power or function so delegated by written instrument executed by or on behalf of the Board of Directors of the Association.

10. Exhibits "A-1" and "A-2" attached to this First Supplemental Declaration shall be added to Exhibit "A" of the Declaration.

11. Except as modified or amended by this First Supplemental Declaration, effective as of the date first above written, the Declaration shall remain in full force and effect.

Exhibit "A-1"

Cassique Garden Cottages

BK R 600PG338

All those certain fourteen (14) lots, pieces, or parcels of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lots 220, 221, 222, 223, 225, 227, 229, 231, 234, 236, 237, 238, 240, and 241, in The Garden Homes at *Cassique*, Phase 1-A, and shown on a plat entitled "*A FINAL PLAT OF PHASE 1-A GARDEN HOMES AT CASSIQUE OWNED BY KIAWAH RESORT ASSOCIATES, L.P. & KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA*" by Southeastern Surveying of Charleston, Inc., dated September 10, 2005, and recorded in Plat Book EJ, at pages 246 & 247 (the "Phase 1-A Plat"), in the R.M.C. Office for Charleston County, S.C. (the "RMC Office"), said lots having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

ALSO

All those certain ten (10) lots, pieces, or parcels of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lots 250, 251, 252, 253, 254, 255, 256, 257, 286 and 288, in The Garden Homes at *Cassique*, Phase 1-B, and shown on a plat entitled "*A FINAL PLAT OF PHASE 1-B 10 LOTS (3.984 ACRES) GARDEN HOMES AT CASSIQUE OWNED BY KIAWAH RESORT ASSOCIATES, L.P. & KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA*" by Southeastern Surveying of Charleston, Inc., dated September 12, 2005, and recorded in Plat Book EJ, at page 248 (the "Phase 1-B Plat") in the R.M.C. Office, said lots having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

Lot 239 Beauty Berry Court

All that certain piece, or parcel of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lot 239 Beauty Berry Court, in The Garden Homes at *Cassique*, Phase 1-A, and shown on a plat entitled "*A FINAL PLAT OF PHASE 1-A GARDEN HOMES AT CASSIQUE OWNED BY KIAWAH RESORT ASSOCIATES, L.P. & KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA*" by Southeastern Surveying of Charleston, Inc., dated September 10, 2005, and recorded in Plat Book EJ, at pages 246 & 247, in the R.M.C. Office. said lot having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

BK R 600PG340

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October 3, 2006
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BK R 600PG331

Charlie Lybrand, Register
Charleston County, SC

Filed By:

Davidson & Bradshaw LLC
 125-H Wappoo Creek Dr.
 Charleston SC 29412

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Emil

DESCRIPTION	AMOUNT
Misc/amend	\$ 15.00
Postage	

TOTAL	\$ 15.00
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1. When used in this Fifth Supplemental Declaration, unless the context shall prohibit or require otherwise, all words set forth herein as “defined terms” shall have the meanings set forth and defined in the Declaration.

2. The definition of “*Cassique* Garden Cottages Subdivision” in Article I of the Declaration, as amended, is further amended to include the Phase 1-C Lots and the Phase 1-D Lots described on Exhibits “A-3” and “A-4” attached hereto and incorporated herein by reference.

3. The definition of the “*Cassique* Garden Cottages Plat” set forth in Article I of the Declaration, as amended, is further amended to read as follows:

“*Cassique* Garden Cottages Plat” shall mean and refer to, collectively, (i) a plat entitled “A FINAL PLAT OF PHASE 1-A GARDEN HOMES AT *CASSIQUE* OWNED BY KIAWAH RESORT ASSOCIATES, L.P. & KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA” by Southeastern Surveying of Charleston, Inc., dated September 10, 2005, and recorded in **Plat Book EJ, at pages 246 & 247**, in the R.M.C. Office for Charleston County, S.C., (ii) a plat entitled “A FINAL PLAT OF PHASE 1-B 10 LOTS (3.984 ACRES) GARDEN HOMES AT *CASSIQUE* OWNED BY KIAWAH RESORT ASSOCIATES, L.P. & KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA” by Southeastern Surveying of Charleston, Inc., dated September 12, 2005, and recorded in **Plat Book EJ, at Page 248** in the R.M.C. Office; (iii) a plat entitled “A FINAL SUBDIVISION PLAT OF PHASE 1-C, 9 LOTS (3.110 TOTAL ACRES) GARDEN HOMES @ *CASSIQUE* KIAWAH ISLAND DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA” dated April 13, 2007, and recorded in **Plat Book EK at page 701** in the R.M.C. Office; and (iv) a plat entitled “A FINAL SUBDIVISION PLAT OF PHASE 1-D, 3 LOTS (TOTAL 2.213 ACRES) GARDEN HOMES @ *CASSIQUE* OWNED BY KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA” dated August 25, 2007, and recorded in **Plat Book EL at page 381**, in the R.M.C. Office..

4. In addition to all applicable covenants, conditions, restrictions, limitations and easements of record in the R.M.C. Office, the Phase 1-C Lots shall be subject to the additional covenants, conditions, restrictions and general dwelling and design specifications for Lots, Homes and Structures in the *Cassique* Garden Cottages Subdivision as set forth in the Garden Cottages Supplement.

5. In addition to all applicable covenants, conditions, restrictions, limitations and easements of record in the R.M.C. Office, the Phase 1-D Lots shall be subject to the additional covenants, conditions, restrictions and general dwelling and design specifications for Lots, Homes and Structures in the *Cassique* Garden Cottages Subdivision contained in the Garden Cottages Supplement, except as the same have been and are hereby modified and/or supplemented below:

(a) Section 3.18 (b) (i) is hereby amended to read, in its entirety, as follows:

(b) Architectural Strategies and General Design Guidelines.

“(i) The Garden Cottages at Cassique is a carefully planned private community. Accordingly, the design, style, and placement of all proposed improvements on a Phase 1-D Lot, including, without limitation, the proposed Garden Cottage Dwelling Unit, shall be predetermined and must be approved in writing by Declarant and CGC to accentuate the size, configuration, and features of each individual homesite. Declarant and/or CGC shall have the right to approve or disapprove plans for any reason. In the event of damage or destruction (in whole or in part) of a Dwelling Unit within the

Cassique Garden Cottages Subdivision, the Cassique Garden Cottages Subdivision Lot Owner shall renovate, restore and rebuild the home in accordance with the original building plan and site plan arrangement, which plans shall remain on file with the ARB. The Lot Owner shall also restore all damaged or destroyed (in whole or in part) landscaping in accordance with the original landscaping plan.”

(b) Section 3.18 (c) is hereby amended to read, in its entirety, as follows:

“(c) Construction/Completion of Structures. Construction of a Dwelling Unit on a Phase 1-D Lot shall be commenced (i.e., all permits must be obtained and groundbreaking must occur) no later than two (2) years following the date of closing of the acquisition of such Phase 1-D Lot by the initial purchaser. The exteriors of all Dwelling Units and other structures on a Phase 1-D Lot must be completed within eighteen (18) months from commencement of construction thereof; provided, however, that the ARB may grant extensions where such completion is impossible or would result in extreme or undue hardship to the Phase 1-D Lot Owner or builder due to strikes, fires, national emergency, natural calamities, or matters beyond their control.”

(c) The following paragraph is added as Section 3.18 (f):

“(f) Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, no residence or dwelling shall be constructed on any Phase 1-D Lot with less than 2,600 square feet of Climate Controlled Dwelling Area (with a minimum of 2,000 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height), and a maximum of 4,000 square feet of Climate Controlled Dwelling Area for individual structures dependent on specific lot conditions. The precise maximum within such range shall be determined in the sole discretion of the ARB and communicated to Phase 1-D Lot Owners at the initial meeting on site whenever practicable. **Minimum and maximum square footage requirements may be varied by the ARB, either in its discretion, or in order to comply with the requirements and guidelines of governmental regulations and ordinances.**

6. Exhibits “A-3” and “A-4” attached to this Fifth Supplemental Declaration shall be added to Exhibit “A” of the Declaration.

7. Except as modified or amended by this Fifth Supplemental Declaration, effective as of the date first above written, the Declaration shall remain in full force and effect.

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Exhibit "A-3"

Cassique Garden Cottages
The Phase 1-C Lots

All those certain nine (9) lots, pieces, or parcels of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lots 260, 262, 264, 266, 268, 270, 272, 287 and 289 in The Garden Homes at *Cassique*, Phase 1-C, and shown on a plat entitled "*A FINAL SUBDIVISION PLAT OF PHASE 1-C, 9 LOTS (3.110 TOTAL ACRES) GARDEN HOMES @ CASSIQUE KIAWAH ISLAND DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA*" by Southeastern Surveying of Charleston, Inc., dated April 13, 2007, and recorded in Plat Book EK at page 701, in the R.M.C. Office for Charleston County, S.C., said lots having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

Exhibit "A-4"

Cassique Garden Cottages
The Phase 1-D Lots

All those certain three (3) lots, pieces, or parcels of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lots 232, 233 and 235 Beauty Berry Court in The Garden Cottages at *Cassique*, Phase 1-D, and shown on a plat entitled "*A FINAL SUBDIVISION PLAT OF PHASE 1-D, 3 LOTS (TOTAL 2.213 ACRES) GARDEN HOMES @ CASSIQUE OWNED BY KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA*" by Southeastern Surveying of Charleston, Inc., dated August 25, 2007, and recorded in Plat Book EL at page 381, in the R.M.C. Office for Charleston County, S.C. (the "R.M.C. Office"), said lots having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

4. Except as modified or amended by this Amendment, effective as of the date first above written, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, Kiawah Development Partners, Inc. and Cassique Garden Cottages, LLC have caused these presents to be executed this 22nd day of October, 2008.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Tom C. Bryant
J. Moss

Kiawah Development Partners, Inc.
(Corp. Seal)

By: Charles P. Darby, III
Name: Charles P. Darby, III
Its: President

Cassique Garden Cottages, LLC (Seal)

By: Kiawah Development Partners, Inc.
Its: Sole Member

Tom C. Bryant
J. Moss

By: Charles P. Darby, III
Name: Charles P. Darby, III
Its: President

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

THE FOREGOING INSTRUMENT was acknowledged before me by Kiawah Development Partners, Inc., by Charles P. Darby, III, its President, this 22 day of October, 2008.

J. E. Moss (SEAL)
Notary Public for South Carolina
My Commission Expires: 8/18/2016



STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

THE FOREGOING INSTRUMENT was acknowledged before me by Cassique Garden Cottages, LLC, by Kiawah Development Partners, Inc., its Sole Member, by Charles P. Darby, III, its President, this 22 day of October, 2008.

J. E. Moss (SEAL)
Notary Public for South Carolina
My Commission Expires: 8/18/2016



Exhibit "A"

The Phase 1-C Lots

All those certain nine (9) lots, pieces, or parcels of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lots 260, 262, 264, 266, 268, 270, 272, 287 and 289 in The Garden Homes at *Cassique*, Phase 1-C, and shown on a plat entitled "*A FINAL SUBDIVISION PLAT OF PHASE 1-C, 9 LOTS (3.110 TOTAL ACRES) GARDEN HOMES @ CASSIQUE KIAWAH ISLAND DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA*" by Southeastern Surveying of Charleston, Inc., dated April 13, 2007, and recorded in Plat Book EK at page 701, in the R.M.C. Office for Charleston County, S.C. said lots having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

ALSO

The Phase 1-D Lots

All those certain three (3) lots, pieces, or parcels of land, situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lots 232, 233 and 235 in The Garden Homes at *Cassique*, Phase 1-D, and shown on a plat entitled "*A FINAL SUBDIVISION PLAT OF PHASE 1-D, 3 LOTS (TOTAL 2.213 ACRES) GARDEN HOMES @ CASSIQUE OWNED BY KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA*" by Southeastern Surveying of Charleston, Inc., dated August 25, 2007, last revised on September 25, 2007, and recorded in Plat Book EL at page 381, in the R.M.C. Office for Charleston County, S.C., said lots having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

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Filed By:

JENSEN LAW FIRM
685 FOLLY RD
CHARLESTON SC 29412

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Charlie Lybrand, Register Charleston County, SC		

MAKER:

CASSIQUE HOA

RECIPIENT:

CASSIQUE GARDEN ETC

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K356

Original Page:

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Extra Reference Cost	\$ -
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TOTAL	\$ 10.00

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- (i) "Phase III" shall mean and refer to the phase of lots in *Cassique* consisting of fifteen (15) single family Homesites more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.
- (ii) "Phase III Plat" shall mean and refer to the conditional plat of Phase III prepared by Southeastern Surveying of Charleston, Inc. entitled "A CONDITIONAL SUBDIVISION PLAT OF CASSIQUE, PHASE III TMS #205-00-00-077 OWNED BY KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA," dated April 14, 2010, last revised on May 25, 2010, and recorded in Plat Book L10, at pages 237, 238, 239 and 240, in the R.M.C. Office.

3. Article III of the Declaration is hereby amended to include the following additional Section. The Phase III Lots, situate in Charleston County, South Carolina and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

"Section 3.19. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in Phase III.

a) Use. The Lots within Phase III of *Cassique* shall be used exclusively for single-family residential purposes.

b) Design Guidelines.

(i) Each Lot has been carefully planned and configured, and accordingly no more than one (1) detached single-family dwelling (which may be segmented into two or more sections), shall be erected thereon without the prior, written consent of Declarant, its successors and/or assigns. Appropriate accessory buildings may include garages, guest quarters (including garage apartments), studios/workshops, garden pavilions, greenhouses, gazebos, and pool houses. Other accessory building(s) may be permitted by either Declarant or the ARB in their discretion, provided, however, that the construction of such dwelling and/or accessory building(s) shall not, in the discretion of the ARB, overcrowd the Lot, and provided further that the accessory building(s) may not be constructed or occupied prior to the construction of the main dwelling. Preservation of natural vegetation and trees (along with supplementing existing trees on Homesites, as necessary) shall be important considerations of Declarant and/or the ARB in permitting or rejecting one or more accessory structures.

ii) Each Homesite will be planned with setbacks to take advantage of ideal building areas depicted on individual site plans. Attached as Exhibit "B" is an approximate depiction of each Lot in Phase III, and the buildable areas therefor. The buildable areas depicted on Exhibit "B" shall be those applied by the ARB when reviewing proposed plans for the construction of a dwelling and/or improvements in connection with each such Lot.

1. The exact dimensions of such buildable areas will remain on file at the office of the ARB, and in rare circumstances may be revised, altered, and/or varied by the ARB in its sole discretion.

2. By the acceptance and recordation of a deed of conveyance for a Lot in Phase III, each Lot Owner shall be deemed to covenant and agree to adhere to and abide by such designated buildable areas, as they may be revised, altered, and/or varied by the ARB.

c) Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, no residence or dwelling shall be constructed on any Lot in Phase III with less than 2,500 square feet of Climate Controlled Dwelling Area (with a minimum of 2,000 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height), and a maximum of 4,000 square feet of Climate Controlled Dwelling Area for individual structures dependent on specific lot conditions. The precise maximum within such range shall be determined in the sole discretion of the ARB and communicated to Lot Owners at the initial meeting on site whenever practicable.

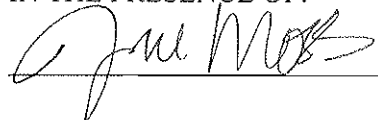
d) Up to 4,000 square feet of Climate Controlled Dwelling Area for the main structure, and 500 square feet of Climate Control Dwelling Area for ancillary structures may be permitted by the ARB for the larger Homesites where the ARB both finds that mature tree canopy can either be well preserved and/or supplemented and that the scale of the proposed home is compatible with existing and future development plans, and where Charleston County regulations so allow. Minimum and maximum square footage requirements may be varied by the ARB, either in its discretion, or in order to comply with the requirements and guidelines of governmental regulations and ordinances.

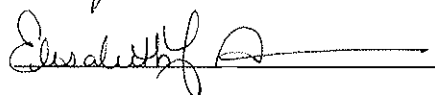
e) In setback areas in which the existing natural vegetation is insufficient or is disturbed during construction, plant material and/or grand trees totaling 24 inches or more caliper must be added to the satisfaction of the ARB. Particular emphasis shall be given to integrating native, evergreen trees and other indigenous plant material along pond edges to soften the overall appearance and enhance privacy on both sides of the pond. No home or yard lights should be directed toward the pond.

4. Except as modified or amended by this Sixth Supplemental Declaration of Covenants and Restrictions of *Cassique*, effective as of the date first above written, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, Kiawah Development Partners, Inc. has caused these presents to be executed by its officer thereunto duly authorized, and its seal to be hereunto affixed, this 6th day of October, 2010.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:





KIAWAH DEVELOPMENT PARTNERS, INC.
(SEAL)

By: 

Charles P. Darby, III

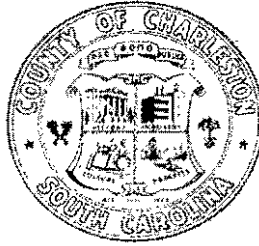
Its: President

Exhibit "A"

the Phase III Lots

All those certain pieces, parcels, or lots of land situate, lying and being in Charleston County, South Carolina, known as Lots 301, 303, 305, 307, 309, 311, 312, 313, 314, 315, 316, 317, 318, 319, and 321, Tom Watson Lane, in *Cassique*, Phase III, and shown on a plat prepared by Southeastern Surveying of Charleston, Inc. entitled "A CONDITIONAL SUBDIVISION PLAT OF CASSIQUE, PHASE III TMS #205-00-00-077 OWNED BY KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA," dated April 14, 2010, last revised on May 25, 2010, and recorded in Plat Book L10, at pages 237, 238, 239 and 240, in the R.M.C. Office; said lots having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

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Filed By:

KIAWAH DEVELOPMENT PARTNERS, INC
TWO NORTH ADGER'S WHARF
CHARLESTON SC 29401

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MAKER:

KIAWAH DEV PTNRS INC

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CASSIQUE

Note:

Recording Fee	\$ 10.00
Extra Reference Cost	\$ -
Extra Pages	\$ 2.00
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Exhibit "B"

Buildable Area
 Scale : 1" = 100'
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SEVENTH SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS FOR CASSIQUE (Book K356, page 612), AND SECOND AMENDMENT TO THE DECLARATION OF COVENANTS AND RESTRICTIONS, AND PROVISIONS AND BY-LAWS FOR THE CASSIQUE HOMEOWNERS' ASSOCIATION, INC. (Book K356, page 664) (Applicable to the Cassique Club Cottages on Dennison Lane)

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

THIS SUPPLEMENTAL DECLARATION AND AMENDMENT ("Supplemental Declaration and Amendment") is made as of the 15th day of May, 2013, by KIAWAH DEVELOPMENT PARTNERS, INC., a South Carolina corporation (hereinafter sometimes referred to as "KDP" and/or "Declarant") and KIAWAH RESORT ASSOCIATES, L.P., a Delaware limited partnership (hereinafter sometimes referred to as "KRALP").

WITNESSETH

WHEREAS, Declarant made and executed that certain DECLARATION OF COVENANTS AND RESTRICTIONS FOR CASSIQUE, which instrument is dated October 4, 2000, and recorded in Book K356, page 612, in the office of the Register of Mesne Conveyances for the County of Charleston, S.C. (the "R.M.C. Office"), as amended by that certain First Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase I Lots) dated October 11, 2000, and recorded October 18, 2000, in Book Z356, page 161, in the R.M.C. Office, as amended by that certain Second Supplemental Declaration of Covenants and Restrictions or Cassique (Applicable to the Phase IIA Lots), dated October 24, 2001, and recorded in Book W386, page 705, in the R.M.C. Office, as further amended by that certain Third Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase II Lots) dated as of May 9, 2005, and recorded in Book K542, page 548, in the R.M.C. Office, as amended by that certain Fourth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Cassique Garden Cottages) executed by Kiawah Development Partners, Inc., and Cassique Garden Cottages, LLC, dated September 27, 2006, and recorded in Book R600, page 323, in the R.M.C. Office, and further amended by the Fifth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to Phases I-C and I-D Lots) dated September 18, 2008, and recorded in Book 0011, page 262, in the R.M.C. Office, as amended by Sixth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase III Lots) dated October 6, 2010, and recorded in Book 0153, page 026, in the R.M.C. Office, and First Amendment to Declaration of Covenants and Restrictions for Cassique dated as of June 25, 2003, and recorded in Book Y454, page 257, in the R.M.C. Office, as further amended by that certain Second Amendment to Declaration of Covenants and Restrictions for Cassique dated as of June 7, 2004, and recorded in Book L498, page 341, in the R.M.C. Office, (collectively, the "Declaration"); and

WHEREAS, in Article VI, Section 6.02(a) of the Declaration, Declarant reserved the exclusive right to amend or supplement the Declaration to subject the properties in different phases of the Subdivision to certain additional covenants, restrictions, and limitations to reflect the differing character, sizes, types of ownership, and uses of the land, if any, as they may relate to the Subdivision as a whole; and

WHEREAS, Declarant further made and executed that certain DECLARATION OF COVENANTS AND RESTRICTIONS, AND PROVISIONS AND BY-LAWS FOR THE CASSIQUE HOMEOWNERS' ASSOCIATION, INC., which instrument is dated October 4, 2000, and recorded in

Book K356, page 664, in the R.M.C. Office, as amended by First Supplemental Declaration, and Amendment to Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. (Applicable to the Cassique Garden Cottages) dated September 27, 2006, and recorded in Book R600, page 331, in the R.M.C. Office, and as further amended by Amendment to Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. dated October 22, 2008, and recorded in Book 0017, page 087 in the R.M.C. Office (collectively, the "HOA Covenants"); and

WHEREAS, in Article IX, Section 9.03(a) of the HOA Covenants, the Declarant reserved the right to amend the HOA Covenants; and

WHEREAS, Kiawah Resort Associates, L.P. owns and holds record title to Lots 1, 3, 5, 7, 9 and 11 Dennison Lane, a "Non-Residential Amenity Area," and "Parcel 2," in Cassique Subdivision, as more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (the "Property"), and has joined in the execution of this Supplemental Declaration and Amendment to evidence its consent to the additional covenants, conditions, restrictions, and limitations herein contained, and to further subject the Property to the operation and effect of this Supplemental Declaration and Amendment.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Declarant and KRALP hereby certify that they have duly approved this Supplemental Declaration and Amendment, and further declare as follows:

1. When used in this Supplemental Declaration and Amendment, unless the context shall prohibit or require otherwise, all words set forth herein as "defined terms" shall have the meanings set forth and defined in the Declaration and/or the HOA Covenants.

2. **Article I of the Declaration** is amended to include the following additional defined terms:

(a) The "**Cassique Club Cottage Lots**" shall mean and refer to the six (6) lots more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

(b) "**Cassique Club Cottages Plat**" shall mean and refer to that certain plat entitled "A Conditional Subdivision Plat of Parcel 2, Lots 1, 3, (5) 7, 9 and 11 TMS #2005-00-00-198, 202, 203 & 204 Owned by Kiawah Resort Associates LP Located on Seabrook Island Charleston County, South Carolina" dated July 22, 2011, last revised on September 8, 2011, and recorded in Plat Book L11 at page 0254, in the R.M.C. Office.

(c) "**Parcel 2**" shall mean and refer to the .780 acre parcel of land shown as "Parcel 2" on the Plat and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

(d) "**Limited Common Property(ies)**" shall mean and refer to those parcels of land within the Property, together with any improvements thereon, which are conveyed to the Association by deed, lease, license, easement, or otherwise and designated therein for use as a "Limited Common Property;" or such land as is designated by Declarant in a recorded instrument or plat as a "Limited Common Property," regardless of whether or not said property is conveyed to the Association. The term "Limited Common Property" shall also include any personal property acquired by the Association if said property is designated a "Limited Common Property." Limited Common Properties are intended for the exclusive use or primary benefit of the Owners of specific properties within the Subdivision as designated by

Declarant (the "LCP Benefitted Parties"), and shall be maintained by the Association by means of a Segment Assessment, which assessment shall be payable solely by the LCP Benefitted Parties. Limited Common Properties shall be subject to such operating rules and regulations as may be promulgated by Declarant in the instrument of conveyance to the Association, and/or adopted by the Association pursuant to this Supplemental Declaration and Amendment. Limited Common Properties conveyed to the Association by lease, license or easement shall lose their designation and character as a Limited Common Property upon the expiration of such lease, license or easement, if not renewed or extended. Unless otherwise specified in the instrument of conveyance to the Association, a Limited Common Property may be redesignated as a Common Property with the written consent of all the LCP Benefitted Parties granted use of the applicable Limited Common Property, and the Declarant (so long as Declarant retains its Class B Association Membership).

3. The Property situated in Cassique Subdivision, on Seabrook Island, Charleston County, South Carolina and more particularly described as such on Exhibit "A" attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the Declaration and the HOA Covenants, as the same may be amended from time to time, and the additional covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein.

4. **Article III, Section 3.08 (b) of the Declaration** (Tenant's Usage) is amended to include the following additional section as new **Section 3.08 (b) (ii)**:

"(ii) As contemplated under the Declaration and permitted under Section 3.08 (b) (i) above, upon completion of construction of a Dwelling Unit and subject to the approval and agreement of the Club, only the Owners of **Lots One (1) and Three (3) of the Cassique Club Cottage Lots** shall be permitted to submit their Dwelling Units to the Club for participation in "Kiawah Island Club Cottages" rental program. Such rental program is for the sole and exclusive benefit of Kiawah Island Club Members, their guests, and others as permitted by the Club from time to time in the Club's sole discretion. The Club shall handle all leasing arrangements and the rental and occupancy by a tenant of Lots One (1) and Three (3) of the Cassique Club Cottage lots shall be subject to all rules and regulations established by the Club from time to time. Any abuse and/or violation of such rules and regulations or non-compliance with the terms of the Club rental program may result in the termination by the Club of such Lot Owner's right to participate in the Club rental program pursuant to this Section."

5. **Article III of the Declaration** is hereby amended to include the following additional Section:

(a) **Section 3.20. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for the Cassique Club Cottage Lots.**

(i) **Use.** The Cassique Club Cottage Lots shall be used exclusively for single-family residential purposes.

(ii) **Design Guidelines.**

(1) The Club Cottages at Cassique are a carefully planned private area within the Cassique community. No more than one (1) detached single-family dwelling (which may be segmented into two or more sections) shall be erected on each homesite without the prior, written consent of Declarant, its successors and/or assigns. Appropriate accessory buildings may include garages, guest quarters (including garage apartments), studios/workshops, garden pavilions, greenhouses, gazebos and pool houses. Other accessory building(s) may be permitted by either Declarant or the ARB, in their

discretion; provided, however, that the construction of such dwelling and/or accessory building(s) shall not, in the discretion of the ARB, overcrowd the lot, and provided further that the accessory building(s) may not be constructed or occupied prior to the construction of the main dwelling. Preservation of natural vegetation and trees (along with supplementing existing trees, as necessary, shall be important considerations of Declarant and/or the ARB in permitting or rejecting accessory structures.

(2) Each Homesite will be planned with setbacks to take advantage of ideal building areas depicted on individual site plans. Attached as Exhibit "B" is an approximate depiction of each Homesite and the buildable areas therefor. The buildable areas depicted on Exhibit "B" shall be those applied by the ARB when reviewing proposed plans for the construction of a dwelling and/or improvements in connection with each such Homesite.

A. The exact dimensions of such buildable areas will remain on file at the office of the ARB, and in rare circumstances may be revised, altered, and/or varied by the ARB in its sole discretion.

B. By the acceptance and recordation of a deed of conveyance for a Cassique Club Cottage Lot, each Lot Owner shall be deemed to covenant and agree to adhere to and abide by such designated buildable areas, as they may be revised, altered, and/or varied by the ARB.

(3) Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, no residence or dwelling shall be constructed on the Cassique Club Cottage Lots with less than 2,500 square feet of Climate Controlled Dwelling Area (with a minimum of 2,000 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height), and a maximum of 4,000 square feet of Climate Controlled Dwelling Area for individual structures dependent on specific lot conditions. The precise maximum within such range shall be determined in the sole discretion of the ARB and communicated to Lot Owners at the initial meeting on site whenever practicable.

(4) Up to 4,000 square feet of Climate Controlled Dwelling Area for the main structure, and 500 square feet of Climate Control Dwelling Area for ancillary structures may be permitted by the ARB for the larger Homesites where the ARB finds that both the mature tree canopy can either be well preserved and/or supplemented and the scale of the proposed home is compatible with existing and future development plans, and only where Charleston County regulations so allow. Minimum and maximum square footage requirements may be varied by the ARB, either in its discretion, or in order to comply with the requirements and guidelines of governmental regulations and ordinances.

(5) In setback areas in which the existing natural vegetation is insufficient or is disturbed during construction, plant material and/or grand trees totaling 24 inches or more caliper may be required by the ARB. Particular emphasis shall be given to integrating native, evergreen trees and other indigenous plant material along pond edges to soften the overall appearance and enhance privacy on both sides of the pond.

(6) All exterior elements, including, without limitation, doors, windows, colors, textures, materials, finishes, accents, lighting (intensity and/or direction) and landscaping must be approved in advance in writing by Declarant.

(iii) **Stucco Maintenance.** Cassique Club Cottage Lot Owners shall perform routine, necessary maintenance in connection with any penetration of exterior stucco, and shall take extreme care to keep caulking to a minimum.

(iv) **Covenants for Joint Use Driveways.** Access to and from the Property and LeMoyne Lane is afforded over Dennison Lane, a private shared access easement of varying width as shown on Exhibit "C" attached hereto and incorporated herein by reference (the "Common Driveways"). Specific non-exclusive easements for access, ingress and egress shall be granted in the deeds of conveyance to the initial purchaser(s) of the Property. Accordingly, the Property shall be subject to the following additional covenants, conditions and restrictions relating to the construction, use, repair and maintenance of the Common Driveway:

(1) **Location and Use of the Common Driveways.**

A. The Common Driveway shall be located and constructed within the bounds of the area labeled "Dennison Lane New Shared Access Easement #1" and "Dennison Lane New Shared Access/Utility Easement #2" on Exhibit "C" attached hereto and incorporated herein by reference ("the Common Driveway Easement.") The Common Driveway Easement shall be for the common use and benefit of the Owners of the Cassique Club Cottage Lots, Parcel 2, and the Non-Residential Amenity Area as shown on the Plat, their heirs, successors, assigns, devisees, personal representatives, guests, invitees, servants, tenants, agents, permittees, and the successors-in-title to their respective lots (collectively the "Common Driveway Parties.")

B. The Common Driveway Easement areas shall be kept clear of buildings, structures or improvements of any kind, except as may be permitted and/or installed by Declarant, KRALP, the Club and/or the Association, with approval of the ARB. No parking, standing, or stopping of vehicles shall be permissible in the Common Driveway Easement areas at any time.

(2) **Construction of the Common Driveways.** KRALP shall be responsible for the design and construction of the initial Common Driveways. Construction of each section thereof shall be completed prior to the time the first Dwelling Unit benefitting from the use of each applicable section is completed and occupied.

(3) **Maintenance and Repair of Common Driveways.** The Common Driveways shall be maintained generally as initially constructed in respect to location, design, condition, materials, and workmanship absent (i) majority approval in writing of the Common Driveway Parties; (ii) approval of the ARB and any applicable governmental agencies having jurisdiction; and (iii) written consent of KRALP and the Club, so long as KRALP and/or an affiliated entity retains title to Parcel 2 and/or any of the Cassique Club Cottage Lots. Notwithstanding any provision of this Supplemental Declaration and Amendment to the contrary, until such time as Parcel 2 is subdivided and/or developed, the cost of maintenance, upkeep, repair, and replacement of the Common Driveways, including the trimming of any immediately adjacent vegetation, shall be the joint responsibility of the Cassique Club Cottage Lot Owners, who shall bear the expenses thereof equally unless otherwise agreed in writing by the Common Driveway Parties. Once Parcel 2 is subdivided and/or developed or actively uses the Common Driveway areas, the Owner thereof shall participate prorata in the payment of expenses in accordance with this instrument.

A. Subject to and pursuant to Section 4.08 of the HOA Covenants (as amended by this instrument), the Association and/or the Club shall maintain the Common Driveways on behalf of the Owners of the Cassique Club Cottage Lots. In the event the Association fails to maintain the Common Driveways as set forth herein, the following provisions shall apply:

B. The Common Driveway Parties shall consult with one another and reach full agreement prior to initiating any substantial maintenance, upkeep, repair, or replacement of the Common Driveways; however, maintenance, upkeep, repair, or replacement may be initiated by any Owner so long as such undertaking is reasonable and does not exceed the aggregate amount of \$1,000.00 per year or such other amount as may be agreed upon in writing by the Common Driveway Parties. Payment therefor may be made in full by the Owner initiating such improvement whereupon the remaining Common Driveway Parties shall reimburse such Owner for their share of such expenses promptly upon receipt of an accounting of such costs and request therefor. If any Owner personally with his own labor makes any repairs, the remaining Common Driveway Parties shall reimburse such Owner for their reasonable share of the cost of materials promptly upon receipt of an accounting for such costs and request therefor.

(4) **Insurance and Damage.** Notwithstanding any other provision contained herein to the contrary, the underlying ownership of the lots burdened by the Common Driveway Easement areas shall remain in the names of the current Owners of record, their heirs, successors, and/or assigns. Such Owners shall obtain and maintain insurance in reasonable amounts (with reasonable deductibles) on their respective portions of the Common Driveway Easement area covering liability for property damage, personal injury suffered by persons using the Common Driveway Easement area, and death. In the event of such a calamity, resulting repair, replacement, or liability expenses shall be paid from such insurance proceeds. To the extent insurance does not cover all such expenses, the Common Driveway Parties shall share the remaining expenses equally (unless the Common Driveway Parties agree otherwise); provided, however, in the event the Common Driveway is damaged as a result of improper, negligent, or unusual use of an Owner or his respective heirs, assigns, devisees, personal representatives, guests, invitees, servants, tenants, agents, permittees or successors-in-title, such Owner shall be responsible for such damage and shall promptly pay the entire cost of restoring the Common Driveway to its condition prior to such damage. The cost of repairing damage occasioned by an Act of God shall be borne and apportioned as if a normal maintenance expense.

(5) **Private Driveways.** The Common Driveway Parties shall have the right to connect private driveways to the Common Driveways to provide for ingress and egress to their respective properties (the "Private Driveways"). Such Private Driveways shall be for the use and enjoyment of the Owner of the Lot to which it provides access, their heirs, assigns, devisees, personal representatives, guests, invitees, servants, tenants, agents, permittees or successors-in-title, and the other Party(ies) sharing the Common Driveway shall have no rights therein. Such Private Driveways shall be constructed by the Owner prior to such time a Dwelling Unit is completed on the applicable Lot. Any cost and expense incurred in connection with the construction, maintenance, upkeep, improvement, repair, and replacement of such Private Driveways shall be the sole responsibility of the Owner of the Lot to which it provides access. Provided, however, that any portions of said Private Driveways constructed within the Common Driveway Easement area shall be deemed part of the Common Driveway, and shall be constructed and maintained to the same standards as the Common Driveway. Any portions of a Private Driveway constructed within the Common Driveway Easement area shall not exceed sixteen (16') feet in width, excepting only that portion of the Private Driveway that connects with the Common Driveway, unless otherwise approved by the ARB.

(6) **Utilities.** The paved surface of the Common Driveway or any Private Driveway constructed within the Common Driveway Easement area may be breached for the installation or maintenance of underground utilities which may be placed within the Common Driveway Easement area; provided, however, the Owner of the property served by such utilities, at such Owner's sole cost and expense, shall be responsible for immediately restoring the Common Driveway to its previous condition. Time is of the essence.

(7) **Notices.** Notice by one Owner to the remaining Common Driveway Parties shall be in writing given either by registered mail, return receipt requested or by overnight courier (e.g., Federal Express) to the address either last given such Owner by the remaining Common Driveway Parties, or by delivery in person. If no addresses were exchanged between the Common Driveway Parties, then to the last address shown in the Association records and/or the Charleston County Assessor's Office property tax records for the person(s) and/or entities shown in the Assessor's Office as owning the adjoining Lot utilizing the Common Driveway for the tax year in which the notice is to be given. Service of notice shall be deemed effective on the date of deposit with the U.S. Postal Service and/or date of deposit with an overnight courier. If a property is owned by multiple parties, notice to any one Owner shall be deemed notice to all. In the case of a corporate Owner, service may be made as provided by statute for service of civil matters or by leaving a copy of the notice with an officer of the corporation.

6. **Article IV of the HOA Covenants** is amended to include the following subsections:

(a) **Section 4.02(a). Ownership, Maintenance, and Operation of Limited Common Properties.** The Association shall be authorized to own, operate and maintain Limited Common Properties for the exclusive use or primary benefit of specific segments or areas of the Subdivision from receipts of Segment Assessments levied against the Owners of properties having use of such Limited Common Property.”

(b) **Section 4.08. Services with respect to the Cassique Club Cottage Lots.**

(i) The Association shall be and is hereby authorized and empowered, but is not obligated, to perform the following acts and services in connection with the Cassique Club Cottage Lots, the costs of which shall be borne by the Owners of the Cassique Club Cottage Lots by means of a Segment Assessment as more particularly set forth in Section 6.08(a) hereof:

(1) installing and maintaining mailboxes, provided that the appearance of such mailboxes shall conform to the standards set forth in the Declaration and/or the HOA Covenants, as amended. The Association shall have the right to locate and cluster the mailboxes in its sole discretion, subject to ARB approval;

(2) routine spray washing of the exterior walls;

(3) maintaining landscaping and plantings for areas outside of any partition walls or boundary hedges, for areas within any exterior courtyards, landscape easement areas and/or the Common Driveway Easement areas delineated on Exhibit C hereto;

(4) maintaining the Common Driveways and Common Driveway Easement areas in accordance with Section 3.20 (iv) of the Declaration.

(5) providing irrigation for areas outside of any partition walls and boundary hedges and within any exterior courtyards, landscape easement areas and/or the Common Driveway Easement areas;

(6) Subject to the provisions of Section 4.03(v) of the HOA Covenants, maintaining, repairing or replacing any exterior element or improvement in, on, upon, or under the homesites as may be visible from the street, including, but not limited to general maintenance of any exterior feature of a Dwelling Unit (including, but not limited to, painting, pressure washing and stucco repairs) in the event that the Board of Directors of the Association, in its sole discretion, determines that the appearance of Owner's property is detracting from the overall appearance of the Cassique Club Cottage Lots.

(ii) In connection with such service and maintenance provided by the Association, the Association shall be entitled to levy a Segment Assessment pursuant to Section 6.08 of

the Declaration for any expenses incurred for the Cassique Club Cottage Lots that are greater than those incurred in connection with services provided to other Owners.

(iii) The Owners shall be responsible for the following:

(1) landscaping inside any interior courtyard; provided, however, that the Owners shall not add, replace, or remove any landscaping visible from the street without the express written consent of the Association and the ARB. In the event an Owner adds, replaces, or removes any such landscaping without the express written consent of the Association, the Owner shall restore the same within fifteen (15) days from receipt of notice from the Association;

(2) irrigation inside any interior courtyard;

(3) insect and pest control inside any interior courtyard;

(4) maintaining any pool(s) or other water feature(s) (including but not limited to pools and fountains) inside any interior courtyard;

(5) maintaining any partition walls;

(6) maintaining the Private Driveways; and

(7) maintaining the exterior of the houses.

(iv) The Owners shall perform all maintenance obligations in conformance with the maintenance and appearance standards set forth in the Declaration and HOA Covenants, as amended.

7. **Article V of the HOA Covenants** is amended to include the following Section:

(a) **Section 5.11. Limited Common Properties.**

(i) The Limited Common Properties are for the common use and enjoyment of the Owners of specific Lots and/or areas within the Subdivision and their respective guests, tenants, invitees, permittees, heirs, successors and assigns, subject to any operating rules promulgated in the instrument of conveyance to the Association or established by the Association, its successors and assigns. Nothing contained herein or set forth on any Subdivision Plat shall in any way or matter be construed as a dedication to the public or grant of right of use to any Limited Common Property(ies). Subject to the provisions of these covenants and applicable rules and regulations, each Owner of a property granted use of a Limited Common Property shall have a right and easement of enjoyment in and to such Limited Common Property and such easement shall be appurtenant to and pass with the title to such property.

(ii) Limited Common Properties shall be conveyed to the Association by deed, lease, easement or other such legal instrument as Declarant and the Board of Directors of the Association deem appropriate with respect thereto and for a nominal consideration, together with any and all improvements, personal property and easements associated therewith, and all structures, improvements, appurtenances, landscaping, and infrastructure located thereon and/or thereunder, within five (5) years after the improvements thereon have been completed and the Association has received written notice that such facility is Functionally Complete, or such later date as may be specified by Declarant, its successors and/or assigns. Unless prohibited in the instrument of conveyance, the Association, by and through its Board of Directors, may adopt from time to time, additional rules, regulations and fee schedules governing the use of the Limited Common Properties, which rules, regulations and fee schedules shall be binding upon the Owners.

(iii) The non-exclusive rights and easements of enjoyment created under this Section 5.11 shall be subject to the following:

(1) The right of the Declarant, the Association and/or the entity holding title to a Limited Common Property to give, convey, lease, or sell all or any part of the Limited Common Properties or any part thereof, to KRALP, the Club, to a non-profit agency or natural conservancy, or to a private individual or entity provided such conveyance shall first be approved in writing by (x) the Board of Directors of the Association if the Association holds title, (y) the LCP Benefitted Parties, and (z) Declarant, so long as Declarant retains its Class B Association Membership.

(2) The right of the Declarant and/or the Board of Directors of the Association, by majority agreement and with the written consent of Declarant if the Association holds title, to make adjustments in the boundary lines of the Limited Common Properties; provided any deed of conveyance in connection with such boundary line adjustments shall include a certificate evidencing the majority consent of the Board of Directors to the conveyance if the Association holds title; the written consent of Declarant, its successors and/or assigns; and a statement signed by the Board of Directors and the Declarant declaring that such property shall no longer be a Limited Common Property, and the rights and easements of enjoyment in said properties created hereunder shall immediately and automatically become null, void, and of no further force and effect. It is the intent of the Declarant that subject to the limitations set forth herein, the Declarant and/or the Board of Directors shall have undisputed authority with regard to the proper administration of the Limited Common Properties so long as the essential rights of the LCP Benefitted Parties as set forth in these Association Covenants are preserved and protected.

(3) The right of Declarant and/or the Association, by and through the Board of Directors, to grant easements over, under, upon and across the Limited Common Properties for access, ingress and egress and for the installation, maintenance, inspection, repair and replacement of utilities and services, irrigation systems, landscaping, and for all other lawful purposes deemed necessary, useful or beneficial in the discretion of the Declarant, the Association and/or the Club.

(4) Subject to the provisions of these Association Covenants, the right of Declarant and/or the Association to suspend the rights of a Benefitted Party to use the Limited Common Properties.

8. **Non-Residential Amenity Area.** The "Non-Residential Amenity Area" shown on the Plat shall be and is hereby designated a Limited Common Property for the sole and exclusive use and benefit of the Owners of the Cassique Club Cottage Lots, their heirs, successors, assigns, devisees, personal representatives, guests, invitees, servants, tenants, agents, permittees, and the successors-in-title to their respective lots. KRALP agrees to convey the Non-Residential Amenity Area to the Association no later than five (5) years from the date of this Supplemental Declaration and Amendment.

9. **Easements Reserved.** KRALP hereby reserves unto itself and grants to Declarant, the Association, and the Club, subject to the terms of the Declaration, a non-exclusive, appurtenant, perpetual, permanent, assignable, transmissible, commercial easement over, across, upon, in and under each of the Cassique Club Cottages Lots, for access, ingress, egress, and for the installation, maintenance, inspection, repair, and replacement of all utilities and services, irrigation systems, landscaping, and for all other lawful purposes deemed necessary, useful, or beneficial, in the discretion of KRALP, the Declarant, the Association, and the Club for the orderly development of the Cassique Club Cottage Lots. KRALP and/or Declarant may revise and relocate such easements from time to time as deemed necessary.

10. KRALP reserves the right to relocate, in whole or in part, or to abandon the "New 25' Pedestrian Easement" shown on the Plat, or to grant such easements and rights of access, ingress and/or egress over such easement area as KRALP deems necessary and/or appropriate, in its sole discretion.

11. Except as modified or amended by this Supplemental Declaration and Amendment effective as of the date first above written, the Declaration shall remain in full force and effect.

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IN WITNESS WHEREOF, Kiawah Development Partners, Inc. and Kiawah Resort Associates, L.P. have caused these presents to be executed by their officers thereunto duly authorized, and their seals to be hereunto affixed, this 15th day of May, 2013.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Jim Moss
Executive

Kiawah Development Partners, Inc.
(SEAL)

By: [Signature]
Name: Charles P. Darby, III
Its: President

Kiawah Resort Associates, L.P. (SEAL)

By: D&W Investments, Inc. (SEAL)
Its: General Partner

Jim Moss
Executive

By: [Signature]
Name: Charles P. Darby, III
Its: President

By: TWD Investments, LLC (SEAL)
Its: General Partner

Jim Moss
Executive

By: [Signature]
Name: Charles P. Darby, III
Its: Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) As to Kiawah Development Partners, Inc.

THE FOREGOING INSTRUMENT was acknowledged before me by Kiawah Development Partners, Inc. by Charles P. Darby, III, its President, this 15th day of May, 2013.

Jane E. Moss (SEAL)
Notary Public for South Carolina
My Commission Expires: 8/18/2016

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) As to Kiawah Resort Associates, L.P.

THE FOREGOING INSTRUMENT was acknowledged before me by Kiawah Resort Associates, L.P. by D&W Investments, Inc., its General Partner, by Charles P. Darby, III, its President, this 15th day of May, 2013.

Jane E. Moss (SEAL)
Notary Public for South Carolina
My Commission Expires: 8/18/2016

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) As to Kiawah Resort Associates, L.P.

THE FOREGOING INSTRUMENT was acknowledged before me by Kiawah Resort Associates, L.P. by TWD Investments, LLC, its General Partner, by Charles P. Darby, III, its Manager, this 15th day of May, 2013.

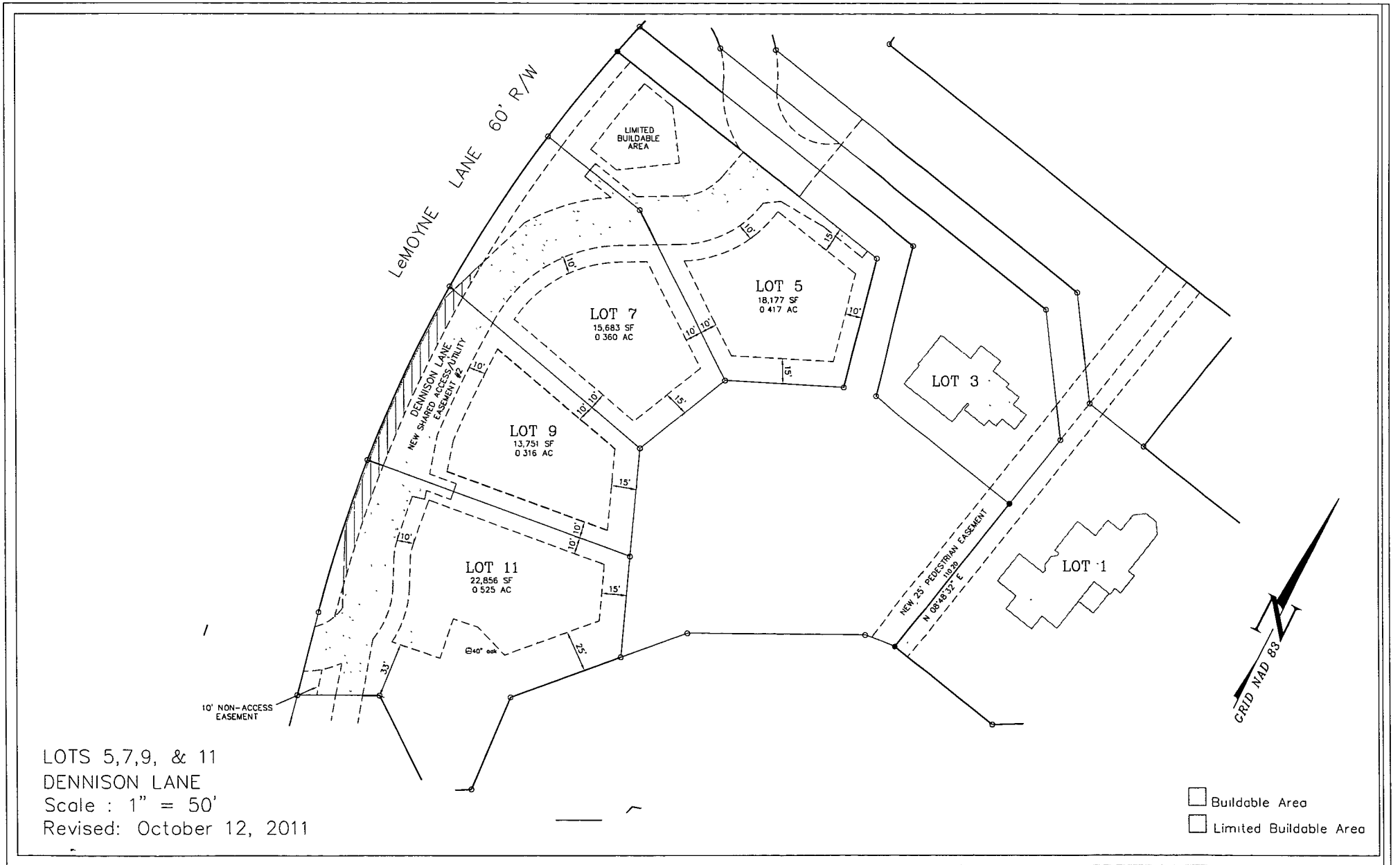
Jane E. Moss (SEAL)
Notary Public for South Carolina
My Commission Expires: 8/18/2016

Exhibit "A"

The Property

All those certain pieces, parcels or lots of land situate, lying and being on Seabrook Island, Charleston County, South Carolina, known and designated as Lots 1, 3, 5, 7, 9, and 11 Dennison Lane, the "Non-Residential Amenity Area" and "Parcel 2" in Cassique Subdivision and shown on a plat entitled "A CONDITIONAL SUBDIVISION PLAT OF PARCEL 2, LOTS 1, 3, AND 7, 9 AND 11 TMS #205-00-00-198, 202, 203 & 204 OWNED BY KIAWAH RESORT ASSOCIATES LP LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" dated July 22, 2011, last revised on September 8, 2011, and recorded in Plat Book L11 at page 0254 in the R.M.C. Office for Charleston County, South Carolina, said lots and parcels having such location, metes, butts, bounds, bearings and distances as will by reference to said plat more fully appear.

Exhibit "B"
Building Envelopes/Setbacks



“Exhibit C”

Common Driveway Easement Areas

RMC Bk 0331 Pg 197-1917

PLANNING AND RMC USE ONLY

RECORDED
 DATE: September 23, 2011 TIME: 3:10:22 PM
 Book/Sheet: L 11 / 034 DocType: Large Plat
 Charles L. Brown, Registrar, Charleston County, SC
 Received by: [Signature]
 Recorder: [Signature]
 Date: 9/23/11
 Location: LEMOYNE LANE

APPROVED CONDITIONAL PLAT
 [Signature]
 SB 11-10-167-C Sept 22, 2011

THE UNDERSIGNED PROPERTY OWNER, KIAWAH RESORT ASSOCIATES, L.P., CERTIFY THAT THE FOREGOING CONDITIONAL PLAT IS BEING SUBMITTED BY AND ON BEHALF OF SAID PROPERTY OWNERS.

KIAWAH RESORT ASSOCIATES, L.P.

RAY C. PANTUK, P.E.
 DIRECTOR OF DEVELOPMENT
 SHOWN TO BEFORE ME THIS 9th DAY OF Sept, 2011

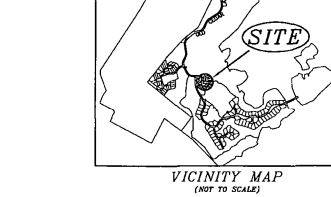
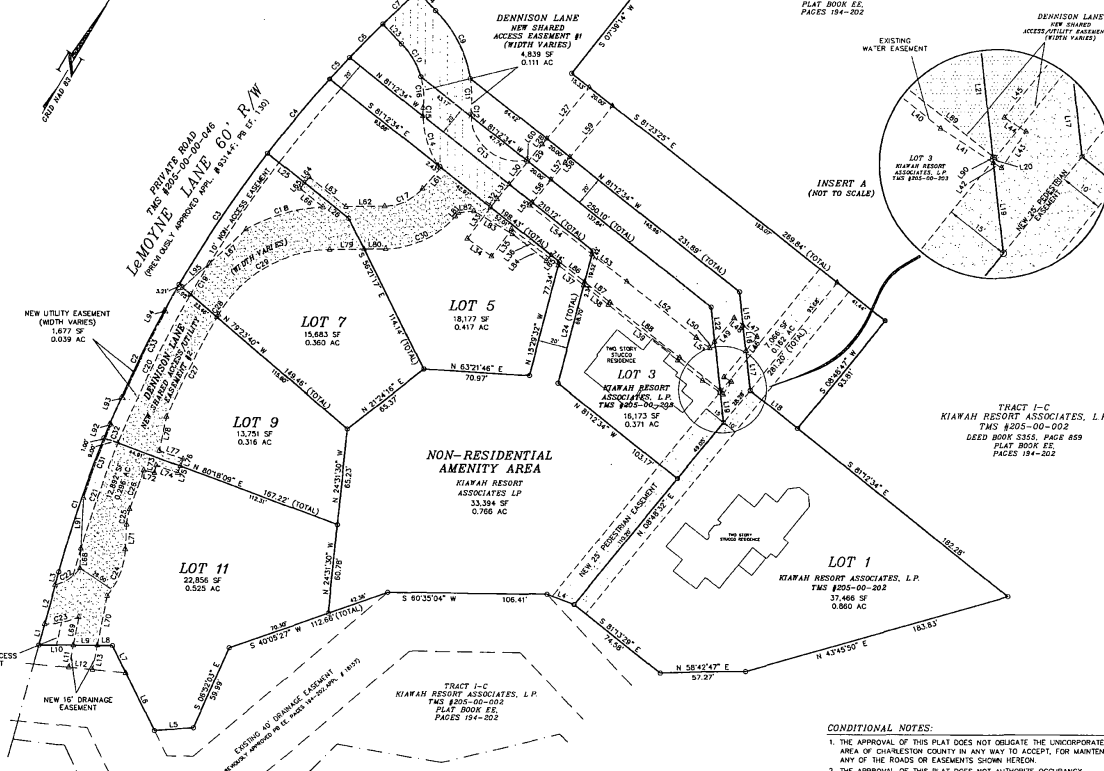
[Signature]
 LINDA S. OJLE
 COUNTY PUBLIC FOR SOUTH CAROLINA
 MY COMMISSION EXPIRES: [Date]
 STATE OF SOUTH CAROLINA
 MY COMMISSION EXPIRES: 08-03-2014

DEDICATION STATEMENT:
 KIAWAH RESORT ASSOCIATES, L.P. HEREBY DEDICATES THE DENNISON LANE "SHARED ACCESS/UTILITY EASEMENT" AREA TO THE USE AND BENEFIT OF THE OWNERS OF THE SEVEN LOTS AND OTHER PARCELS SHOWN ON THIS PLAT. THE OWNERS OF SUCH HOMESITES AND PARCELS SHALL BE RESPONSIBLE FOR AND GUARANTEE ITS MAINTENANCE UNTIL, AND UNLESS OTHERWISE LAID SHALL BE CONVEYED EITHER TO THE ASSOCIATION HOMEOWNERS ASSOCIATION, INC.

RAY C. PANTUK
 AGENT FOR KIAWAH RESORT ASSOCIATES LP
 (PROPERTY OWNER)

LINE TABLE

LINE	BEARING	DISTANCE
L1	S 121814" E	14.01
L2	S 121814" E	22.84
L3	S 121814" E	9.07
L4	S 872832" W	19.86
L5	S 561241" W	26.12
L6	N 261631" W	23.85
L7	N 561713" W	20.21
L8	S 601830" W	10.18
L9	S 601830" W	16.20
L10	S 601830" W	23.11
L11	S 191214" E	16.20
L12	N 651721" E	18.07
L13	S 191214" E	16.80
L14	S 224201" E	17.72
L15	S 381234" E	22.27
L16	S 381234" E	27.22
L17	S 381234" E	26.98
L18	S 381234" E	41.48
L19	N 381234" W	20.68
L20	N 381234" W	1.57
L21	N 381234" W	21.11
L22	N 381234" W	23.47
L23	S 721242" E	18.46
L24	N 152932" W	18.87
L25	N 313040" W	32.70
L26	N 313040" W	38.28
L27	N 081318" E	45.50
L28	N 081318" E	5.00
L29	N 081318" E	15.00
L30	N 081318" E	20.00
L31	N 081318" E	25.00
L32	N 081318" E	7.11
L33	N 081318" E	12.11
L34	S 834831" E	20.00
L35	S 081129" W	23.00
L36	S 081129" W	28.00
L37	S 081129" W	21.86
L38	N 041410" E	21.21
L39	N 041410" E	59.77
L40	N 041410" E	21.64
L41	S 863722" E	21.64
L42	S 863722" E	2.27
L43	N 032328" W	10.00
L44	S 863722" E	4.21
L45	S 092715" W	13.10
L46	S 092715" W	12.22
L47	S 862245" E	12.37
L48	S 092845" E	16.53
L49	S 092845" E	70.58
L50	S 092845" E	7.23
L51	S 864713" E	11.06
L52	S 864713" E	39.99
L53	S 864713" E	29.27
L54	S 864713" E	33.30
L55	N 091942" E	20.00
L56	N 091942" E	20.00
L57	N 091942" E	15.00
L58	N 091942" E	15.00
L59	N 091942" E	45.65
L60	N 811234" W	1.20
L61	S 162011" W	18.81
L62	N 082600" E	11.00
L63	N 811234" W	31.84
L64	S 082728" W	2.03
L65	S 082728" W	4.97
L66	S 181734" W	20.08
L67	S 092715" W	7.23
L68	S 275340" E	13.39
L69	S 182742" E	18.36
L70	S 275340" E	12.00
L71	S 275340" E	12.00
L72	N 322141" E	14.22
L73	S 184438" E	4.22
L74	N 801830" W	1.00
L75	N 084151" W	5.00
L76	N 084151" W	3.00
L77	S 801830" W	21.11
L78	S 184438" E	23.60
L79	N 801830" W	1.00
L80	N 801830" W	14.84
L81	N 801830" W	3.25
L82	N 322141" E	3.25
L83	S 802031" E	28.92
L84	N 811234" W	24.24
L85	S 094457" W	5.00
L86	N 811234" W	24.94
L87	N 811234" W	22.22
L88	N 811234" W	56.77
L89	N 811234" W	41.71
L90	N 811234" W	0.70
L91	S 275340" E	24.99
L92	N 801830" W	1.00
L93	S 801830" W	1.00
L94	S 801830" W	1.00
L95	S 163018" W	24.50



REFERENCES:
 PLAT BOOK PAGE
 Ek 704
 L11 0223

LEGEND:
 CONCRETE MONUMENT FOUND
 IRON FOUND, AS DESCRIBED
 5 FT BEARER, S.D.
 MEASUREMENT, NO CORNER SET

CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD	BEARING	DELTA
C1	820.00	96.20	48.10	S 113624" E	643.79
C2	820.00	113.48	56.74	S 083924" E	814.57
C3	820.00	107.68	53.87	S 031424" W	731.24
C4	820.00	65.93	32.96	S 001848" W	426.31
C5	820.00	20.04	10.02	S 041921" W	124.91
C6	820.00	35.13	17.56	S 143826" W	214.50
C7	820.00	69.43	34.72	S 081924" W	213.00
C8	1025.00	87.07	43.54	S 754331" E	454.01
C9	184.0	54.87	27.43	S 031927" W	154.64
C10	52.45	26.46	13.23	S 261818" E	283.94
C11	65.57	23.81	11.90	S 311624" E	154.82
C12	31.50	24.81	12.40	S 282634" E	308.00
C13	31.50	54.30	27.15	S 811234" E	992.15
C14	63.52	30.71	15.35	S 432741" E	312.20
C15	63.52	5.68	2.84	S 275734" E	570.25
C16	52.45	21.32	10.66	N 342318" W	231.67
C17	44.00	28.84	14.42	N 343807" E	483.48
C18	118.00	54.20	27.10	S 432726" W	264.00
C19	810.00	24.78	12.39	S 001327" W	114.30
C20	810.00	111.81	55.90	S 043637" E	724.27
C21	810.00	75.00	37.50	S 111818" W	922.81
C22	21.00	20.60	10.30	N 323251" E	434.40
C23	53.00	23.80	11.90	N 482948" E	250.26
C24	53.00	47.60	23.80	S 090732" W	272.38
C25	21.00	10.66	5.33	S 103832" E	163.01
C26	787.00	28.00	14.00	S 102922" W	220.41
C27	787.00	75.36	37.68	S 034348" E	529.12
C28	787.00	21.17	10.58	S 002830" E	90.18
C29	810.00	60.26	30.13	S 802830" W	564.81
C30	63.00	53.47	26.74	S 343807" E	483.50
C31	810.00	43.14	21.57	S 110522" E	310.02
C32	818.00	19.00	9.50	S 081326" E	074.59
C33	818.00	65.20	32.60	S 041147" E	424.00

SPECIAL NOTES:

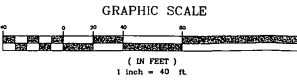
- ROAD RIGHTS-OF-WAY AND DRAINAGE EASEMENTS OWNED BY THE HOMEOWNERS ASSOCIATION ARE REQUIRED TO BE MAINTAINED BY THE ASSOCIATION. THE ONLY FUNDS TO BE USED FOR THIS MAINTENANCE ARE THOSE GENERATED THROUGH PERIODIC ASSESSMENT OF LOTS OR PARCELS WITHIN THE ASSOCIATION'S JURISDICTION. THESE FUNDS WILL BE PAID TO THE ASSOCIATION BY THE INDIVIDUAL PROPERTY OWNERS. NO PUBLIC FUNDS MAY BE USED FOR THE MAINTENANCE OF THESE ROADWAYS.
- THE OWNER, DEVELOPER, OR ANY SUBSEQUENT PURCHASER OF ANY LOT WITHIN THE HOMEOWNERS ASSOCIATION UNDERSTANDS AND AGREES THAT APPROVAL OF THIS SUBDIVISION PLAT DOES NOT COMMIT THE COUNTY OF CHARLESTON TO ANY MAINTENANCE OF THOSE ROADWAYS AND EASEMENTS.
- ANY FURTHER SUBDIVISION OF THE PARCEL, OR ANY ROAD CONSTRUCTION OR EXTENSION OF THE EXISTING ROADS SHOWN HEREON, SHALL REQUIRE COMPLIANCE WITH THE CHARLESTON COUNTY ZONING AND LAND DEVELOPMENT REGULATIONS BEFORE CHARLESTON COUNTY CAN ACCEPT THE DEDICATION OF ANY ROAD INTO THE COUNTY ROAD SYSTEM. THE PROPERTY OWNER SHALL CONSTRUCT THE ROAD STRICTLY ACCORDING TO CHARLESTON COUNTY ROAD STANDARDS.

NOTES:

- ANYTHING SHOWN OUTSIDE THE DEFINED BOUNDARY OF THIS PLAT IS FOR DESCRIPTIVE PURPOSES ONLY.
- AREA DETERMINED BY D.M.D. METHOD.
- THE PUBLIC RECORDS REFERENCED ON THIS PLAT ARE ONLY THOSE USED FOR THE ESTABLISHMENT OF THE BOUNDARY OF THIS PROPERTY. THEY ARE NOT AND DO NOT CONSTITUTE A TITLE SEARCH.
- PROPERTY SHOWN IN FLOOD ZONE AC (EL. 14.00) IS SCALED FROM FIRM PANEL NO. 45078-A-1, REVISED NOV. 11, 2006.
- SEAROOK IS AND SEWER AND WATER COMMISSION WILL PROVIDE SEWAGE DISPOSAL. SEAROOK WATER COMPANY WILL PROVIDE WATER SUPPLY.
- PROPERTY SHOWN ZONED PD-110.
- THIS TRACT WAS CERTIFIED BY THE U.S. ARMY CORPS OF ENGINEERS, PERMIT NO. SAC 2011-0289-247.

CONDITIONAL NOTES:

- THE APPROVAL OF THIS PLAT DOES NOT OBLIGATE THE UNINCORPORATED AREA OF CHARLESTON COUNTY IN ANY WAY TO ACCEPT, FOR MAINTENANCE, ANY OF THE ROADS OR EASEMENTS SHOWN HEREON.
- THE APPROVAL OF THIS PLAT DOES NOT AUTHORIZE OCCUPANCY.
- THIS PLAT IS SUBMITTED FOR PRESELLING UNDER THE IRREVOCABLE LETTER OF CREDIT PROVISIONS OF THE SUBDIVISION REGULATIONS.



I HEREBY STATE TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE UNIFORM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND WEEDS DO NOT EXCEED THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN.

[Signature]
 JOHN F. STRONG III
 C.P.L.S. No. 16115

NO.	DATE	DESCRIPTION
1.	9/23/11	RECORD ENTRY/ACCESS LOGBOOK
2.	9/23/11	RECORD ENTRY/ACCESS LOGBOOK
3.	9/23/11	AS PER COMMENTS SBMS-10MB-C
NO.	DATE	DESCRIPTION

Southeastern Surveying
 OF CHARLESTON, INC.
 1035-765-1530
 1035-765-1530 FAX 792-2007
 www.seasur.com

A CONDITIONAL SUBDIVISION PLAT OF
 PARCEL 2, LOTS 1, 3, AND 7, 9 AND 11
 TMS #205-00-00-198, 202, 203 & 204
 OWNED BY KIAWAH RESORT ASSOCIATES LP
 LOCATED ON SEAROOK ISLAND
 CHARLESTON COUNTY, SOUTH CAROLINA

DATE: 7/22/11
 DRAWN: KC
 CHECK: JTB
 CC:
 JOB: 11029
 DWG: 11029 F
 SHEET: 1 OF 1

Exhibit "C"

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RMC Bk 0331 Pg 197 : pg 18 *

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Filed By:

KIAWAH DEVELOPMENT PARTNERS, INC

TWO NORTH ADGER'S WHARF
CHARLESTON SC 29401 (BOX)

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Charlie Lybrand, Register Charleston County, SC		

MAKER:

KIAWAH DEV PTNRS INC

RECIPIENT:

CASSIQUE

Original Book:

K356

Original Page:

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# of Sats:		# of Pages:	18
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Note:

Recording Fee	\$	10.00
Extra Reference Cost	\$	-
Extra Pages	\$	13.00
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TOTAL	\$	23.00

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1. When used in this Eighth Supplemental Declaration, unless the context shall prohibit or require otherwise, all words set forth herein as "defined terms" shall have the meanings set forth and defined in the Declaration.

2. Article I of the Declaration is amended to include the following additional defined terms:

- (i) "Phase IIB" shall mean and refer to the phase of lots in *Cassique* consisting of thirteen (13) single family Homesites more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.
- (ii) "Phase IIB Plats" shall mean and refer to (a) the final plat of Lots 49 through 59 LeMoyné Lane prepared by Southeastern Surveying of Charleston, Inc. entitled "A FINAL SUBDIVISION PLAT OF LOTS 49 THRU 61 THE CASSIQUE, TRACT 1-F, PHASE IIB OWNED BY KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA," dated March 23, 2009, last revised on April 22, 2009, and recorded in Plat Book L09, at page 0241, in the R.M.C. Office; and (b) the final plat of Lots 60 and 61 LeMoyné Lane prepared by Southeastern Surveying of Charleston, Inc., dated August 27, 2010, last revised on October 12, 2010, and recorded in Plat Book L10, at page 0295 in the R.M.C. Office.

3. Article III of the Declaration is hereby amended to include the following additional Section. The Phase IIB Lots, situate in Charleston County, South Carolina and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

"Section 3.19. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in Phase IIB.

a) Use. The Lots within Phase IIB of *Cassique* shall be used exclusively for single-family residential purposes.

b) Design Guidelines.

(i) Each Lot has been carefully planned and configured, and accordingly no more than one (1) detached single-family dwelling (which may be segmented into two or more sections), shall be erected thereon without the prior, written consent of Declarant, its successors and/or assigns. Appropriate accessory buildings may include garages, guest quarters (including garage apartments), studios/workshops, garden pavilions, greenhouses, gazebos, and pool houses. Other accessory building(s) may be permitted by either Declarant or the ARB in their discretion, provided, however, that the construction of such dwelling and/or accessory building(s) shall not, in the discretion of the ARB, overcrowd the Lot, and provided further that the accessory building(s) may not be constructed or occupied prior to the construction of the main dwelling. Preservation of natural vegetation and trees (along with supplementing existing trees on Homesites, as necessary) shall be important considerations of Declarant and/or the ARB in permitting or rejecting one or more accessory structures.

(ii) Each Homesite will be planned with setbacks to take advantage of ideal building areas depicted on individual site plans. Attached as Exhibit "B" is an approximate depiction of each Lot in Phase IIB, and the buildable areas and limited buildable areas therefor. The buildable areas and limited buildable

areas depicted on Exhibit "B" shall be those applied by the ARB when reviewing proposed plans for the construction of a dwelling and/or improvements in connection with each such Lot.

1. The exact dimensions of such buildable areas and limited buildable areas will remain on file at the office of the ARB, and in rare circumstances may be revised, altered, and/or varied by the ARB in its sole discretion.

2. By the acceptance and recordation of a deed of conveyance for a Lot in Phase IIB, each Lot Owner shall be deemed to covenant and agree to adhere to and abide by such designated buildable areas and limited buildable areas, as they may be revised, altered, and/or varied by the ARB.

(iii) Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, no residence or dwelling shall be constructed on any Lot in Phase IIB with less than 2,500 square feet of Climate Controlled Dwelling Area (with a minimum of 2,000 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height), and a maximum of 4,500 to 5,000 square feet of Climate Controlled Dwelling Area for individual structures dependent on specific lot conditions. The precise maximum within such range shall be determined in the sole discretion of the ARB and communicated to Lot Owners at the initial meeting on site whenever practicable.

(iv) Up to 4,500 square feet of Climate Controlled Dwelling Area for the main structure, and 800-1,500 square feet of Climate Control Dwelling Area for ancillary structures may be permitted by the ARB for the larger Homesites where the ARB both finds that mature tree canopy can either be well preserved and/or supplemented and that the scale of the proposed home is compatible with existing and future development plans, and where Charleston County regulations so allow. Minimum and maximum square footage requirements may be varied by the ARB, either in its discretion, or in order to comply with the requirements and guidelines of governmental regulations and ordinances.

4. Except as modified or amended by this Eighth Supplemental Declaration of Covenants and Restrictions of *Cassique*, effective as of the date first above written, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, Kiawah Development Partners, Inc. has caused these presents to be executed by its officer thereunto duly authorized, and its seal to be hereunto affixed, this 15th day of May, 2013.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Jeri Moss
Cheryl Durr

KIAWAH DEVELOPMENT PARTNERS, INC.
(SEAL)

By: [Signature]
Charles P. Darby, III

Its: President

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

THE FOREGOING INSTRUMENT was acknowledged before me by Kiawah Development Partners, Inc. by Charles P. Darby, III, its President, this 15th day of May, 2013.

Jim E. Moss (SEAL)
Notary Public for South Carolina
My commission expires: 8/18/2016

Exhibit "A"

the Phase IIB Lots

All those certain pieces, parcels, or lots of land situate, lying and being in Charleston County, South Carolina, known as Lots 49, 50, 51, 52, 53, 54, 55, 56, 57, 58 and 59, LeMoyne Lane, in *Cassique*, Phase IIB, and shown on a plat prepared by Southeastern Surveying of Charleston, Inc. entitled "A FINAL SUBDIVISION PLAT OF LOTS 49 THRU 61 THE CASSIQUE, TRACT 1-F, PHASE IIB OWNED BY KIAWAH DEVELOPMENT PARTNERS, INC. LOCATED ON SEABROOK ISLAND, CHARLESTON COUNTY, SOUTH CAROLINA," dated March 23, 2009, last revised on April 22, 2009, and recorded in Plat Book L09, at page 0241, in the R.M.C. Office; said lots having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

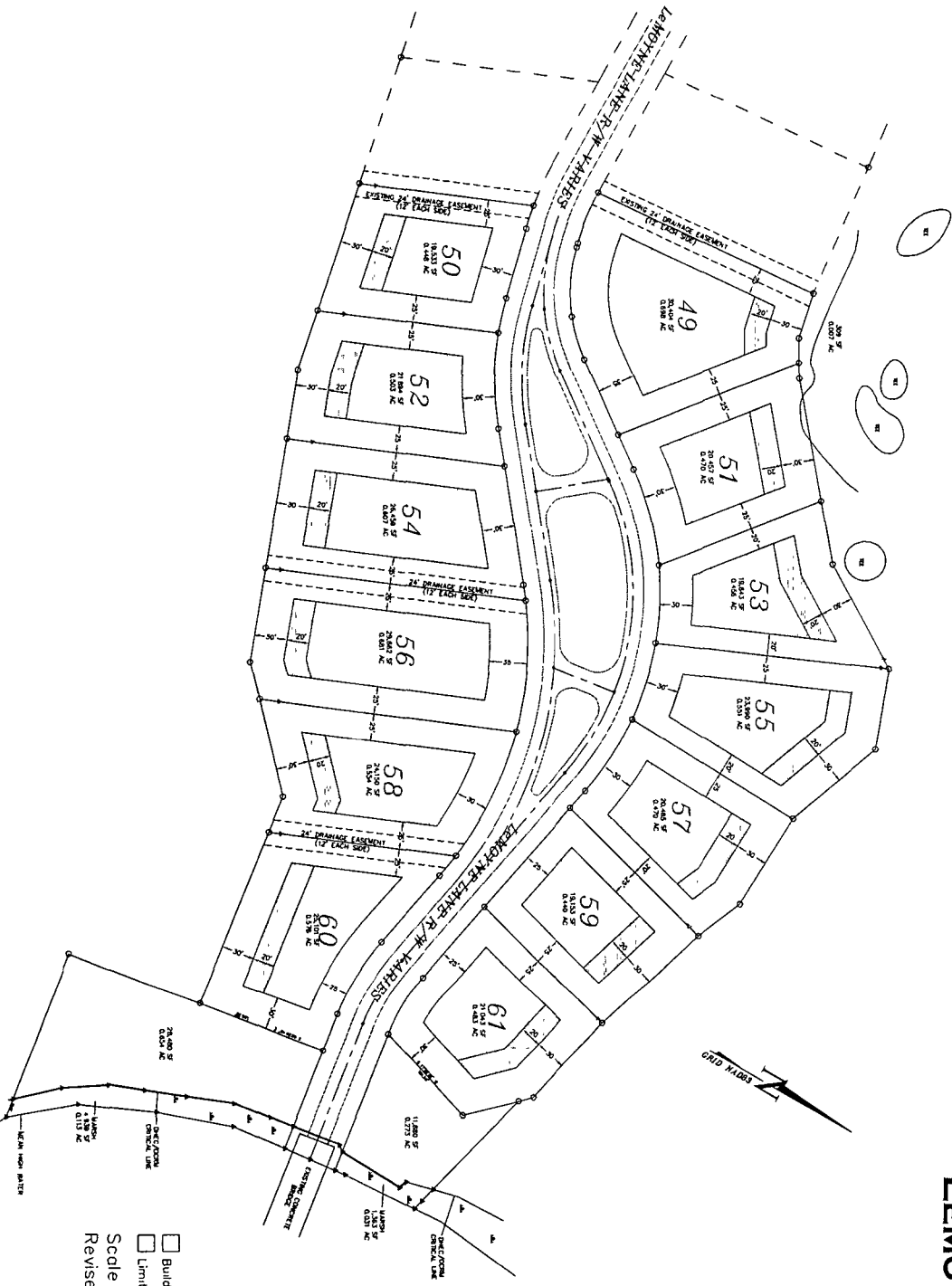
ALSO

All those certain pieces, parcels, or lots of land situate, lying and being in Charleston County, South Carolina, known as Lots 60 and 61 LeMoyne Lane, in *Cassique*, Phase IIB, and shown on a plat prepared by Southeastern Surveying of Charleston, Inc., dated August 27, 2010, last revised on October 12, 2010, and recorded in Plat Book L10, at page 0295 in the R.M.C. Office; said lots having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

Exhibit "B"

Attach Building Envelopes

LEMOYNE LANE



Buildable Area
 Limited Buildable Area
 Scale : 1" = 100'
 Revised: April 16, 2012

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Filed By:

KIAWAH DEVELOPMENT PARTNERS, INC

TWO NORTH ADGER'S WHARF
CHARLESTON SC 29401 (BOX)

cmj
att

MAKER:

KIAWAH DEV PTNRS INC

RECIPIENT:

CASSIQUE

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NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Declarant hereby certifies that it has duly approved this Ninth Supplemental Declaration, and further declares as follows:

1. When used in this Ninth Supplemental Declaration, unless the context shall prohibit or require otherwise, all words set forth herein as “defined terms” shall have the meanings set forth and defined in the Declaration.

2. Article I of the Declaration is amended to include the following additional defined terms:

- (i) “Phase 5A” shall mean and refer to the phase of lots in *Cassique* consisting of TEN (10) single family Homesites more particularly described on Exhibit A attached hereto and incorporated herein by reference.
- (ii) The “Phase 5A Plat” shall mean and refer to the conditional plat of Lots 62, 64, 66, 68, 70, 72, 74, 76, 77 and 78 LeMoyné Lane prepared by Seamon Whiteside & Associates Land Surveying, LLC entitled “A CONDITIONAL SUBDIVISION PLAT OF CASSIQUE PHASE 5A TRACT IV, TMS #205-00-00-009 CONTAINING 21.334 ACRES LOCATED NEAR SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA” dated December 31, 2012, last revised on March 13, 2013, and recorded in Plat Book L13 at pages 0123 and 0124 in the R.M.C. Office.

3. Article III of the Declaration is hereby amended to include the following additional Section. The Phase 5A Lots, situate in Charleston County, South Carolina and more particularly described in Exhibit A attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

“Section 3.21. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in Phase 5A.”

a) Use. The Lots within Phase 5A of *Cassique* shall be used exclusively for single-family residential purposes.

b) Design Guidelines.

(i) Each Lot has been carefully planned and configured, and accordingly no more than one (1) detached single-family dwelling (which may be segmented into two or more sections), shall be erected thereon without the prior, written consent of Declarant, its successors and/or assigns. Appropriate accessory buildings may include garages, guest quarters (including garage apartments), studios/workshops, garden pavilions, greenhouses, gazebos, and pool houses. Other accessory building(s) may be permitted by either Declarant or the ARB in their discretion, provided, however, that the construction of such dwelling and/or accessory building(s) shall not, in the discretion of the ARB, overcrowd the Lot, and provided further that the accessory building(s) may not be constructed or occupied prior to the construction of the main dwelling. Preservation of natural vegetation and trees (along with supplementing existing trees on Homesites, as necessary) shall be important considerations of Declarant and/or the ARB in permitting or rejecting one or more accessory structures.

(ii) Each Homesite will be planned with setbacks to take advantage of ideal building areas depicted on individual site plans. Attached as Exhibit B is an approximate depiction of each Lot in Phase 5A, and the buildable areas therefor. The buildable areas depicted on Exhibit B shall be those applied by the ARB when reviewing proposed plans for the construction of a dwelling and/or improvements in connection with each such Lot.

1. The exact dimensions of such buildable areas will remain on file at the office of the ARB, and in rare circumstances may be revised, altered, and/or varied by the ARB in its sole discretion.

2. By the acceptance and recordation of a deed of conveyance for a Lot in Phase 5A, each Lot Owner shall be deemed to covenant and agree to adhere to and abide by such designated buildable areas, as they may be revised, altered, and/or varied by the ARB.

(iii) Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, no residence or dwelling shall be constructed on any Lot in Phase 5A with less than 2,500 square feet of Climate Controlled Dwelling Area (with a minimum of 2,000 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height), and a maximum of 4,500 to 5,000 square feet of Climate Controlled Dwelling Area for individual structures dependent on specific lot conditions. The precise maximum within such range shall be determined in the sole discretion of the ARB and communicated to Lot Owners at the initial meeting on site whenever practicable.

(iv) Up to 4,500 square feet of Climate Controlled Dwelling Area for the main structure, and 800-1,500 square feet of Climate Control Dwelling Area for ancillary structures may be permitted by the ARB for the larger Homesites where the ARB both finds that mature tree canopy can either be well preserved and/or supplemented and that the scale of the proposed home is compatible with existing and future development plans, and where Charleston County regulations so allow. Minimum and maximum square footage requirements may be varied by the ARB, either in its discretion, or in order to comply with the requirements and guidelines of governmental regulations and ordinances.

c) Habitat Preservation Zone. Portions of Lots 62, 64, 66, 68, 70, 72, 74, 76, 77 and 78 in Cassique, Phase 5A, lying generally within thirty (30) feet of the DHEC-OCRM Critical Line as depicted on the Plat (the "Habitat Preservation Zone") shall be subject to the further covenant and restriction:

"The Habitat Preservation Zones shall be preserved substantially in their present natural state, and there shall be no removal, destruction, cutting, trimming, mowing or other disturbance or change in the natural habitat in any manner, other than as specifically permitted herein. Limited clearing for view and breeze shall be permitted provided such limited clearing is conducted in strict compliance with the following written guidelines, as the same may be amended from time to time:

(i) Limited clearing or pruning of trees and vegetation cannot occur until the home is completely framed. View clearing and pruning requires prior, onsite approval by the ARB Manager or an ARB representative.

(ii) All activities within the Habitat Preservation Zones must be conducted in accordance with the Cassique ARB Standards and Guidelines and the Declaration (as the same may be amended from time to time), and regulations promulgated by Charleston County, the State of South Carolina, and/or the Federal government, inclusive of the Department of Health and Environmental Control - Office of Ocean and Coastal Resource Management.

(iii) Appropriate permits must be obtained from the ARB and all other governmental agencies having jurisdiction.

(iv) Removal or trimming of vegetation hazardous to person or property, of timber downed or damaged due to natural disaster, and/or removal of dead or dying trees and shrubbery when such trees or shrubbery are determined by a certified arborist to be diseased or a hazard shall be permitted only with the prior, written consent of the ARB.

(v) Areas damaged or destroyed by disease or natural disaster may be restored with the prior, written consent of the ARB; provided, however, that all plant materials shall be indigenous to the area, no exotic species may be introduced, species of grass, shrubs and trees requiring fertilization shall not be permitted, and such restoration is in strict compliance with all provisions and limitations set forth herein.

(vi) Only low-impact structures that will blend with the natural environment such as boardwalks, pervious foot paths or nature walks, appropriate drainage and water access structures, and permitted docks and marsh improvements shall be allowed.

4. Except as modified or amended by this Ninth Supplemental Declaration of Covenants and Restrictions of *Cassique*, effective as of the date first above written, the Declaration shall remain in full force and effect.

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Exhibit A

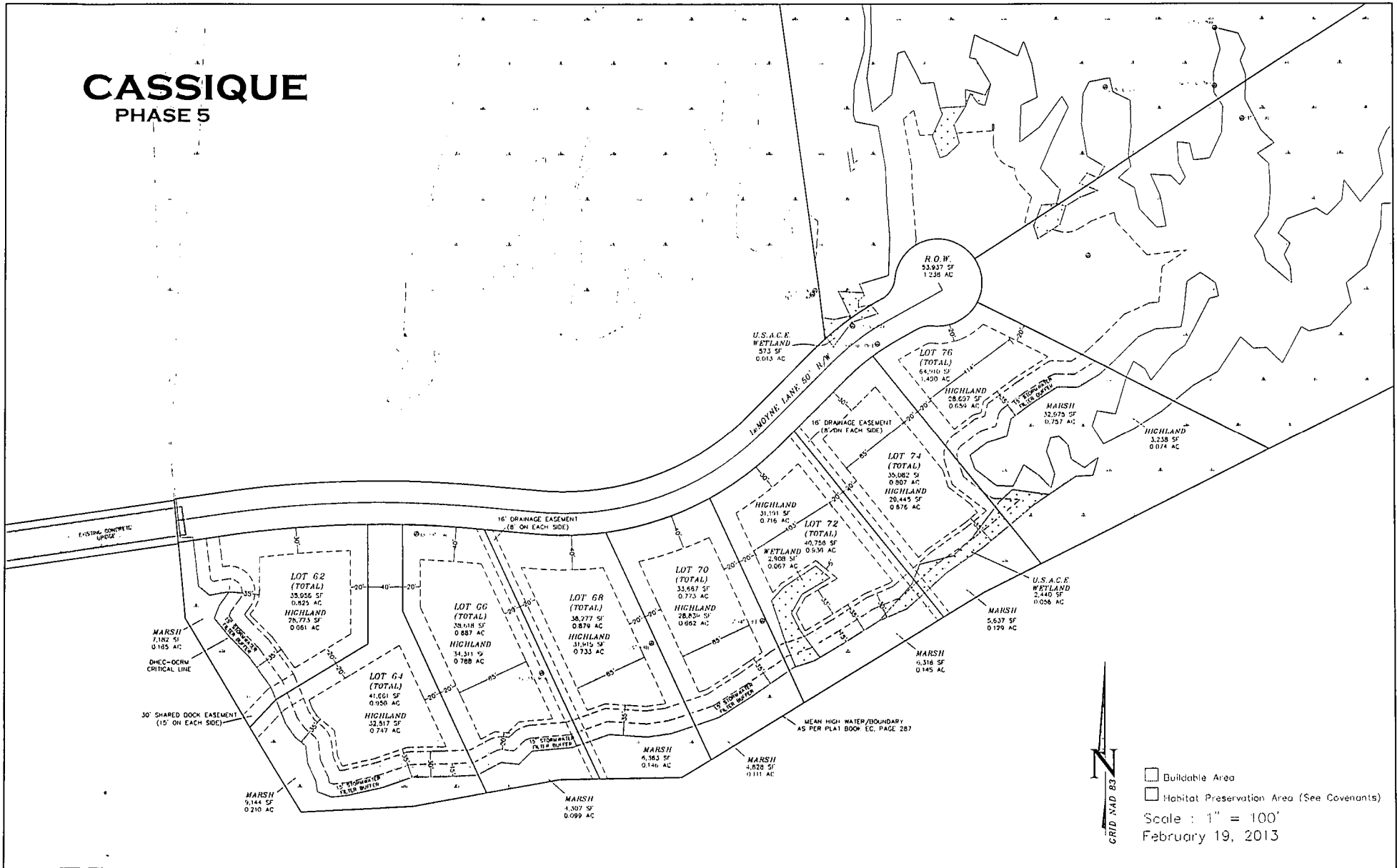
the Phase 5A Lots

All those certain pieces, parcels, or lots of land situate, lying and being in Charleston County, South Carolina, known as Lots 62, 64, 66, 68, 70, 72, 74, 76, 77 & 78 LeMoyne Lane, in *Cassique*, Phase 5A, and shown on a plat prepared by Seamon Whiteside & Associates Land Surveying, LLC entitled "A CONDITIONAL SUBDIVISION PLAT OF CASSIQUE PHASE 5A TRACT IV, TMS #205-00-00-009 CONTAINING 21.334 ACRES LOCATED NEAR SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" dated December 31, 2012, last revised on March 13, 2013, and recorded in Plat Book L13 at pages 0123 and 0124, in the R.M.C. Office; said lots having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

Exhibit B

Attach Building Envelopes

CASSIQUE PHASE 5



RECORDER'S PAGE



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NOTE: This page **MUST** remain with the original document

Filed By:

BUIST, BYARS, & TAYLOR, LLC
 FRESHFIELDS VILLAGE
 130 GARDNER'S CR PMB 138
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Extra Reference Cost	\$ -
Extra Pages	\$ 4.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 14.00

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STATE OF SOUTH CAROLINA)
) TENTH SUPPLEMENTAL DECLARATION OF
) COVENANTS AND RESTRICTIONS FOR CASSIQUE
) (Book K356, page 612),
 COUNTY OF CHARLESTON)
) AND
) THIRD AMENDMENT TO THE DECLARATION OF
) COVENANTS AND RESTRICTIONS, AND
) PROVISIONS AND BY-LAWS FOR THE CASSIQUE
) HOMEOWNERS' ASSOCIATION, INC.
) (Book K356, page 664)
) (Cassique Clubhouse Village)

THIS TENTH SUPPLEMENTAL DECLARATION AND THIRD AMENDMENT (sometimes referred to herein as this "Tenth Supplement" or this "Third Amendment") is made as of the 12th day of May, 2015, by KIAWAH DEVELOPMENT PARTNERS, LLC, a South Carolina limited liability company (formerly Kiawah Development Partners, Inc.) (the "Declarant").

WITNESSETH:

WHEREAS, Declarant made and executed that certain DECLARATION OF COVENANTS AND RESTRICTIONS FOR CASSIQUE, which instrument is dated October 4, 2000, and recorded in Book K356, page 612, in the office of the Register of Mesne Conveyances for the County of Charleston, S.C. (the "R.M.C. Office"), as modified, amended and/or supplemented by (i) First Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase 1 Lots) dated October 11, 2000, and recorded in Book Z356, page 161, in the R.M.C. Office (the "First Supplement"); (ii) Second Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase IIA Lots), dated October 24, 2001, and recorded in Book W386, page 705, in the R.M.C. Office; (iii) Third Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase II Lots) dated as of May 9, 2005, and recorded in Book K542, page 548, in the R.M.C. Office; (iv) Fourth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Cassique Garden Cottages) executed by Kiawah Development Partners, Inc. and Cassique Garden Cottages, LLC, dated September 27, 2006, and recorded in Book R600, page 323, in the R.M.C. Office; (v) Fifth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to Phases I-C and I-D of the Cassique Garden Cottage Lots) dated September 18, 2008, and recorded in Book 0011, page 262, in the R.M.C. Office; (vi) Sixth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase III Lots) dated October 6, 2010, and recorded in Book 0153, page 026, in the R.M.C. Office; (vii) Seventh Supplemental Declaration of Covenants and Restrictions for Cassique (Book K356, page 612), and Second Amendment To The Declaration Of Covenants And Restrictions, And Provisions And By-Laws For The Cassique Homeowners' Association, Inc. (Book K356, page 664) dated May 15, 2013, and recorded in Book 0331, page 197 in the R.M.C. Office (the "Seventh Supplement"); (viii) Eighth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase IIB Lots) dated May 15, 2013, and recorded in Book 0331, page 198 in the R.M.C. Office; (ix) Ninth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase 5A Lots) dated April 1, 2014, and recorded in Book 0397, page 145 in the R.M.C. Office; (x) First Amendment to Declaration of Covenants and Restrictions for Cassique dated as of June 25, 2003, and recorded in Book Y454, page 257, in the R.M.C. Office; and (xi) Second Amendment to Declaration of Covenants and Restrictions for Cassique dated as of June 7, 2004, and recorded in Book L498, page 341, in the R.M.C. Office, (collectively, the "Declaration"); and

WHEREAS, in Article VI, Section 6.02(a) of the Declaration, Declarant reserved the exclusive right to amend or supplement the Declaration to subject the properties in different phases of the Subdivision to certain additional covenants, restrictions and limitations to reflect the differing character, sizes, types of ownership, and uses of the land, if any, as they may relate to the Subdivision as a whole; and

WHEREAS, Declarant further made and executed that certain DECLARATION OF COVENANTS AND RESTRICTIONS, AND PROVISIONS AND BY-LAWS FOR THE CASSIQUE HOMEOWNERS' ASSOCIATION, INC., which instrument is dated October 4, 2000, and recorded in Book K356, page 664, in the R.M.C. Office, as modified, amended and/or supplemented by (i) First Supplemental Declaration, and Amendment to Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. (Applicable to the Cassique Garden Cottages) dated September 27, 2006, and recorded in Book R600, page 331, in the R.M.C. Office; (ii) Amendment to Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. dated October 22, 2008, and recorded in Book 0017, page 087 in the R.M.C. Office; (iii) Seventh Supplemental Declaration of Covenants and Restrictions for Cassique (Book K356, page 612) and Second Amendment to the Declaration of Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. (Book K356, page 664) dated May 15, 2013, and recorded in Book 0331, page 197 (collectively, the "HOA Covenants"); and

WHEREAS, in Article IX, Section 9.03(a) of the HOA Covenants, the Declarant reserved the right to amend the HOA Covenants; and

WHEREAS, Declarant owns and holds record title to that certain real property known generally as "Cassique Clubhouse Village," and more particularly described on **Exhibit A-5** attached hereto and incorporated herein by reference (the "Clubhouse Village Lots"), and desires to subject the Clubhouse Village Lots to the additional covenants, conditions, restrictions and limitations herein contained,

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Declarant hereby certifies that it has duly approved this Tenth Supplement and Third Amendment, and further declares as follows:

1. **Definitions.** When used in this Tenth Supplement, unless the context shall prohibit or require otherwise, all words set forth herein as "defined terms" shall have the meanings set forth and defined in the Declaration or the HOA Covenants, as applicable.

2. **Additional Defined Terms.** Article I of the Declaration is amended to include the following additional defined terms:

(i) "*Clubhouse Village*" shall mean and refer to the lots in Cassique consisting of twenty-nine (29) single family Homesites more particularly described on **Exhibit A-5** attached hereto and incorporated herein by reference.

(ii) "*Clubhouse Village Plats*" shall mean and refer collectively to (a) the final plat of Lots 500-503, 505, 507-513, 515, 517-521, 523, 524, 526, 528, 530, 532, 534, 536 and 538 Claret Way prepared by Seamon Whiteside & Associates Surveying, LLC entitled "A FINAL SUBDIVISION PLAT OF A PORTION OF TRACT I-F CASSIQUE PHASE 4, TMS #205-00-00-012 OWNED BY KIAWAH DEVELOPMENT PARTNERS, LLC LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" dated February 24, 2015, last revised on April 20, 2015, and recorded in Plat Book L15, page 0204, in the R.M.C. Office, and (b) the conditional plat of Lots 9 and 11 LeMoyné Lane prepared by Seamon Whiteside & Associates Surveying, LLC entitled "A CONDITIONAL PLAT OF LOT 11, LEMOYNE LANE, CREATING LOT 9 CASSIQUE PHASE 1 OWNED BY KIAWAH DEVELOPMENT PARTNERS, LLC AND KIAWAH ISLAND CLUB HOLDINGS, LLC LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" dated February 2, 2015, and recorded in Plat Book S15 at page 0080 in the R.M.C. Office.

(iii) “*Common Driveway*” shall mean any land with or without improvements thereon which is intended for use as a driveway for the joint use of Owner(s) of two or more Lots within the Subdivision.

(iv) “*Common Driveway Lot*” shall mean any Lot that is subject to and/or benefitted by one Common Driveway Easement and/or one Common Driveway for the common use of the Common Driveway Owners.

(v) “*Common Driveway Easements*” shall mean those certain easements for construction, use and maintenance of a Common Driveway expressly declared, granted, reserved or otherwise established pursuant to this Declaration or in any supplement or amendment hereto.

(vi) “*Common Driveway Easement Area(s)*” means those land areas within the Subdivision designated for use as a Common Driveway.

(vii) “*Common Driveway Owners*” means any group of Owners of two or more Lots that are subject to and/or benefitted by one Common Driveway Easement and/or one Common Driveway for the common use of the group of Owners.

3. **Additional Covenants and Restrictions for Clubhouse Village Lots.** Article III of the Declaration is hereby amended to insert the following as a new Section 3.22:

“**Section 3.22. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in Cassique Clubhouse Village.** The Clubhouse Village Lots, situate in Charleston County, South Carolina and more particularly described in **Exhibit A-5** attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

a) **Use.** The Lots within Clubhouse Village of *Cassique* shall be used exclusively for single-family residential purposes.

b) **Design Guidelines.**

(i) Each Lot has been carefully planned and configured, and accordingly no more than one (1) detached single-family dwelling (which may be segmented into two or more sections), shall be erected thereon without the prior, written consent of Declarant, its successors and/or assigns. Appropriate accessory buildings may include garages, guest quarters (including garage apartments), studios/workshops, garden pavilions, greenhouses, gazebos, and pool houses. Other accessory building(s) may be permitted by either Declarant or the ARB in their discretion, provided, however, that the construction of such dwelling and/or accessory building(s) shall not, in the discretion of the ARB, overcrowd the Lot, and provided further that the accessory building(s) may not be constructed or occupied prior to the construction of the main dwelling. Preservation of natural vegetation and trees (along with supplementing existing trees on Homesites, as necessary) shall be important considerations of Declarant and/or the ARB in permitting or rejecting one or more accessory structures.

(ii) **Setback Areas/Building Envelope.** Each Homesite will be planned with setbacks to take advantage of ideal building areas depicted on individual site plans. Attached as **Exhibit B** is an approximate depiction of each Lot in Clubhouse Village, and the projected

buildable areas therefor. The actual buildable areas depicted on Exhibit B shall be those applied by the ARB when reviewing proposed plans for the construction of a dwelling and/or improvements in connection with each such Lot.

1. The exact dimensions of such buildable areas will remain on file at the office of the ARB, and in rare circumstances may be revised, altered, and/or varied by the ARB in its sole discretion.

2. By the acceptance and recordation of a deed of conveyance for a Lot in Clubhouse Village, each Lot Owner shall be deemed to covenant and agree to adhere to and abide by such designated buildable areas, as they may be revised, altered, and/or varied by the ARB.

3. In setback areas in which the existing natural vegetation is insufficient or is disturbed during construction, plant material and/or grand trees totaling 24 inches or more caliper may be required by the ARB. Particular emphasis shall be given to integrating native, evergreen trees and other indigenous plant material along pond edges to soften the overall appearance and enhance privacy on both sides of the pond.

(iii) Minimum and Maximum Square Footage Requirements. Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, construction of residences or dwellings on the Lots in Clubhouse Village shall be subject to the following minimum and maximum square footage requirements for Climate Controlled Dwelling Area, which requirements may be varied by the ARB, either in its discretion, or in order to comply with the requirements and guidelines of governmental regulations and ordinances. The precise maximum within such range shall be determined in the sole discretion of the ARB and communicated to Lot Owners at the initial on-site meeting whenever practicable.

1. A minimum of 2,200 square feet of Climate Controlled Dwelling Area shall be required (with a minimum of 1,500 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height), and a maximum of 4,500 to 5,000 square feet of Climate Controlled Dwelling Area may be permitted for individual structures dependent on specific lot conditions. Up to 4,500 square feet of Climate Controlled Dwelling Area for the main structure and up to 1,500 square feet of Climate Control Dwelling Area for ancillary structures may be permitted by the ARB for larger Homesites where the ARB finds both that mature tree canopy can either be well preserved and/or supplemented and that the scale of the proposed home is compatible with existing and future development plans, and where Charleston County regulations so allow.

(iv) All exterior elements, including, without limitation, doors, windows, colors, textures, materials, finishes, accents, lighting (intensity and/or direction) and landscaping must be approved in advance in writing by Declarant or the ARB. Any alterations to existing exterior elements, including landscaping, also require prior ARB approval.

c) Habitat Preservation Zone. Portions of Lot 11 LeMoyne Lane, and Lots 500, 508, 510, 518, 520, 526, 528, and 530 Claret Way in Clubhouse Village, lying generally within thirty (30) feet of the DHEC-OCRM Critical Line as depicted on the Clubhouse Village Plats (the "Habitat Preservation Zone") shall be subject to the further covenant and restriction:

"The Habitat Preservation Zone shall be preserved substantially in its present natural state, and there shall be no removal, destruction, cutting, trimming, mowing or other

disturbance or change in the natural habitat in any manner, other than as specifically permitted herein. Limited clearing for view and breeze shall be permitted provided such limited clearing is conducted in strict compliance with the following written guidelines, as the same may be amended from time to time:

(i) Limited clearing or pruning of trees and vegetation cannot occur until the home is completely framed. View clearing and pruning requires prior, onsite approval by the ARB Manager or an ARB representative.

(ii) All activities within the Habitat Preservation Zones must be conducted in accordance with the Cassique ARB Standards and Guidelines and the Declaration (as the same may be amended from time to time), and regulations promulgated by Charleston County, the State of South Carolina, and/or the Federal government, inclusive of the Department of Health and Environmental Control - Office of Ocean and Coastal Resource Management.

(iii) Appropriate permits must be obtained from the ARB and all other governmental agencies having jurisdiction.

(iv) Removal or trimming of vegetation hazardous to person or property, of timber downed or damaged due to natural disaster, and/or removal of dead or dying trees and shrubbery when such trees or shrubbery are determined by a certified arborist to be diseased or a hazard shall be permitted only with the prior, written consent of the ARB.

(v) Areas damaged or destroyed by disease or natural disaster may be restored with the prior, written consent of the ARB; provided, however, that all plant materials shall be indigenous to the area, no exotic species may be introduced, species of grass, shrubs and trees requiring fertilization shall not be permitted, and such restoration is in strict compliance with all provisions and limitations set forth herein.

(vi) Only low-impact structures that will blend with the natural environment such as boardwalks, pervious foot paths or nature walks, appropriate drainage and water access structures, and permitted docks and marsh improvements shall be allowed.

(d) Covenants for Common Driveways. Access to and from certain Lots within Clubhouse Village may be afforded over private shared access easements of varying widths as shown on the Clubhouse Village Plats. Accordingly, certain Lots within Clubhouse Village that are served by and/or subject to a Common Driveway Easement shall be subject to the following additional covenants, conditions, easements and restrictions relating to the construction, use, repair and maintenance of their respective Common Driveways:

(1) Common Driveways and Easements for Access. Declarant hereby declares, grants, reserves and establishes to and for the benefit of each Common Driveway Owner for the benefit of and as an appurtenance to each of the Common Driveway Lots, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, within, through and across, and right to use in common with each other, that certain portion of Clubhouse Village which adjoins said lots, designated for use as a Common or Shared Driveway on the Clubhouse Village Plats. Said easement shall be for the construction, use and maintenance of a Common Driveway to be utilized jointly by the Owners of the Common Driveway Lots utilizing the Common Driveway Easement, and is for pedestrian and vehicular ingress, egress, regress and access to and from said Lots and the adjoining road right(s)-of-way.

(2) Location and Use of the Common Driveways.

A. The Common Driveways shall be located and constructed within the bounds of the Common Driveway Easement Areas as shown on the Clubhouse Village Plats.

B. The Clubhouse Village Common Driveway Easement Areas shall be kept clear of buildings, structures or improvements of any kind, except as may be permitted and/or installed by Declarant and/or the Association, with approval of the ARB. No parking, standing, or stopping of vehicles shall be permissible in the Clubhouse Village Common Driveway Easement Areas at any time.

(3) Construction of the Clubhouse Village Common Driveways. Declarant shall be responsible for the initial design and construction of the Common Driveways within Clubhouse Village. Construction of each Common Driveway shall be completed prior to the time the first Dwelling Unit benefitting from the use thereof is completed and occupied.

(4) Maintenance and Repair of the Clubhouse Village Common Driveways. Each Common Driveway shall be maintained generally as initially constructed in respect to location, design, condition, materials, and workmanship absent (i) majority approval in writing of the Common Driveway Owners; (ii) approval of the ARB and any applicable governmental agencies having jurisdiction; and (iii) written consent of Declarant so long as Declarant and/or an affiliated entity retains title to a Clubhouse Village Lot. The cost of maintenance, upkeep, repair, and replacement of the Clubhouse Village Common Driveways, including the trimming of any immediately adjacent vegetation, shall be the common responsibility of the Common Driveway Owners benefitting from and actually utilizing each applicable Common Driveway, who shall bear the expenses thereof equally unless otherwise agreed in writing by such group of Owners.

A. Subject to and pursuant to Section 4.09 of the HOA Covenants (as amended by this Amendment), the Association may elect to maintain the Clubhouse Village Common Driveways on behalf of the Common Driveway Owners. In the event the Association elects not to maintain the Clubhouse Village Common Driveways as set forth herein, the following provisions shall apply:

i. The Common Driveway Owners shall consult with one another and reach full agreement prior to initiating any substantial maintenance, upkeep, repair, or replacement of a Common Driveway; however, maintenance, upkeep, repair, or replacement may be initiated by any Common Driveway Owner so long as such undertaking is reasonable and does not exceed the aggregate amount of \$1,000.00 per calendar year or such other amount as may be agreed upon in writing by the applicable Common Driveway Owners. Payment therefor may be made in full by the Owner initiating such improvement whereupon the remaining Common Driveway Owners shall reimburse such Owner for their share of such expenses promptly upon receipt of an accounting of such costs and request therefor. If any Owner personally with his own labor makes any repairs, the remaining Common Driveway Owners shall reimburse such Owner for their reasonable share of the cost of materials promptly upon receipt of an accounting for such costs and request therefor.

(5) Insurance and Damage. Notwithstanding any other provision contained herein to the contrary, the underlying ownership of the Lots burdened by the Common Driveway Easement Areas shall remain in the names of the current Owners of record, their heirs, successors, and/or assigns. Such Owners shall obtain and maintain insurance in reasonable amounts (with reasonable deductibles) on their respective portions of the Common Driveway Easement Area

covering liability for property damage, personal injury suffered by persons using the Common Driveway Easement Area, and death. In the event of such a calamity, resulting repair, replacement, or liability expenses shall be paid from such insurance proceeds. To the extent insurance does not cover all such expenses, the Common Driveway Owners shall share the remaining expenses equally (unless the Common Driveway Owners agree otherwise); provided, however, in the event a Common Driveway is damaged as a result of improper, negligent, or unusual use of an Owner or his heirs, assigns, devisees, personal representatives, guests, invitees, servants, tenants, agents, or permittees, such Owner shall be responsible for such damage and shall promptly pay the entire cost of restoring the Common Driveway to its condition prior to such damage. The cost of repairing damage occasioned by an Act of God shall be borne and apportioned as if a normal maintenance expense.

(6) Private Driveways. The Common Driveway Owners shall have the right to connect private driveways to the Common Driveways to provide for ingress and egress to their respective properties (each a "**Private Driveway**"). Such Private Driveways shall be for the use and enjoyment of the Owner of the Lot to which it provides access, their heirs, assigns, devisees, personal representatives, guests, invitees, servants, tenants, agents, permittees or successors-in-title, and the other Owner(s) sharing the Common Driveway shall have no rights therein. Such Private Driveways shall be constructed by the Owner prior to such time a Dwelling Unit is completed on the applicable Lot. Any cost and expense incurred in connection with the construction, maintenance, upkeep, improvement, repair, and replacement of such Private Driveways shall be the sole responsibility of the Owner of the Lot to which it provides access; provided, however, that any portions of said Private Driveways constructed within the Common Driveway Easement Area shall be deemed part of the Common Driveway, and shall be constructed and maintained to the same standards as the Common Driveway.

(7) Utilities. The paved surface of each Common Driveway or any Private Driveway constructed within the Common Driveway Easement Area may be breached for the installation or maintenance of underground utilities which may be placed within the Common Driveway Easement Area; provided, however, the Owner of the Lot served by such utilities, at such Owner's sole cost and expense, shall be responsible for immediately restoring the Common Driveway to its previous condition. Time is of the essence.

(8) Notices. Notice by one Owner to the remaining Common Driveway Owners shall be in writing given either by registered mail, return receipt requested or by overnight courier (e.g., FedEx) to the address either last given such Owner by the remaining Common Driveway Owners, or by delivery in person. If no addresses were exchanged between the Common Driveway Owners, then to the last address shown in the Association records and/or the Charleston County Assessor's Office property tax records for the person(s) and/or entities shown in the Assessor's Office as owning such Lot for the tax year in which the notice is to be given. Delivery of notice shall be deemed effective on the date of deposit with the U.S. Postal Service and/or date of deposit with an overnight courier. If a Lot is owned by multiple parties, notice to any one Owner shall be deemed notice to all. In the case of a corporate Owner, notice may also be given as provided by statute for service of civil matters or by leaving a copy of the notice with an officer of the corporation."

4. Services with Respect to Clubhouse Village Lots. Article IV of the HOA Covenants is hereby amended to insert the following as a new Section 4.09:

"Section 4.09. Services with respect to the Clubhouse Village Lots.

(a) The Association shall be and is hereby authorized and empowered, but is not obligated, to perform the following acts and services in connection with the Clubhouse Village Lots, the costs of which shall be borne by the Owners of the Clubhouse Village Lots by means of Segment Assessment(s) as more particularly set forth in Section 6.08(a) hereof:

(1) installing and maintaining mailboxes, provided that the appearance of such mailboxes shall conform to the standards set forth in the *Cassique* General Covenants and/or these Association Covenants, as amended. The Association shall have the right to locate and cluster the mailboxes in its sole discretion, subject to ARB approval;

(2) routine spray washing of the exterior walls;

(3) installing and maintaining landscaping and plantings, and providing irrigation on the Homesites and/or Common Driveway Easement Areas;

(4) maintaining the Common Driveways and Common Driveway Easement Areas in accordance with Section 3.22 (d) of the *Cassique* General Covenants.

(5) Subject to the provisions of Section 4.03(v) of these Association Covenants, maintaining, repairing or replacing any exterior element or improvement in, on, upon, or under the Clubhouse Village Lots as may be visible from the street, including, but not limited to general maintenance of any exterior feature of a Dwelling Unit (including, but not limited to, painting, pressure washing and stucco repairs) in the event that the Board of Directors of the Association, in its sole discretion, determines that the appearance of Owner's property is detracting from the overall appearance of the Clubhouse Village Lots.

(b) In connection with any such service and maintenance provided by the Association, the Association shall be entitled to levy Segment Assessment(s) pursuant to Section 6.08 of these Association Covenants for any expenses incurred for all or some of the Clubhouse Village Lots that are greater than those incurred in connection with services provided to other Owners.

(c) The Owners shall be responsible for the following:

(1) maintaining the Common Driveways and Common Driveway Easement Areas pursuant to Section 3.22 (d) in the event the Association elects not to do so.

(2) providing insect and pest control;

(3) maintaining any pool(s) or other water feature(s) (including but not limited to pools and fountains);

(4) maintaining the Clubhouse Village Private Driveways; and

(5) maintaining the exterior of the Dwelling Units.

(d) The Owners shall perform all maintenance obligations in conformance with the maintenance and appearance standards set forth in the *Cassique* General Declaration and these Association Covenants, as amended.”

5. **Residual A, the Non-Residential Amenity Area, and Private Joint Use Lawn Areas.**

(i) Paragraph 8 of the Seventh Supplement is deleted in its entirety, and the provisions of Paragraph 5(ii) below shall govern in lieu thereof.

(ii) Non-Residential Amenity Area. The “Non-Residential Amenity Area” shown on the Cassique Club Cottages Plat (as defined in the Seventh Supplement) shall be and is hereby designated a Limited Common Property for the sole and exclusive use and benefit of the Owners of the Cassique Club Cottage Lots and the Clubhouse Village Lots, their heirs, successors, assigns, devisees, personal

representatives, guests, invitees, servants, tenants, agents, permittees, and the successors-in-title to their respective Lots, subject to such rules and regulations as may be established by Kiawah Resort Associates, L.P. (“KRALP”) and/or the Association from time to time. KRALP agrees to convey the Non-Residential Amenity Area to the Association no later than five (5) years from the date of this Tenth Supplement and Third Amendment.”

(iii) Residual A. The area denoted “Residual A” on the Clubhouse Village Plats shall be and is hereby designated a Limited Common Property for the sole and exclusive use and benefit of the Owners of the Clubhouse Village Lots, their heirs, successors, assigns, devisees, personal representatives, guests, invitees, servants, tenants, agents, permittees, and the successors-in-title to their respective Lots, subject to such rules and regulations as may be established by Declarant and/or the Association from time to time. Declarant agrees to convey the Residual A parcel to the Association no later than five (5) years from the date of this Tenth Supplement and Third Amendment.

(iv) Private Joint Use Lawn Areas. Declarant reserves the right to designate by grant or reservation of easement and/or reference in deeds, plats, or supplemental covenants of record, certain Private Joint Use Lawn Areas for the common use and enjoyment of Owners of two or more Homesites. Once so designated, such areas shall be for the sole and exclusive use and benefit of the Owners of the Lots benefitted and burdened by the easements granted and/or reserved by Declarant. The Private Joint Use Lawn Areas shall be maintained by the Association, and shall be subject to additional provisions establishing View Corridors and appropriate guidelines for limitations on types and heights of plant material, tree removal and limited pruning, subject to ARB review and approval.

6. Amendment to the First Supplement. The First Supplement is hereby amended to delete all references to Lot 11 LeMoyne Lane, Cassique Phase 1 as shown on the Phase 1 Plat (“Former Lot 11”). Former Lot 11 has been subdivided into new Lots 9 and 11 LeMoyne Lane as shown on a plat prepared by Seamon Whiteside & Associates Surveying, LLC entitled “A CONDITIONAL PLAT OF LOT 11, LEMOYNE LANE, CREATING LOT 9 CASSIQUE PHASE 1 OWNED BY KIAWAH DEVELOPMENT PARTNERS LLC AND KIAWAH ISLAND CLUB HOLDINGS, LLC LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA” dated February 2, 2015, and recorded in Plat Book S15 at page 0080 in the R.M.C. Office, as new Lots 9 and 11 LeMoyne Lane are subject to this Tenth Supplement and Third Amendment in lieu of the First Supplement.

7. Easements Reserved. Declarant hereby reserves unto itself, its successors and assigns, and grants to the Association, subject to the terms of the Declaration, a non-exclusive, appurtenant, perpetual, permanent, assignable, transmissible, commercial easement over, across, upon, in and under each of the Clubhouse Village Lots, for access, ingress, egress, and for the installation, maintenance, inspection, repair, and replacement of all utilities and services, irrigation systems, landscaping, for the installation, repair and maintenance of Common Driveways, and for all other lawful purposes deemed necessary, useful, or beneficial, in the discretion of Declarant and/or the Association for the orderly development of the Clubhouse Village Lots and/or to perform any duties or obligations of Declarant and/or the Association imposed by this Tenth Supplement and Third Amendment. Declarant may revise and relocate such easements from time to time as deemed necessary.

8. Exhibit A-5 attached to this Tenth Supplement shall be added to Exhibit A of the Declaration.

9. Exhibit B attached to this Tenth Supplement shall be added as Exhibit B of the Declaration.

10. Except as modified or amended by this Tenth Supplement and Third Amendment, effective as of the date first above written, the Declaration and HOA Covenants shall remain in full force and effect.

Exhibit A-5

Clubhouse Village Lots

All those certain pieces, parcels, or lots of land situate, lying and being in Charleston County, South Carolina, known as Lots 500-503, 505, 507-513, 515, 517-521, 523, 524, 526, 528, 530, 532, 534, 536, and 538 Claret Way, "Residual A" and the Right-of-Way of Claret Way, in *Cassique*, Clubhouse Village, and shown on a plat prepared by Seamon Whiteside & Associates Surveying, LLC entitled "A FINAL SUBDIVISION PLAT OF A PORTION OF TRACT I-F CASSIQUE CLUBHOUSE VILLAGE, TMS #205-00-00-012 OWNED BY KIAWAH DEVELOPMENT PARTNERS LLC LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" dated February 24, 2015, last revised on April 20, 2015, and recorded in Plat Book L15 at page 0204 in the R.M.C. Office; said parcels having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

ALSO

All those certain pieces, parcels, or lots of land situate, lying and being in Charleston County, South Carolina, known as Lots 9 and 11 LeMoyne Lane in *Cassique*, Phase 1, shown on a plat prepared by Seamon Whiteside & Associates Surveying, LLC entitled "A CONDITIONAL PLAT OF LOT 11, LEMOYNE LANE, CREATING LOT 9 CASSIQUE PHASE 1 OWNED BY KIAWAH DEVELOPMENT PARTNERS LLC AND KIAWAH ISLAND CLUBHOLDINGS, LLC LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" dated February 2, 2015, and recorded in Plat Book S15 at page 0080 in the R.M.C. Office; said lots having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

Exhibit B

Building Envelopes

See attached.

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BUIST BYARS & TAYLOR, LLC
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 JOHNS ISLAND SC 29455 (BOX)

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Recording Fee	\$ 10.00
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STATE OF SOUTH CAROLINA)
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ELEVENTH SUPPLEMENTAL DECLARATION OF
 COVENANTS AND RESTRICTIONS FOR CASSIQUE
 (Book K356, page 612),
 (Cassique Phase 5B)

THIS ELEVENTH SUPPLEMENTAL DECLARATION (sometimes referred to herein as this "Eleventh Supplement") is made as of the 15th day of December, 2015, by KIAWAH DEVELOPMENT PARTNERS, LLC, a South Carolina limited liability company (formerly Kiawah Development Partners, Inc.) (the "Declarant").

WITNESSETH:

WHEREAS, Declarant made and executed that certain DECLARATION OF COVENANTS AND RESTRICTIONS FOR CASSIQUE, which instrument is dated October 4, 2000, and recorded in Book K356, page 612, in the office of the Register of Mesne Conveyances for the County of Charleston, S.C. (the "R.M.C. Office"), as modified, amended and/or supplemented by (i) First Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase I Lots) dated October 11, 2000, and recorded in Book Z356, page 161, in the R.M.C. Office; (ii) Second Supplemental Declaration of Covenants and Restrictions or Cassique (Applicable to the Phase IIA Lots), dated October 24, 2001, and recorded in Book W386, page 705, in the R.M.C. Office; (iii) Third Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase II Lots) dated as of May 9, 2005, and recorded in Book K542, page 548, in the R.M.C. Office; (iv) Fourth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Cassique Garden Cottages) executed by Kiawah Development Partners, Inc. and Cassique Garden Cottages, LLC, dated September 27, 2006, and recorded in Book R600, page 323, in the R.M.C. Office; (v) Fifth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to Phases I-C and I-D of the Cassique Garden Cottage Lots) dated September 18, 2008, and recorded in Book 0011, page 262, in the R.M.C. Office; (vi) Sixth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase III Lots) dated October 6, 2010, and recorded in Book 0153, page 026, in the R.M.C. Office; (vii) Seventh Supplemental Declaration of Covenants and Restrictions for Cassique (Book K356, page 612), and Second Amendment To The Declaration Of Covenants And Restrictions, And Provisions And By-Laws For The Cassique Homeowners' Association, Inc. (Book K356, page 664) dated May 15, 2013, and recorded in Book 0331, page 197 in the R.M.C. Office; (viii) Eighth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase IIB Lots) dated May 15, 2013, and recorded in Book 0331, page 198 in the R.M.C. Office; (ix) Ninth Supplemental Declaration of Covenants and Restrictions for Cassique (Applicable to the Phase 5A Lots) dated April 1, 2014, and recorded in Book 0397, page 145 in the R.M.C. Office; (x) Tenth Supplemental Declaration of Covenants and Restrictions for Cassique (Book K356, page 612), and Third Amendment to the Declaration of Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homewoerns' Association, Inc. (Book K356, page 664) (Cassique Clubhouse Village) dated May 13, 2015, and recorded in Book 0476, page 116 in the R.M.C. Office; (xi) First Amendment to Declaration of Covenants and Restrictions for Cassique dated as of June 25, 2003, and recorded in Book Y454, page 257, in the R.M.C. Office; and (xii) Second Amendment to Declaration of Covenants and Restrictions for Cassique dated as of June 7, 2004, and recorded in Book L498, page 341, in the R.M.C. Office, (collectively, the "Declaration"); and

WHEREAS, in Article VI, Section 6.02(a) of the Declaration, Declarant reserved the exclusive right to amend or supplement the Declaration to subject the properties in different phases of the Subdivision to certain additional covenants, restrictions and limitations to reflect the differing character, sizes, types of ownership, and uses of the land, if any, as they may relate to the Subdivision as a whole; and

WHEREAS, Declarant owns and holds record title to that certain real property known generally as “Cassique Phase 5B,” and more particularly described on Exhibit A-6 attached hereto and incorporated herein by reference (the “Phase 5B Lots”), and desires to subject the Phase 5B Lots to the additional covenants, conditions, restrictions and limitations herein contained,

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Declarant hereby certifies that it has duly approved this Eleventh Supplement, and further declares as follows:

1. **Definitions.** When used in this Eleventh Supplement, unless the context shall prohibit or require otherwise, all words set forth herein as “defined terms” shall have the meanings set forth and defined in the Declaration.

2. **Additional Defined Terms.** Article I of the Declaration is amended to include the following additional defined terms:

(i) “Phase 5B Lots” shall mean and refer to the lots in Cassique consisting of seven (7) single family Homesites more particularly described on Exhibit A-6 attached hereto and incorporated herein by reference.

(ii) “Phase 5B Plat” shall mean and refer to the conditional plat of Lots 67, 69 & 71 LeMoyne Lane, and Lots 79, 81, 83 and 85 Trailing Vine Way, prepared by Seamon Whiteside & Associates Surveying, LLC entitled “A CONDITIONAL SUBDIVISION PLAT OF CASSIQUE PHASE 5B TRACT IV, TMS #205-00-00-009 OWNED BY KIAWAH DEVELOPMENT PARTNERS, LLC LOCATED NEAR SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA” dated October 20, 2015, last revised on November 9, 2015, and recorded in Plat Book L15 at page 0561 in the R.M.C. Office. The term “Phase 5B Plat” shall also refer to and include any subsequent conditional and/or final plats of Cassique Phase 5B when approved by the Charleston County Planning Board and recorded in the R.M.C. Office.

3. **Additional Covenants and Restrictions for the Phase 5B Lots.** Article III of the Declaration is hereby amended to insert the following as a new Section 3.23:

Section 3.23. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in Cassique Phase 5B. The Phase 5B Lots, situate in Charleston County, South Carolina and more particularly described in Exhibit A-6 attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

a) Use. The Lots within Cassique Phase 5B shall be used exclusively for single-family residential purposes.

b) Design Guidelines.

(i) Each Lot has been carefully planned and configured, and accordingly no more than one (1) detached single-family dwelling (which may be segmented into two or more sections), shall be erected thereon without the prior, written consent of Declarant, its successors and/or assigns. Appropriate accessory buildings may include garages, guest quarters (including garage apartments), studios/workshops, garden pavilions, greenhouses, gazebos, and pool houses. Other accessory building(s) may be permitted by either Declarant or the ARB in their discretion,

provided, however, that the construction of such dwelling and/or accessory building(s) shall not, in the discretion of the ARB, overcrowd the Lot, and provided further that the accessory building(s) may not be constructed or occupied prior to the construction of the main dwelling. Preservation of natural vegetation and trees (along with supplementing existing trees on Homesites, as necessary) shall be important considerations of Declarant and/or the ARB in permitting or rejecting one or more accessory structures.

(ii) Setback Areas/Building Envelope. Each Homesite will be planned with setbacks to take advantage of ideal building areas depicted on individual site plans. Attached as **Exhibit B** is an approximate depiction of each Lot in Cassique Phase 5B, and the projected buildable areas therefor. The actual buildable areas depicted on **Exhibit B** shall be those applied by the ARB when reviewing proposed plans for the construction of a dwelling and/or improvements in connection with each such Lot.

1. The exact dimensions of such buildable areas will remain on file at the office of the ARB, and in rare circumstances may be revised, altered, and/or varied by the ARB in its sole discretion.

2. By the acceptance and recordation of a deed of conveyance for a Lot in Cassique Phase 5B, each Lot Owner shall be deemed to covenant and agree to adhere to and abide by such designated buildable areas, as they may be revised, altered, and/or varied by the ARB.

(iii) Minimum and Maximum Square Footage Requirements. Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, construction of residences or dwellings on the Lots in Cassique Phase 5B shall be subject to the following minimum and maximum square footage requirements for Climate Controlled Dwelling Area, which requirements may be varied by the ARB, either in its discretion, or in order to comply with the requirements and guidelines of governmental regulations and ordinances. The precise maximum within such range shall be determined in the sole discretion of the ARB and communicated to Lot Owners at the initial on-site meeting whenever practicable.

1. A minimum of 2,500 square feet of Climate Controlled Dwelling Area shall be required (with a minimum of 2,000 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height), and a maximum of 4,500 to 5,000 square feet of Climate Controlled Dwelling Area may be permitted for individual structures dependent on specific lot conditions. Up to 4,500 square feet of Climate Controlled Dwelling Area for the main structure and 800-1,500 square feet of Climate Control Dwelling Area for ancillary structures may be permitted by the ARB for larger Homesites where the ARB finds both that mature tree canopy can either be well preserved and/or supplemented and that the scale of the proposed home is compatible with existing and future development plans, and where Charleston County regulations so allow.

c) Habitat Preservation Zone. Portions of the Phase 5B Lots lying generally within thirty (30) feet of the DHEC-OCRM Critical Line as depicted on the Cassique Phase 5B Plat (the "Habitat Preservation Zone") shall be subject to the further covenant and restriction:

The Habitat Preservation Zone shall be preserved substantially in its present natural state, and there shall be no removal, destruction, cutting, trimming, mowing or other disturbance or change in the natural habitat in any manner, other than as specifically permitted herein. Limited clearing for view and breeze shall be permitted provided such limited clearing is conducted in strict compliance with the following written guidelines, as the same may be amended from time to time:

(i) Limited clearing or pruning of trees and vegetation cannot occur until the home is completely framed. View clearing and pruning requires prior, onsite approval by the ARB Manager or an ARB representative.

(ii) All activities within the Habitat Preservation Zones must be conducted in accordance with the Cassique ARB Standards and Guidelines and the Declaration (as the same may be amended from time to time), and regulations promulgated by Charleston County, the State of South Carolina, and/or the Federal government, inclusive of the Department of Health and Environmental Control - Office of Ocean and Coastal Resource Management.

(iii) Appropriate permits must be obtained from the ARB and all other governmental agencies having jurisdiction.

(iv) Removal or trimming of vegetation hazardous to person or property, of timber downed or damaged due to natural disaster, and/or removal of dead or dying trees and shrubbery when such trees or shrubbery are determined by a certified arborist to be diseased or a hazard shall be permitted only with the prior, written consent of the ARB.

(v) Areas damaged or destroyed by disease or natural disaster may be restored with the prior, written consent of the ARB; provided, however, that all plant materials shall be indigenous to the area, no exotic species may be introduced, species of grass, shrubs and trees requiring fertilization shall not be permitted, and such restoration is in strict compliance with all provisions and limitations set forth herein.

(vi) Only low-impact structures that will blend with the natural environment such as boardwalks, pervious foot paths or nature walks, appropriate drainage and water access structures, and permitted docks and marsh improvements shall be allowed.

d) Eagle Nest Preservation Zone.

(i) The Lots within Cassique Phase 5B are subject to specific Site Design and Additional Construction Guidelines (the "Eagle Nest Guidelines") established for the preservation and protection of two Bald Eagle Nests located on Lots 83 and 85 Trailing Vine Way. The Eagle Nest Guidelines are on file at the office of the ARB, and may be amended by the ARB from time to time.

(ii) Lot 85 Trailing Vine Way is further subject to a Declaration of Restrictive Covenants dated April 28, 2015, and recorded in Book 0473, page 688 in the R.M.C. Office, which declaration restricts and/or prohibits certain activities within the Preservation Zone encumbering the northeast portion of Lot 85 and the northern portion of the Residual tract as shown on the Phase 5B Plat.

(iii) Lots 83 and 85 Trailing Vine Way are subject to a Declaration of Restrictive Covenants dated December 15th, 2015, and recorded in Book 0524, page 922 in the R.M.C. Office, which declaration further restricts and/or prohibits certain activities within the area denoted "Preservation Zone 2" encumbering portions of Lots 83 and 85 Trailing Vine Way as shown on an exhibit entitled, in part, "An Exhibit Map of the Eagle Nest Preservation Zone Cassique Phase 5B" dated October 2, 2015, a copy of which is attached hereto as Exhibit C and incorporated herein by reference.

(iv) The covenants set forth in subparagraphs d) (i), (ii) and (iii) above shall automatically terminate upon the termination of the Declarations of Restrictive Covenants recorded in Book 0473, page 688 and Book 0524, page 922 in the R.M.C. Office pursuant to Paragraphs 13 thereof.

4. **Exhibit A-6** attached to this Eleventh Supplement shall be added to Exhibit A of the Declaration.
5. **Exhibit B** attached to this Eleventh Supplement shall be added as Exhibit B of the Declaration.
6. **Exhibit C** attached to this Eleventh Supplement shall be added as Exhibit C of the Declaration.
7. Except as modified or amended by this Eleventh Supplement, effective as of the date first above written, the Declaration shall remain in full force and effect.

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Exhibit A-6

the Cassique Phase 5B Lots

All those certain pieces, parcels, or lots of land situate, lying and being near Seabrook Island, in Charleston County, South Carolina, known as Lots 67, 69 and 71 LeMoyne Lane, and Lots 79, 81, 83 and 85 Trailing Vine Way, the "Residual" tract, and the Right-of-Way of Trailing Vine Way, in Cassique Phase 5B, and shown on a plat prepared by Seamon Whiteside & Associates Surveying, LLC entitled "A CONDITIONAL SUBDIVISION PLAT OF CASSIQUE PHASE 5B TRACT IV, TMS #205-00-00-009 OWNED BY KIAWAH DEVELOPMENT PARTNERS LLC LOCATED NEAR SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" dated October 20, 2015, last revised on November 9, 2015, and recorded in Plat Book L15 at page 0561 in the R.M.C. Office; said parcels having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

Exhibit B

Building Envelopes

See attached.

Cassique phase 5b

- Buildable Area
- Preservation Zone

Scale : 1" = 100'
October 15, 2015

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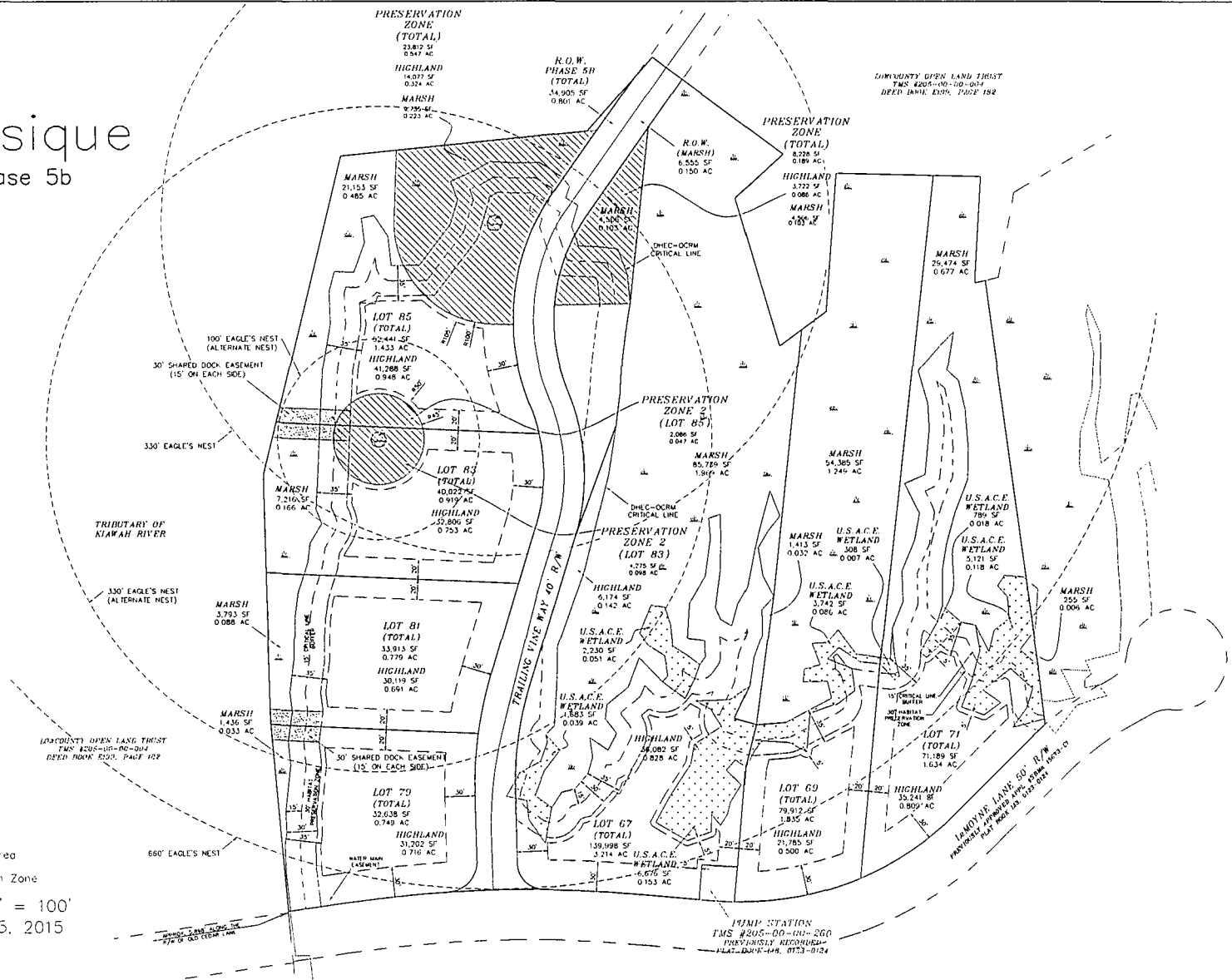


Exhibit C

Exhibit Map of Eagle Nest Preservation Zone

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Filed By:

KIAWAH DEVELOPMENT PARTNERS, INC
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 KIAWAH ISLAND SC 29455-5650

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Recording Fee	\$ 10.00
Extra Reference Cost	\$ -
Extra Pages	\$ 7.00
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CASSIQUE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS
IN LEAU OF MEETING
MONDAY, MAY 23, 2016

The Board has agreed to adopt a new policy on this date, May 23, 2016. This policy deals with the combining of lots into one parcel. If a property owner combines one or more lots, they must receive authorization from Charleston County Planning and Zoning on the abandonment of the lots lines, record a new deed and exempt plat with Charleston County.

At that time, the property owner will be responsible for one property owner's association dues and one Kiawah Island Club membership attached to the parcel.

In the future, if the parcel is subdivided, the property owner will be responsible for all back property owners dues from the date of combining the properties and will be required to obtain a Kiawah Island Club membership for the new subdivided lot or lots.

Mr. Jordan Phillips



Mr. Townsend Clarkson



Mr. Lee Cotton



WHEREAS, Declarant made and executed that certain DECLARATION OF COVENANTS AND RESTRICTIONS, AND PROVISIONS AND BY-LAWS FOR THE CASSIQUE HOMEOWNERS' ASSOCIATION, INC., which instrument is dated October 4, 2000, and recorded in Book K356, page 664, in the ROD Office, as modified, amended and/or supplemented by (i) First Supplemental Declaration, and Amendment to Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. (Applicable to the Cassique Garden Cottages) dated September 27, 2006, and recorded in Book R600, page 331, in the ROD Office; (ii) Amendment to Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. dated October 22, 2008, and recorded in Book 0017, page 087 in the ROD Office; (iii) Seventh Supplemental Declaration of Covenants and Restrictions for Cassique (Book K356, page 612) and Second Amendment to the Declaration of Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. (Book K356, page 664) dated May 15, 2013, and recorded in Book 0331, page 197; and (iv) Tenth Supplemental Declaration of Covenants and Restrictions for Cassique and Third Amendment to the Declaration of Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. dated May 13, 2015, and recorded in Book 0476, page 116 in the ROD Office (collectively, the "Association Covenants"); and

WHEREAS, in Article VI, Section 6.02(a) of the Declaration, Declarant reserved the exclusive right to amend or supplement the Declaration to subject the properties in different phases of the Subdivision to certain additional covenants, restrictions and limitations to reflect the differing character, sizes, types of ownership, and uses of the land, if any, as they may relate to the Subdivision as a whole; and

WHEREAS, KHD owns and holds record title to Lots 429, 431, 433, 435, 437 and 439 Championship Court, Cassique Phase 8, as more particularly described on Exhibit A-7 attached hereto and incorporated herein by reference (the "Golf Cottage Lots"), and has joined in the execution of this Twelfth Supplement to evidence its consent to the additional covenants, conditions, restrictions, and limitations herein contained, and to further subject the Golf Cottage Lots to the additional covenants, conditions, restrictions and limitations herein contained.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Declarant hereby certifies that it has duly approved this Twelfth Supplement, and further declares as follows:

1. **Definitions.** When used in this Twelfth Supplement, unless the context shall prohibit or require otherwise, all words set forth herein as "defined terms" shall have the meanings set forth and defined in the Declaration.

2. **Additional Defined Terms.** Article I of the Declaration is amended to include the following additional defined terms:

(i) "*Adjoining Lots*" shall mean and refer to two (2) adjoining Golf Cottage Lots upon which a single Golf Cottage Building has been constructed.

(ii) "*Area(s) of Common Responsibility*" shall mean and refer to the Championship Court Common Driveway Shared Variable Width Access and Utility Easement as shown on the Golf Cottage Plat (as the same may be amended from time to time), and any other areas and/or portions of a Golf Cottage Lot, Golf Cottage or Golf Cottage Building that is maintained by The Cassique Homeowners' Association, Inc. (the "Association") by means of a Segment Assessment as described in Section 3.24 (e) below and in Sections 4.10 and 6.08 (a) of the Association Covenants, as amended.

(iii) "*Golf Cottage*" shall mean and refer to the six attached single family dwellings constructed

on the Golf Cottage Lots. Where the context indicates or requires, “*Golf Cottage*” includes its exterior appurtenances, such as porches, steps, and courtyard areas. “*Golf Cottages*” means more than one Golf Cottage.

(iv) “*Golf Cottage Lots*” shall mean and refer to the six (6) Homesites known as Lots 429, 431, 433, 435, 437, and 439 Championship Court, more particularly described on Exhibit A-7 attached hereto and incorporated herein by reference.

(v) “*Golf Cottage Plat*” shall mean and refer to the plat prepared by Seamon Whiteside & Associates Surveying, LLC entitled “A FINAL RE-SUBDIVISION PLAT OF CASSIQUE PHASE 8 TMS# 205-00-00-199,304,305,306,307 AND 308 FOR KIAWAH RESORT ASSOCIATES LP LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA” dated August 16, 2017, last revised on December 5, 2017, and recorded in Plat Book L17 at page 0638 in the ROD Office. The term “*Golf Cottage Plat*” shall also refer to and include any subsequent plats of the Golf Cottage Lots when approved by the Charleston County Planning Board and recorded in the ROD Office.

(vi) “*Golf Cottage Building*” shall mean and refer to the entire building comprised of two (2) Golf Cottages, constructed on two (2) Adjoining Lots.

3. Article III, Section 3.08 (b) (ii) of the Declaration (Tenant’s Usage) is amended to read, in its entirety, as follows:

“(ii) As contemplated under the Declaration and permitted under Section 3.08 (b) (i) above, upon completion of construction of a Dwelling Unit and subject to the approval and agreement of the Club, only the Owners of **Lots One (1) and Three (3) of the Cassique Club Cottage Lots and Lots 429, 431, 433, 435, 437 and 439 of the Cassique Phase 8 Golf Cottage Lots** shall be permitted to submit their Dwelling Units to the Club for participation in “*Kiawah Island Club Cottages*” rental program, and upon entering into an agreement with the Club for participation in such program, shall become “*club cottages*” available for lease through the Club for periods of less than ninety (90) days. Such rental program is for the sole and exclusive benefit of Kiawah Island Club Members, their guests, and others as permitted by the Club from time to time in the Club’s sole discretion. The Club shall handle all leasing arrangements and the rental and occupancy by a tenant of the aforesaid properties shall be subject to all rules and regulations established by the Club from time to time. Any abuse and/or violation of such rules and regulations or non-compliance with the terms of the Club rental program may result in the termination by the Club of such Lot Owner’s right to participate in the Club rental program pursuant to this Section. Owners of “*club cottages*” shall not be permitted to lease their homes for periods of less than ninety (90) days except through the Kiawah Island Club rental program.”

4. Additional Covenants and Restrictions for the Golf Cottage Lots. Article III of the Declaration is hereby amended to insert the following as a new Section 3.24:

“Section 3.24. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in the Golf Cottage Lots. The Golf Cottage Lots, situate in Charleston County, South Carolina and more particularly described in Exhibit A-7 attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

3.24 (a) Use. The Golf Cottage Lots shall be used exclusively for single-family residential purposes.

3.24 (b) Design Guidelines.

(1) Each Golf Cottage Lot has been carefully planned and configured, and accordingly only one (1) attached single-family Golf Cottage shall be erected thereon without the prior, written consent of Declarant, its successors and/or assigns. The design, style, and placement of the Golf Cottage Buildings constructed on the Golf Cottage Lots has been predetermined by Declarant and KHD to accentuate the size, configuration, and features of each individual homesite, and no changes will be permitted to the plans and specifications absent the prior written approval of Declarant, KHD and the ARB. Further, in the event of damage or destruction (in whole or in part) of a Golf Cottage on the Cassique Golf Cottage Lots, the applicable Golf Cottage Lot Owners shall renovate, restore and rebuild the Golf Cottage or Golf Cottage Building in accordance with the original building plan and site plan arrangement (which plans shall remain on file with the ARB), absent the prior, written approval of Declarant, KHD and the ARB.

(2) Visible “Yard Art” or any other decorative elements or objects must be approved by the ARB. Yard Art including but not limited to such items as fountains, columns, columnar adornments, sculptures of all types, certain light generating structures, weathervanes, flagpoles, etc. that are placed in yards or on the outside of the Golf Cottages (that are not part of the approved plans), must be located within the privately used area of the property and not visible from the street, Cassique Golf Course or neighboring views. Plants and/or objects on porches facing the Cassique Golf Course also may be limited and are subject to ARB review and/or approval.

3.24 (c) Covenants for Common Driveway. Access to and from the Golf Cottage Lots and Old Cedar Lane shall be afforded over a Common Driveway known as “Championship Court,” to be constructed within the Common Driveway Easement shown as “Championship Court Variable Width Shared Access and Utility Easement” (the “Championship Court Common Driveway Easement”) on the Golf Cottage Plat. Accordingly, the Golf Cottage Lots shall be subject to the following additional covenants, conditions, easements and restrictions relating to the construction, use, repair and maintenance of the Championship Court Common Driveway:

(1) Common Driveway and Easements for Access. KHD hereby declares, grants, reserves and establishes to and for the benefit of each Golf Cottage Lot Owner and as an appurtenance to each of the Golf Cottage Lots, a non-exclusive, perpetual, transferable, transmissible, appendant and appurtenant easement on, over, within, through and across and the right to use in common with each other, the Championship Court Common Driveway Easement as shown on the Golf Cottage Plat. Said easement shall be for the construction, use and maintenance of the Championship Court Common Driveway to be utilized jointly by the Golf Cottage Lot Owners for pedestrian and vehicular ingress, egress, regress and access to and from said Lots and Old Cedar Lane.

(2) Location and Use of the Common Driveway.

A. The Championship Court Common Driveway shall be located and constructed within the bounds of the Championship Court Common Driveway Easement area as shown on the Golf Cottage Plat.

B. The Championship Court Common Driveway Easement Area shall be kept clear of buildings, structures or improvements of any kind, except as may be permitted and/or installed by Declarant and/or the Association, with approval of the ARB. Each Golf Cottage Lot shall have one (1) assigned vehicle parking space and one (1) assigned golf cart parking space within the Championship Court Common Driveway Easement Area. Additional parking for vehicles and golf carts is available in designated areas at the adjacent Cassique Clubhouse.

(3) Construction of the Championship Court Common Driveway. KHD shall be responsible for the initial design and construction of the Championship Court Common Driveway. Construction shall be completed prior to the time the first Golf Cottage benefiting from the use thereof is completed and occupied.

(4) Maintenance and Repair of the Championship Court Common Driveway. The Championship Court Common Driveway shall be maintained generally as initially constructed in respect to location, design, condition, materials, and workmanship absent (i) majority approval in writing of the Golf Cottage Lot Owners; (ii) approval of the ARB and any applicable governmental agencies having jurisdiction; and (iii) written consent of Declarant, its successors and/or assigns. The cost of maintenance, upkeep, repair, and replacement of the Championship Court Common Driveway, including the trimming of any immediately adjacent vegetation, shall be the common responsibility of the Golf Cottage Lot Owners, who shall bear the expenses thereof equally unless otherwise agreed in writing by such group of Owners, by means of a Segment Assessment pursuant to Sections 4.10 and 6.08(a) of the Association Covenants, as amended, which Segment Assessment may be abolished or discontinued only by Declarant, its successors or assigns, in its sole and absolute discretion.

(5) Insurance and Damage. Notwithstanding any other provision contained herein to the contrary, the underlying ownership of the Golf Cottage Lots burdened by the Championship Court Common Driveway Easement Area shall remain in the names of the current Owners of record, their heirs, successors, and/or assigns. Such Owners shall obtain and maintain insurance in reasonable amounts (with reasonable deductibles) on their respective portions of the Championship Court Common Driveway Easement Area covering liability for property damage, personal injury suffered by persons using the Championship Court Common Driveway Easement Area, and death. In the event of such a calamity, resulting repair, replacement, or liability expenses shall be paid from such insurance proceeds. To the extent insurance does not cover all such expenses, the Golf Cottage Lot Owners shall share the remaining expenses equally (unless the Golf Cottage Lot Owners agree otherwise); provided, however, in the event the Championship Court Common Driveway is damaged as a result of improper, negligent, or unusual use of an Owner or his heirs, assigns, devisees, personal representatives, guests, invitees, servants, tenants, agents, or permittees, such Owner shall be responsible for such damage and shall promptly pay the entire cost of restoring the Championship Court Common Driveway to its condition prior to such damage. The cost of repairing damage occasioned by an Act of God shall be borne and apportioned as if a normal maintenance expense.

(6) Utilities. The paved surface of the Championship Court Common Driveway may be breached for the installation or maintenance of underground utilities which may be placed within the Championship Court Common Driveway Easement Area; provided, however, the Owner of the Golf Cottage Lot served by such utilities, at such Owner's sole cost and expense, shall be responsible for immediately restoring the Championship Court Common Driveway to its previous condition. Time is of the essence.

(7) Notices. Notice by one Owner to the remaining Golf Cottage Lot Owners shall be in writing given either by registered mail, return receipt requested or by overnight courier (e.g., FedEx) to the address either last given such Owner by the remaining Golf Cottage Lot Owners, or by delivery in

person. If no addresses were exchanged between the Golf Cottage Lot Owners, then to the last address shown in the Association records and/or the Charleston County Assessor's Office property tax records for the person(s) and/or entities shown in the Assessor's Office as owning such Golf Cottage Lot for the tax year in which the notice is to be given. Delivery of notice shall be deemed effective on the date of deposit with the U.S. Postal Service and/or date of deposit with an overnight courier. If a Golf Cottage Lot is owned by multiple parties, notice to any one Owner shall be deemed notice to all. In the case of a corporate Owner, notice may also be given as provided by statute for service of civil matters or by leaving a copy of the notice with an officer of the corporation.

3.24 (d) Easements and Property Rights.

(1) General Golf Cottage Easement. Every Owner is granted an easement over, under, and through the adjoining Golf Cottage Lot for the maintenance or reconstruction of his Golf Cottage and other improvements on his Golf Cottage Lot, and for the limited purpose of installing, maintaining, and replacing any wiring, cables, conduit, pipes and meters serving his Golf Cottage, but only to the extent that the use of this easement is reasonable and necessary and provided the exercise of this easement does not damage or unreasonably or materially interfere with the use and enjoyment of the adjoining Golf Cottage. Reciprocally, the Owner of a Golf Cottage Lot that contains any wiring, cables, conduit, pipes and meters that serve another Golf Cottage has a duty to refrain from interfering with or damaging those items. Absent emergency situations, requests for entry must be made to the Owner of the adjoining Golf Cottage Lot in advance for a time reasonably convenient for the adjoining Owner, and consent for entry must not be unreasonably conditioned, delayed or withheld. If an Owner damages an adjoining Golf Cottage or Golf Cottage Lot in exercising this easement, said Owner is obligated to restore the damage and the property so damaged to its original condition, at his expense and within a reasonable period of time.

(2) Party Wall Easement. A wall or fence on or near the dividing line between two Adjoining Lots constitutes a "Party Wall" and to the extent not inconsistent with the remaining provisions of this Declaration, is subject to the general rules of law regarding party wall liability for property damage due to negligence, willful acts or omissions. Regardless of where the Party Wall is situated on the Adjoining Lots, the midpoint of the Party Wall is deemed to be the dividing line for purposes of this Section. Each Adjoining Lot sharing use of a Party Wall is granted an easement for (i) the existence and continuance of any encroachment by the Party Wall as a result of construction, repair, minor shifting, settlement or movement of any portion of the Party Wall, so the encroachment may remain so long as the Party Wall stands substantially as initially constructed; and (ii) for the repair, maintenance, replacement and/or reconstruction of the Party Wall.

A. Right to Repair. If the Party Wall is damaged or destroyed, the Owner of either Adjoining Lot may repair or rebuild the Party Wall to its previous condition, and the Owners of both Adjoining Lots, their successors and/or assigns, shall have the right to the full use of the repaired or rebuilt Party Wall.

B. Maintenance Costs. The Owners of the Adjoining Lots shall share equally the costs of maintenance, repair, replacement and/or reconstruction of the Party Wall, subject to the right of one Owner to call for larger contribution from the other under any rule of law regarding liability for negligence or willful acts or omissions, and subject to each Owner's responsibility for interior walls as set forth below. If an Owner or an Owner's guests or invitees are responsible for damage to or destruction of a Party Wall, that Owner shall bear the entire cost of repair, reconstruction and/or replacement. The Owners of Adjoining Lots shall consult with one another prior to initiating any substantial maintenance, upkeep, repair or replacement of the Party Wall; provided, however, maintenance, upkeep, repair or replacement may be initiated by either Owner so long as such undertaking is reasonable and does not exceed the aggregate amount of \$1,000 per year or such other amount as may be agreed upon by the subject Adjoining

Lot Owners. Payment therefor may be made in full by the Owner initiating such improvement whereupon the other Owner shall reimburse such Owner promptly upon receipt of an accounting of such costs and request therefor.

C. Alterations. Neither Owner of an Adjoining Lot sharing a Party Wall may alter or change the Party Wall in any manner that affects the use, condition, or appearance of the Party Wall to the Adjoining Lot.

D. Interior Walls. The Party Walls between adjoining Golf Cottages are designed to be two independent wall systems, each of which must be maintained by the Owner of the Golf Cottage it serves, solely at such Owner's expense.

(3) Owner's Easements. Each Owner of a Golf Cottage Lot shall have and is hereby granted the following non-exclusive easements, which shall be appurtenant to and run with the title of each Golf Cottage Lot:

A. A non-exclusive, perpetual, permanent, commercial, easement over, upon and across the exterior areas of the Golf Cottage Lots as may be reasonably required for access, ingress and egress to and from an Owner's Golf Cottage Lot and the Championship Court Common Driveway Easement and Private Joint Use Lawn Areas (as described and defined in Section 3.24 (d) (5) below).

B. A non-exclusive, perpetual, permanent, commercial, easement for the existence and maintenance of any encroachment created by construction, settling and/or overhang by an Owner's Golf Cottage on any Adjoining Lot, now existing or as designed and constructed by KHD or as a result of any addition or improvement approved by Declarant, KHD and/or the ARB. Such easement shall continue for so long as the encroachment exists. In the event any improvement is partially or totally destroyed, then rebuilt, the Owners agree that minor encroachments due to reconstruction shall be permitted, and that a valid easement for such encroachment and the maintenance thereof shall exist so long as the improvements remain.

(4) Easements for KHD, the Declarant and Association. KHD hereby reserves for itself, its successors and assigns, and grants to the Declarant, its successors and assigns, and the Association, for itself, its successors and assigns, employees, agents and permittees from time to time, a non-exclusive, appurtenant, perpetual, permanent, assignable, transmissible commercial easement over, under, upon and across each of the Golf Cottage Lots for access, ingress, egress and for the installation, maintenance, inspection, repair, and replacement of all utilities and services, irrigation systems, landscaping, for the installation, repair and maintenance of the Areas of Common Responsibility, and for all other lawful purposes deemed necessary, useful or beneficial, in the discretion of KHD, Declarant, and/or the Association, for the orderly development of the Cassique Golf Cottage community, and/or to perform any duties or obligations of KHD and/or the Association imposed by this Twelfth Supplement.

(5) Private Joint Use Area Easements. KHD hereby designates the areas delineated on Exhibit B attached hereto and made a part hereof as Private Joint Use Areas for the common use and enjoyment of Owners of the Golf Cottage Lots referenced therein. KHD further reserves the right to designate by grant or reservation of easement and/or by reference in deeds, plats or amendments to this Twelfth Supplement, additional Private Joint Use Areas for the common use and enjoyment of Owners of two or more the Golf Cottage Lots. Once so designated, such areas shall be for the sole and exclusive use and benefit of the Owners of the Golf Cottage Lots benefitted and burdened by the easements granted and/or reserved by KHD. The Private Joint Use Areas shall be maintained by the Association, and shall be subject to additional provisions establishing view corridors and appropriate guidelines for limitations on types and heights of plant material, tree removal and limited pruning, subject to ARB review and approval.

3.24 (e) Maintenance and Repair Obligations.

(1) Generally, the Association maintains the Areas of Common Responsibility and the Owners maintain the Golf Cottages. If a dispute arises regarding the allocation of maintenance or repair responsibilities under this Twelfth Supplement, the dispute shall be submitted to the Association Board of Directors for resolution. If the dispute is not resolved by the Board, such dispute shall then be subject to the Litigation and Alternative Dispute Resolution provisions in Article V of the Declaration. Maintenance and repair responsibilities that are allocated to the Association are intended to be interpreted narrowly to limit and confine the scope of Association responsibility; it being the intent of this Twelfth Supplement that all components and areas not expressly delegated to the Association as Areas of Common Responsibility are the responsibility of the individual Golf Cottage Lot Owners.

(2) This Twelfth Supplement contains a mechanism by which the Association (with the consent of a majority of the Golf Cottage Owners) may designate additional components as Areas of Common Responsibility in the event Declarant and/or Association determine, in their sole discretion, that the Owners are not providing adequate maintenance or repair. The shift of maintenance responsibility from the Owners to the Association creates a higher budget for the Association, and higher Segment Assessments for the Golf Cottage Owners. Because the designation of Areas of Common Responsibility is subject to change, the Association shall maintain at all times a dated list of such areas for distribution to the Owners and prospective purchasers. Additions, deletions or changes in designation must be (1) approved by the Association and a majority of the Golf Cottage Lot Owners, (2) reflected in the Association's annual budget, reserve funds, and the Golf Cottage Segment Assessment, and (3) published and distributed to each Golf Cottage Lot Owner.

(3) **Areas of Common Responsibility.** The Areas of Common Responsibility consist of the following components on and within the Cassique Golf Cottage Lots:

- A. The Championship Court Common Driveway Easement area and all improvements, signage and equipment thereon;
- B. All exterior fences and courtyard walls;
- C. The lawn areas of each Golf Cottage Lot;
- D. The Private Joint Use Areas;
- E. Any other components of the Golf Cottages or Golf Cottage Lots designated, from time to time, as Areas of Common Responsibility, pursuant to this Section 3.24 (e).

(4) **Owner's Responsibility.**

A. Each Owner is solely responsible for the maintenance and repair of the foundation and all structural components of such Owner's Golf Cottage on his/her Golf Cottage Lot. However, in the event a licensed structural engineer determines that the failure to repair the foundation or a structural component for one Golf Cottage may adversely impact the Golf Cottage on the Adjoining Lot, then the cost of such repair shall be borne equally by both Golf Cottage Owners.

B. Otherwise, each Owner, at its sole expense, must maintain all aspects of his Golf Cottage and Golf Cottage Lot, except any areas or components designated as an Area of Common Responsibility. Such maintenance shall include preventative maintenance, repair, and replacement as

needed. Each Owner is expected to maintain his Golf Cottage at a level, to a standard, and with an appearance that is commensurate with the remainder of the Cassique Community.

C. Each Owner is responsible for his own willful or negligent acts and those of his family, guests, agents, employees or contractors, and shall not do or cause to be done any work that would jeopardize the soundness and safety of the Golf Cottages, adversely affect the appearance of the Golf Cottages, or impair any easement or right relating thereto.

5. **Exhibit A-7** attached to this Twelfth Supplement shall be added to Exhibit A of the Declaration.
6. **Exhibit B** attached to this Twelfth Supplement shall be added as Exhibit D of the Declaration.
7. Except as modified or amended by this Twelfth Supplement, effective as of the date first above written, the Declaration shall remain in full force and effect.

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Exhibit A-7

the Golf Cottage Lots

All those certain pieces, parcels, or lots of land situate, lying and being near Seabrook Island, in Charleston County, South Carolina, known as Lots 429, 431, 433, 435, 437 & 439 Championship Court, in Cassique Phase 8, and shown on a plat prepared by Seamon Whiteside & Associates Surveying, LLC entitled "A FINAL RE-SUBDIVISION PLAT OF CASSIQUE PHASE 8 TMS# 205-00-00-199, 304,305,306,307 AND 308 FOR KIAWAH RESORT ASSOCIATES LP LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" dated August 16, 2017, last revised on December 5, 2017, and recorded in Plat Book L17 at page 0638 in the ROD Office; said parcels having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

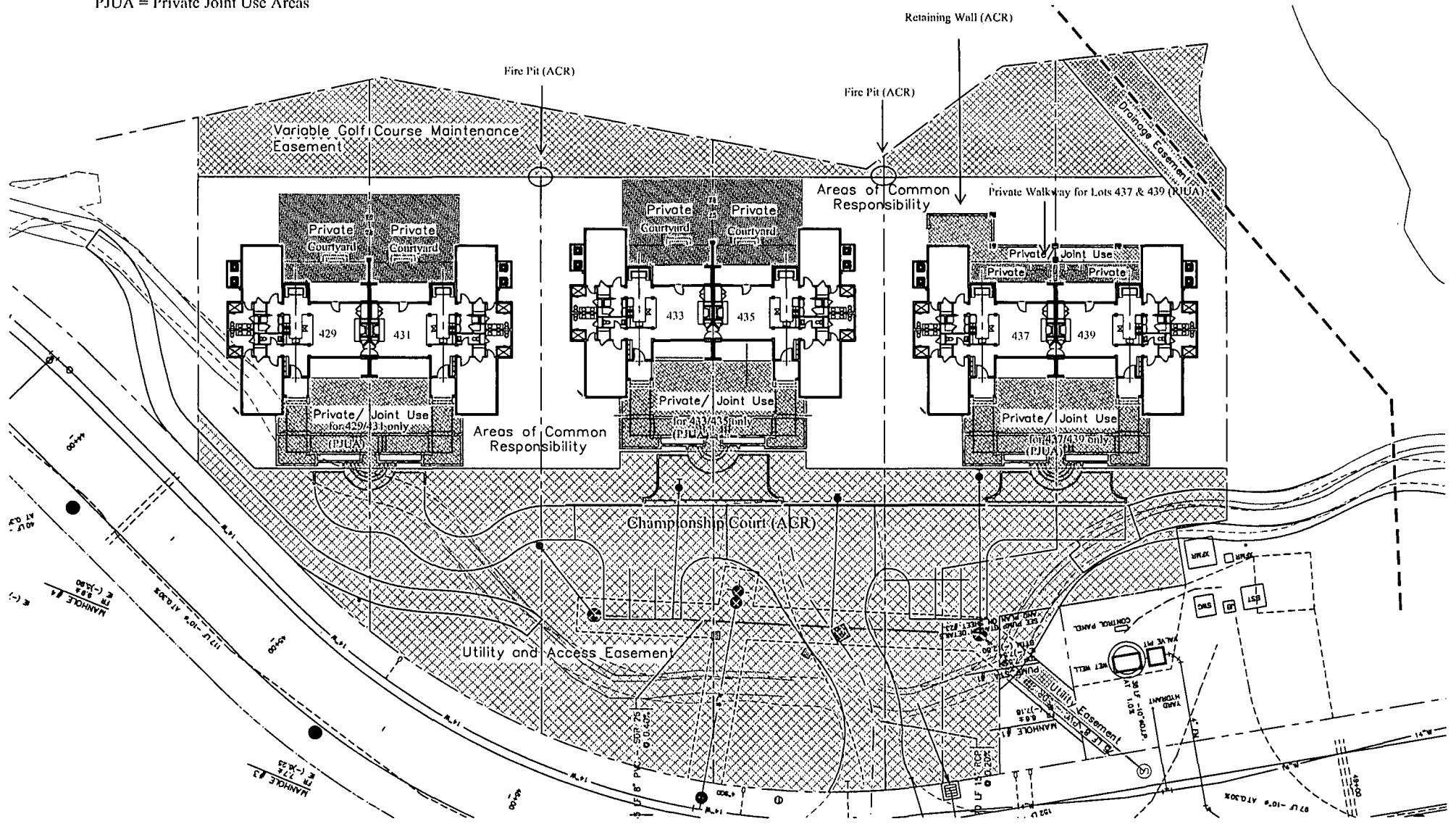
Exhibit B

**See attached Site Plan Showing Private Joint Use Areas
And Denoting Which Golf Cottages/Owners have Use**

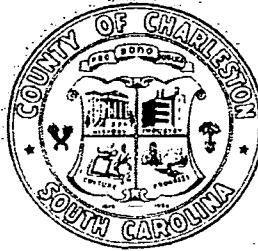
EXHIBIT B

ACR = Areas of Common Responsibility

PJUA = Private Joint Use Areas



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 # of Sats: # of References:

Note:

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WHEREAS, Declarant made and executed that certain DECLARATION OF COVENANTS AND RESTRICTIONS, AND PROVISIONS AND BY-LAWS FOR THE CASSIQUE HOMEOWNERS' ASSOCIATION, INC., which instrument is dated October 4, 2000, and recorded in Book K356, page 664, in the ROD Office, as modified, amended and/or supplemented by (i) First Supplemental Declaration, and Amendment to Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. (Applicable to the Cassique Garden Cottages) dated September 27, 2006, and recorded in Book R600, page 331, in the ROD Office; (ii) Amendment to Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. dated October 22, 2008, and recorded in Book 0017, page 087 in the ROD Office; (iii) Seventh Supplemental Declaration of Covenants and Restrictions for Cassique (Book K356, page 612) and Second Amendment to the Declaration of Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. (Book K356, page 664) dated May 15, 2013, and recorded in Book 0331, page 197; (iv) Tenth Supplemental Declaration of Covenants and Restrictions for Cassique and Third Amendment to the Declaration of Covenants and Restrictions, and Provisions and By-Laws for the Cassique Homeowners' Association, Inc. dated May 13, 2015, and recorded in Book 0476, page 116 in the ROD Office; and (v) Supplemental Declaration to the Declaration of Covenants and Restrictions, and Provisions and By-Laws for The Cassique Homeowners' Association, Inc., dated May 18, 2018, and recorded in Book 0719, page 907 in the ROD Office (collectively, the "Association Covenants"); and

WHEREAS, in Article VI, Section 6.02(a) of the Declaration, Declarant reserved the exclusive right to amend or supplement the Declaration to subject the properties in different phases of the Subdivision to certain additional covenants, restrictions and limitations to reflect the differing character, sizes, types of ownership, and uses of the land, if any, as they may relate to the Subdivision as a whole; and

WHEREAS, KDP owns and holds record title to Lots 414, 416, 418, 422, 423, 424, 425, 426, 427, 428, 430, 432, 434, and 436 Estuary Lane, Cassique Phase 7, as more particularly described on Exhibit A-8 attached hereto and incorporated herein by reference (the "Estuary Lots"), and desires to subject the Estuary Lots to the additional covenants, conditions, restrictions and limitations herein contained,

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Declarant hereby certifies that it has duly approved this Thirteenth Supplement, and further declares as follows:

1. **Definitions.** When used in this Thirteenth Supplement, unless the context shall prohibit or require otherwise, all words set forth herein as "defined terms" shall have the meanings set forth and defined in the Declaration.

2. **Additional Defined Terms.** Article I of the Declaration is amended to include the following additional defined terms:

(i) "The Estuary" shall mean and refer to the fourteen (14) Homesites known as Lots 414, 416, 418, 422, 423, 424, 425, 426, 427, 428, 430, 432, 434 and 436 Estuary Lane, more particularly described on Exhibit A-8 attached hereto and incorporated herein by reference.

(ii) "Estuary Plat" shall mean and refer to the plat prepared by Seamon Whiteside & Associates Surveying, LLC entitled "A CONDITIONAL SUBDIVISION PLAT OF CASSIQUE PHASE 7 (THE ESTUARY) TRACT 1-G, TMS 205-00-00-006 PROPERTY OWNED BY KIAWAH DEVELOPMENT PARTNERS, LLC LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" dated August 14, 2018, last revised on January 30, 2019, and recorded in Plat Book L19, at page 0101-0102 in the ROD Office. The term "Estuary Plat" shall also refer to and include any subsequent plats of The Estuary when approved by the Charleston County Planning Board and recorded in the ROD Office.

3. **Additional Covenants and Restrictions for The Estuary.** Article III of the Declaration is hereby amended to insert the following as a new Section 3.25:

“Section 3.25. Additional Covenants, Conditions, Restrictions, and General Dwelling and Design Specifications for Lots, Homes, and Structures in The Estuary. Lots in The Estuary, situate in Cassique Subdivision, Charleston County, South Carolina and more particularly described in **Exhibit A-8** attached hereto and incorporated herein by reference shall be held, transferred, sold, conveyed, given, donated, leased, occupied, possessed, and used subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, charges, liens, and other provisions set forth herein, as the same may be amended from time to time:

3.25 (a) Use. Lots in The Estuary shall be used exclusively for single-family residential purposes.

3.25 (b) Design Guidelines.

(1) Each Lot in The Estuary has been carefully planned and configured, and accordingly no more than one (1) detached single-family dwelling (which may be segmented into two or more sections), shall be erected thereon without the prior, written consent of Declarant, its successors and/or assigns. Appropriate accessory buildings may include garages, guest quarters (including garage apartments), studios/workshops, garden pavilions, greenhouses, gazebos, and pool houses. Other accessory building(s) may be permitted by either Declarant or the ARB in their discretion, provided, however, that the construction of such dwelling and/or accessory building(s) shall not, in the discretion of the ARB, overcrowd the Lot, and provided further that the accessory building(s) may not be constructed or occupied prior to the construction of the main dwelling. Preservation of natural vegetation and trees (along with supplementing existing trees on Homesites, as necessary) shall be important considerations of Declarant and/or the ARB in permitting or rejecting one or more accessory structures.

(2) **Setback Areas/Building Envelope.** Each Homesite will be planned with setbacks to take advantage of ideal building areas depicted on individual site plans. Attached as Exhibit B is an approximate depiction of each Lot in The Estuary, and the projected buildable areas therefor. The actual buildable areas depicted on Exhibit B shall be those applied by the ARB when reviewing proposed plans for the construction of a dwelling and/or improvements in connection with each such Lot.

a) The exact dimensions of such buildable areas will remain on file at the office of the ARB, and in rare circumstances may be revised, altered, and/or varied by the ARB in its sole discretion.

b) By the acceptance and recordation of a deed of conveyance for a Lot in The Estuary, each Lot Owner shall be deemed to covenant and agree to adhere to and abide by such designated buildable areas, as they may be revised, altered, and/or varied by the ARB.

c) In setback areas in which the existing natural vegetation is insufficient or is disturbed during construction, plant material and/or grand trees totaling 24 inches or more caliper may be required by the ARB. Particular emphasis shall be given to integrating native, evergreen trees and other indigenous plant material along pond edges to soften the overall appearance and enhance privacy on both sides of the pond.

(3) **Minimum and Maximum Square Footage Requirements.** Heated square footage minimums and maximums are intended to sensitively match structures with discrete homesite size, shape, topographic, and vegetative nuances. Accordingly, construction of residences or dwellings on the Lots in

The Estuary shall be subject to the following minimum and maximum square footage requirements for Climate Controlled Dwelling Area, which requirements may be varied by the ARB, either in its discretion, or in order to comply with the requirements and guidelines of governmental regulations and ordinances. The precise maximum within such range shall be determined in the sole discretion of the ARB and communicated to Lot Owners at the initial on-site meeting whenever practicable.

a) A minimum of 2,500 square feet of Climate Controlled Dwelling Area shall be required (with a minimum of 2,000 square feet of Climate Controlled Dwelling Area on the main {i.e., first floor} should said residence or dwelling be more than one story in height), and a maximum of 4,500 to 5,000 square feet of Climate Controlled Dwelling Area may be permitted for individual structures dependent on specific lot conditions. Up to 4,500 square feet of Climate Controlled Dwelling Area for the main structure and up to 1,500 square feet of Climate Control Dwelling Area for ancillary structures may be permitted by the ARB for larger Homesites where the ARB finds both that mature tree canopy can either be well preserved and/or supplemented and that the scale of the proposed home is compatible with existing and future development plans, and where Charleston County regulations so allow.

(4) Yard Art. Visible “Yard Art” or any other decorative elements or objects must be approved by the ARB. Yard Art including but not limited to such items as fountains, columns, columnar adornments, sculptures of all types, certain light generating structures, weathervanes, flagpoles, etc. that are placed in yards or on the outside of the dwelling (that are not part of the approved plans), must be located within the privately used area of the property and not visible from the street or neighboring views.

(5) All exterior elements, including, without limitation, doors, windows, colors, textures, materials, finishes, accents, lighting (intensity and/or direction) and landscaping must be approved in advance in writing by Declarant or the ARB. Any alterations to existing exterior elements, including landscaping, also require prior ARB approval.

3.25 (c) Habitat Preservation Zone. Portions of Lots 414, 416, 418, 422, 424, 426, 428, 430, and 432 Estuary Lane in The Estuary lying generally within thirty (30) feet of the DHEC-OCRM Critical Line as depicted on The Estuary Plat (the “**Habitat Preservation Zone**”) shall be subject to the further covenant and restriction:

The Habitat Preservation Zone shall be preserved substantially in its present natural state, and there shall be no removal, destruction, cutting, trimming, mowing or other disturbance or change in the natural habitat in any manner, other than as specifically permitted herein. Limited clearing for view and breeze shall be permitted provided such limited clearing is conducted in strict compliance with the following written guidelines, as the same may be amended from time to time:

(1) Limited clearing or pruning of trees and vegetation cannot occur until the home is completely framed. View clearing and pruning requires prior, onsite approval by the ARB Manager or an ARB representative.

(2) All activities within the Habitat Preservation Zones must be conducted in accordance with the Cassique ARB Standards and Guidelines and the Declaration (as the same may be amended from time to time), and regulations promulgated by Charleston County, the State of South Carolina, and/or the Federal government, inclusive of the Department of Health and Environmental Control - Office of Ocean and Coastal Resource Management.

(3) Appropriate permits must be obtained from the ARB and all other governmental agencies having jurisdiction.

(4) Removal or trimming of vegetation hazardous to person or property, of timber downed or damaged due to natural disaster, and/or removal of dead or dying trees and shrubbery when such trees or shrubbery are determined by a certified arborist to be diseased or a hazard shall be permitted only with the prior, written consent of the ARB.

(5) Areas damaged or destroyed by disease or natural disaster may be restored with the prior, written consent of the ARB; provided, however, that all plant materials shall be indigenous to the area, no exotic species may be introduced, species of grass, shrubs and trees requiring fertilization shall not be permitted, and such restoration is in strict compliance with all provisions and limitations set forth herein.

(6) Only low-impact structures that will blend with the natural environment such as boardwalks, pervious foot paths or nature walks, appropriate drainage and water access structures, and permitted docks and marsh improvements shall be allowed.

3.25 (d) Eagle Nest Buffer Zone. Lots 414, 416, 418, 422, 423, 424, 425, 426, 427, 428, and 436 of The Estuary Lots are subject to specific Site Design and Additional Construction Guidelines (the "Eagle Nest Guidelines") established for the preservation and protection of a Bald Eagle Nest located on Lot 416 Estuary Lane. The Eagle Nest Guidelines are on file at the office of the ARB and may be amended by the ARB from time to time.

4. **Exhibit A-8** attached to this Thirteenth Supplement shall be added to Exhibit A of the Declaration.

5. **Exhibit B** attached to this Thirteenth Supplement shall be added to Exhibit B of the Declaration.

6. Except as modified or amended by this Thirteenth Supplement, effective as of the date first above written, the Declaration shall remain in full force and effect.

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Exhibit A-8

The Estuary Lots

All those certain pieces, parcels, or lots of land situate, lying and being near Seabrook Island, in Charleston County, South Carolina, known as Lots 414, 416, 418, 422, 423, 424, 425, 426, 427, 428, 430, 432, 434, and 436 Estuary Lane, in The Estuary, Cassique Phase 7, and shown on a plat prepared by Seamon Whiteside & Associates Surveying, LLC entitled "A CONDITIONAL SUBDIVISION PLAT OF CASSIQUE PHASE 7 (THE ESTUARY) TRACT 1-G, TMS 205-00-00-006 PROPERTY OWNED BY KIAWAH DEVELOPMENT PARTNERS, LLC LOCATED ON SEABROOK ISLAND CHARLESTON COUNTY, SOUTH CAROLINA" dated August 14, 2018, last revised on January 30, 2019, and recorded in Plat Book L19 at page 0101-0102 in the ROD Office; said parcels having such location, butts and bounds, metes, courses, and distances as will by reference to said plat more fully appear.

Exhibit B

ATTACH BUILDABLES

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