



**DECLARATION OF RIGHTS, RESTRICTIONS
AFFIRMATIVE OBLIGATIONS AND CONDITIONS
APPLICABLE TO ALL PROPERTY IN KIAWAH ISLAND**

[General Covenants or Developer Covenants]

**The aforesaid General Covenants were recorded December 29, 1977
in the R.M.C. Office in Charleston County, South Carolina
in Book M114, page 406, and amended by instrument
recorded in Book Z-124, page 305.**

This publication has been prepared by the Kiawah Island Community Association, Inc. for reference purposes only. If any member or other individual or entity has any questions as to his/her rights pursuant to the General Covenants and/or the Community Association Covenants or By-Laws, he/she should consult the actual recorded document and any amendments thereto recorded in the R.M.C. Office for Charleston County, S.C.

GENERAL COVENANTS

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**DECLARATION OF RIGHTS, RESTRICTIONS,
AFFIRMATIVE OBLIGATIONS AND CONDITIONS
APPLICABLE TO ALL PROPERTY IN KIAWAH ISLAND
[General Covenants]**

WHEREAS, Kiawah Island Company Limited, a corporation duly organized and existing under the laws of the Territory of the British Virgin Islands (the "Company") is the owner of certain lands located within a community known as Kiawah Island, in Charleston County, South Carolina.

WHEREAS, the Company wishes to declare certain restrictive covenants affecting certain lands in Kiawah Island.

NOW, THEREFORE, the Company does hereby declare that the covenants contained herein shall be covenants running with the land and shall apply to the land shown on Exhibits "A" and "B" attached to the Declaration of Covenants and Restrictions of the Kiawah Island Community Association, Inc. recorded in Book M 114 page 407 in the R.M.C. Office for Charleston County, S.C. The Company reserves in each instance the right to add additional restrictive covenants in respect to said properties to be conveyed, or to limit therein the application of this Declaration.

ARTICLE I

DEFINITIONS

"Kiawah Island" when used herein shall refer to the lands in Charleston County, South Carolina, which are shown as a part of Kiawah Island on the Company's Master Development Plan as revised from time to time.

Whenever used herein, the term "Company" or "the Company" shall refer to Kiawah Island Company Limited, a corporation duly organized and existing under the laws of the Territory of the British Virgin Islands, its successors and assigns. [see An Historical Introduction]

Whenever used herein, the term "Association" shall refer to Kiawah Island Community Association, Inc., a South Carolina non-profit corporation, its successors and assigns and any other community or owners association within Kiawah Island organized by the Company or by others with the consent of the Company.

The term "Property" when used herein shall refer to any tract of land or subdivision thereof in Kiawah Island which has been subjected to the provisions of this Declaration.

The term "Property Owner" when used in this Declaration shall mean and refer to all owners of an interest in real property in Kiawah Island including, but not limited to, owners of property or tracts of land and owners of condominium units, whether such property, tracts or units are used or intended to be used for residential, commercial or recreational purposes.

Whenever used herein the term "Lot" shall refer to any subdivided parcel of land located in Kiawah Island which is intended for use as a site for a single family detached dwelling, garden home or patio home, townhouse or multi-family dwelling.

Whenever used herein the term "Dwelling Unit" shall refer to any improved property located in Kiawah Island which is intended for use as a single family detached dwelling, garden home or patio home, townhouse or multi-family dwelling.

The covenants and restrictions below will be referred to as the General Covenants of December, 1977, and will be recorded in the Office of the Register of Mesne Conveyance of Charleston County, South Carolina, and may be incorporated by reference in deeds to real property issued by the Company by reference to the book and page of recording in the land records of said office.

ARTICLE II
COVENANTS, RESTRICTIONS AND AFFIRMATIVE
OBLIGATIONS APPLICABLE TO ALL PROPERTIES IN KIAWAH ISLAND

The primary purpose of these covenants and restrictions and the foremost consideration in the origin of same has been the creation of a community which is aesthetically pleasing and functionally convenient. The establishment of objective standards relating to design, size and location of dwellings and other structures makes it impossible to take full advantage of the individual characteristics of each parcel of property and of technological advances and environmental values. For this reason such standards are not established by these covenants. In order to implement the purposes of these covenants, the Company shall establish and amend from time to time objective standards and guidelines which shall be in addition to these covenants.

1. No building, fence or other structure shall be erected, placed or altered nor shall a building permit for such improvement be applied for on any property in Kiawah Island until the proposed building plans, specifications, exterior color or finish, plot plan (showing the proposed location of such building or structure, drives and parking areas), landscape plan, and construction schedule shall have been approved in writing by the Company, its successors or assigns. Refusal of approval of plans, location or specification may be based by the Company upon any ground, including purely aesthetic conditions, which in the sole and uncontrolled discretion of the Company shall seem sufficient. No alteration in the exterior appearance of any building or structure shall be made without like approval by the Company. One (1) copy of all plans and related data shall be furnished the Company for its records. In the event approval of such plans is neither granted or denied within thirty (30) days following receipt by the Company of written demand for approval, the provisions of this paragraph shall be thereby waived.

2. In order to assure that location of buildings and other structures will be located and staggered, so that the maximum view, privacy and breeze will be available to each building or structure, and that structures will be located with regard to the topography of each property taking into consideration the location of large trees and other aesthetic and environmental considerations, the Company reserves unto itself, its successors and assigns, the right to control absolutely and solely to decide the precise site and location of any building or structure or structures on any property in Kiawah Island for reasons which may in the sole and uncontrolled discretion and judgment of the Company seem sufficient. Such location shall be determined only after reasonable opportunity is afforded the property owner to recommend a specific site. Provided, however, that in the event an agreed location is stipulated in writing in the contract of purchase, the Company shall automatically approve such location for a residence or group of residential units.

3. No commercial sign, including "for rent", or "for sale", and other similar signs, shall be erected or maintained on any lot by anyone including but not limited to the owner, a Realtor, a contractor or subcontractor, except with the written permission of the Company or except as may be required by legal proceedings, it being understood that the Company will not grant permission for said signs unless their erection is reasonably necessary to avert serious hardship to the property owner. If such permission is granted, the Company reserves the right to restrict size, color, and content of such signs. Property identification and like signs exceeding a combined total of more than two (2) square feet may not be erected without the written permission of the Company.

4. It shall be the responsibility of each owner to prevent the development of any unclean, unsightly or unkempt conditions of buildings or ground on such lot which shall tend to substantially decrease the beauty of the neighborhood as a whole or the specific area.

5. All pets must be secured by a leash or lead, or under the control of a responsible person and obedient to that person's command at any time they are permitted outside a house or other dwelling or other enclosed area approved by the company for the maintenance and confinement of pets.

6. Prior to the occupancy of a dwelling unit proper and suitable provisions shall be made for the disposal of sewage by connection with the sewer mains of the Company, its licensee, successor or assigns, or if no such main has been constructed in the vicinity of such lot, then such disposal shall be made by means of a septic tank or tanks constructed on such lot for the disposal of all sewage and all sewage shall be emptied or discharged into such main or tanks. No sewage or other waste material shall be emptied or discharged into the ocean, any creek, marsh, river, sound, any waterway or beach or shorelines thereof. No sewage disposal system shall be permitted on any lot nor may any sewage disposal system be used unless such system is designed, located, constructed and maintained in accordance with the requirements, standards and recommendations of the appropriate public health authority. Approval of such system shall be obtained from such authority prior to the use of the system.

7. No private water wells for human consumption may be drilled or maintained on any residential lot so long as the Company, its licensee, agents, successors or assigns, plans a water distribution line within one hundred (100) feet of such lot with an average daily water pressure in such line adequate for normal household use in dwellings served by such distribution line.

8. The Company reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under each lot to erect, maintain and use poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, community antenna television service, gas, sewer, water or other public conveniences or utilities on, in or over those portions of each lot, parcel or tract of land as may be reasonably required for utility line purposes, provided however, that no such utility easement shall be applicable to any portion of such lot, parcel or tract as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to these covenants by the Company, or (b) such portion of each lot, parcel or tract as may be designated as the site for a building on a plot plan for erection of a building which has been filed with the Company and which has been approved in writing by the Company. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. Such rights may be exercised by any licensee of

the Company, but this reservation shall not be considered an obligation of the Company to provide or maintain any such utility or service.

9. Each lot owner shall provide a screened area not generally visible from the road to serve as a service yard and an area for the storage of garbage receptacles and fuel tanks or similar storage receptacles. Plans for such screen delineating the size, design, texture, appearance and location must be approved by the Company prior to construction. Garbage receptacles and fuel tanks may be located outside of such screened area only if located underground.

10. The Company expressly reserves to itself, its agents or assigns, any other provisions in this Declaration notwithstanding, the right to build bridges, walkways, or fixed spans across any or all natural or man-made canals, creeks or lagoons in the property. Nothing in this paragraph shall be construed as placing an affirmative obligation on the Company to provide or construct any bridge, walkway or fixed span unless such bridge, walkway or fixed span shall be shown and specifically designated on the recorded plat of the subdivision or section of lots referred to and incorporated in the deed of conveyance to the grantee lot owner asserting such affirmative obligation to the grantor Company.

11. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plants or animals, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof.

12. In the event the lot owner desires to sell a lot, any portion thereof or any improvements constructed thereon within the Property, then said property shall be offered for sale to the Company at the same price at which the highest bona fide offer has been made for the property, and the said Company shall have thirty (30) days from the latter of (a) the date of such offer, or (b) the date upon which all assessments owed to the Association by the owners are paid, within which to exercise its right of first refusal to purchase said property at the offered price, thereafter the lot owner shall have the right to sell said property to third parties subject, however, to all covenants and limitations herein contained, at a price not lower than that at which it was offered to the Company.

Should, however, such sale not be consummated within six (6) months of the date of the offer transmitted to the Company, the terms and limitation of this paragraph shall again be imposed upon any sale by the lot owner.

If the Company shall elect to purchase such property, the transaction shall be consummated within thirty (30) days following delivery of notice by the Company to the lot owner of its decision to purchase.

The provisions of this paragraph shall not apply to sales under powers contained in Mortgages and similar security instruments.

13. No structure of a temporary character shall be placed upon any property at any time, provided, however, that this prohibition shall not apply to shelters or temporary structures used by the contractor during the construction of the main dwelling house, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the property

after completion of construction. The design and color of temporary structures shall be subject to reasonable aesthetic control by the Company.

14. No television antenna, radio receiver or sender or other similar device shall be attached to or installed on the exterior portion of any Dwelling Unit or on any Property within Kiawah Island; provided, however, that the provisions of this paragraph shall not apply to the Company and/or the Association for the installation of equipment necessary for a master antenna system, C.A.T.V. and mobile radio systems or other similar systems within the Properties.

15. Whenever the Company is permitted by these covenants to correct, repair, clean, preserve, clear out or do any action on the property of any lot owner or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

ARTICLE III

ADDITIONAL RESTRICTIONS TO IMPLEMENT EFFECTIVE ENVIRONMENTAL CONTROLS

In order to protect the natural beauty of the vegetation, topography, and other natural features of all properties within Kiawah Island, the following environmental controls are hereby established:

1. In order to protect the natural beauty of the vegetation and topography of the shoreline, marsh and lagoon edges located throughout Kiawah Island, written approval of the Company is hereby required for the removal, reduction, cutting down, excavation or alteration of topographic and vegetation characteristics. Written approval will be granted for the minimum amount of earth movement required in plans and specifications approved pursuant to the provisions of paragraph 1 of Article II.

2. No trees measuring six (6) inches or more in diameter at a point two (2) feet above ground level may be removed without the written approval of the Company. Approval for the removal of trees located within ten (10) feet of the main dwelling or accessory building or within ten (10) feet of the approved site for such building will be granted unless such removal will substantially decrease the beauty of the property.

3. In order to implement effective insect, reptile and woods fire control, the Company and its agents have the right to enter upon any property on which a building or structure had not been constructed and upon which no landscaping plan had been implemented, for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds or other unsightly growth which in the opinion of the Company detracts from the overall beauty, setting and safety for Kiawah Island. The cost of this vegetation control shall be kept as low as reasonably possible and shall be paid by the owner of the property. The Company and its agents may likewise enter upon such property to remove any trash which has collected. The provisions in this paragraph shall not be construed as an obligation on the part of the Company to mow, clear, cut or prune any property, to provide garbage or trash removal services, or to provide water pollution control on any privately owned property. Entrance upon property pursuant to the provisions of this paragraph shall not be deemed a trespass.

4. In addition, the Company reserves unto itself, its successors and assigns a perpetual, alienable and releasable easement and right on, over and under any property to dispense pesticides and take other action which in the opinion of the Company is necessary or desirable to control insects and vermin, to cut fire breaks and other activities which in the opinion of the Company are necessary or desirable to control fires on any property, or any improvements thereon. Entrance upon property pursuant to the provisions of this paragraph shall not be deemed a trespass.

The rights reserved unto the Company in this paragraph 4 and in paragraph 3 above shall not be unreasonably employed and shall be used only where necessary to effect the stated intents and purposes of said paragraphs.

ARTICLE IV

ADDITIONAL RESTRICTIONS AFFECTING OPEN SPACE AREAS

1. It is the intent of the Company to maintain and enhance (or to convey subject to open space restrictions to the Association) certain areas which the Company designates as "Open Space Areas" or "Private Open Space Areas" on plats filed for record in the office of the Register of Mesne Conveyance of Charleston County, South Carolina by the Company. It is the further intent and purpose of these restrictions and covenants to protect, to maintain and enhance the conservation of natural and scenic resources, to promote the conservation of soils, wet lands, wildlife, game and migratory birds, enhance the value of abutting and neighboring properties adjacent to such forests, wildlife preserves, natural reservations or sanctuaries or other open areas and open spaces, and to afford and enhance recreation opportunities, preserve historical sites and implement generally the Kiawah Island Master Plan for development.

2. An easement in Open Space Areas is hereby granted to the owners of properties in Kiawah Island, tenants and their guests which easement shall entitle such owners, tenants and their guests to enjoy the Open Space Areas subject to the rules and regulations of the Company.

3. Land designated as "Open Space Areas" may be employed in the construction, maintenance, and enjoyment of the following facilities:

- (a) Social, recreational, and community buildings.
- (b) Public and private profit making clubs, golf courses and other recreational facilities.
- (c) Day care centers, nursery schools, and kindergartens.
- (d) Art school and/or art gallery and/or nature museum.
- (e) Emergency squad(s) and fire stations.

4. Land designated as "Private Open Space Areas" shall be subject to the easement granted in paragraph 2 of this Article IV in every respect except that the enjoyment thereof shall be and is hereby limited to owners of property, tenants, and their guests immediately contiguous and adjacent to such land and owners of non-contiguous property designated on plats of property in Kiawah Island as being entitled to the enjoyment thereof. The easement in Private Open Space Areas hereby granted shall not extend to any area not clearly designated as "Private Open Space Areas". All expenses incurred in the protection, maintenance and enhancement of "Private Open Space Areas" shall be paid equally by the owners who are entitled to an easement of enjoyment over such areas.

5. Upon receipt of the written request of seventy-five percent (75%) of owners having an easement of enjoyment over a Private Open Space Area, the Company may permit the construction, maintenance, and operation of indoor and/or outdoor recreation facilities upon such Private Open Space Area. The cost of such construction, maintenance and operation shall be at the sole cost of the owners entitled to such easement of enjoyment.

6. Pursuant to its overall program of wildlife conservation and nature study, the right is expressly reserved to the Company to erect wildlife feeding stations, to plant small patches of cover and food crops for quail, turkey and other wildlife, to make access trails or paths or boardwalks through said Open Space Areas and Private Open Space Areas for the purpose of permitting observation and study of wildlife, hiking, and riding, to erect small signs throughout the Open Space Areas and Private Open Space Areas designating points of particular interest and attraction, and to take such other steps as are reasonable, necessary and proper to further the aims and purposes of the open space and community use and enjoyment thereof.

7. The Company shall have the right to protect from erosion the land described as Open Space Area or Private Open Space Area by planting trees, plants, and shrubs where and to the extent necessary or by such mechanical means as construction and maintenance of siltation basins, or other means deemed expedient or necessary by the Company. The right is likewise reserved to the Company to take steps necessary to provide and insure adequate drainage ways in open space, to cut fire breaks, remove diseased, dead or dangerous trees and carry out other similar activities.

8. The Company reserves unto itself, its successors and assigns a perpetual, alienable and releasable easement of right to go on, over and under the ground to erect, maintain and use electric, Community Antenna Television, telephone poles, wires, cables, conduits, drainage ways, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water drainage or other public conveniences or utilities in said Open Space Areas and Private Open Space Areas. These reservations and rights expressly include the right to cut any trees, bushes or shrubbery, rights to make any gradings of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Company further reserves the right to locate wells, pumping stations and tanks within such Open Space Areas and Private Open Space Areas. Such rights may be exercised by any licensee or assignee of the Company, but this reservation shall not be considered an obligation of the Company to provide or maintain any such utility or service.

9. No television antenna, radio receiver or sender or other similar device shall be attached to or installed on the exterior portion of open space property within Kiawah Island except that the provisions of this paragraph shall not prohibit the Company or the Association from installing equipment necessary for a master antenna system, Community Antenna Television (C.A.T.V.) and mobile radio systems or other similar systems within Kiawah Island.

10. No dumping of trash, garbage, sewage, sawdust or any unsightly or offensive material shall be placed upon such Open Space Areas or Private Open Space Areas, except as is temporary and incidental to the bona fide improvement of the area in a manner consistent with its classification as open space.

11. The granting of the easement in Open Space Areas and Private Open Space Areas in this part in no way grants to the public or to the owners of any land outside Kiawah Island the right to enter such open space without the express permission of the Company.

12. The Company expressly reserves to itself, its successors and assigns, every reasonable use and enjoyment of said open space, in a manner not inconsistent with the provisions of this Declaration.

13. The Company further reserves the right to convey "Open Space Areas" and "Private Open Space Areas" to the Association. Such conveyance shall be made subject to the provisions of this Article IV. As an appurtenance to such conveyances, the Association shall have all the powers, immunities and privileges reserved unto the Company in this part as well as all of the Company's obligations with respect thereto, including the obligation to maintain and enhance set out in paragraph 1 of this article. Property conveyed to the Association pursuant to the authority of this paragraph 13 shall become "Common Properties", "Restricted Common Properties", or "Purchased Common Properties" as prescribed by the "Declaration of Covenants and Restrictions of the Kiawah Island Community Association, Inc.", which are to be recorded in the office of the Register of Mesne Conveyance of Charleston County, South Carolina, contemporaneously herewith.

14. Where the Company is permitted by these covenants to correct, repair, clean, preserve, clear out or do any action on the restricted property, entering the property and taking such action shall not be deemed a breach of these covenants.

15. It is expressly understood and agreed that the granting of the easements set out in this Article IV in no way places a burden of affirmative action on the Company, that the Company is not bound to make any of the improvements noted herein, or extend to any property owner any service of any kind, except as such may be undertaken at the expense of the Association.

ARTICLE V

SPECIAL RESTRICTIONS AFFECTING GOLF FAIRWAY RESIDENTIAL AREAS

1. "Golf Fairway Residential Areas" is defined as all those residential lots of land or blocks of land intended for subdivision located adjacent to any golf course located in the property.

2. That portion of any Golf Fairway Residential lot or block within thirty (30) feet of the lot or block line bordering the golf course shall be in general conformity with the overall landscaping pattern for the golf course fairway area established by the golf course architect. All individual lot or block landscaping plans must be approved by Company, before the implementation.

3. There is reserved to the Company and the Association a "Golf Course Maintenance Easement Area" on each lot adjacent to any golf course located in the property. This reserved easement shall permit the Company or the Association at its election, to go onto any Golf Course Maintenance Easement Area. Such maintenance and landscaping may include regular removal of underbrush, trees less than six (6) inches in diameter, stumps, trash or debris, planting of grass, watering, application of fertilizer, and mowing the Easement Area. This Golf Course Maintenance Easement Area shall be limited to the portion of such lots within thirty (30) feet of the lot line(s) bordering the golf course, or such lesser area as may be shown as a "Golf Course Maintenance Area" on the recorded plat of such lot; provided, however, that the above described maintenance and landscaping rights shall apply to the entire lot until there has been filed with the Company a landscaping plan for such lot by the Owner thereof, or alternatively, a residence constructed on the lot.

4. Until such time as a residence is constructed on a lot, the Company and the Association reserves an easement to permit and authorize registered golf course players and their caddies to enter upon a lot to recover a ball or play a ball, subject to the official rules of the course, without such entering and playing being deemed a trespass. After a residence is constructed, such easement shall be limited to that portion of the lot included in the Golf Course Maintenance Easement Area, and recovery of balls only, not play, shall be permitted in such Easement Area. Golfers or their caddies shall not be entitled to enter on any such lot with a golf cart or other vehicle, shall not spend unreasonable time on such lot, or in any way commit a nuisance while on such lot. After construction of a residence on a Golf Fairway lot, "Out of Bounds" markers may be placed on said lot at the expense of the Company.

5. Owners of Golf Fairway lots shall be obligated to refrain from any actions which would detract from the playing qualities of the golf course or the development of an attractive overall landscaping plan for the entire golf course area. Such prohibited actions shall include, but are not limited to, such activities as burning trash on a lot when the smoke would cross onto the fairway, and the maintenance of unfenced dogs or other pets on the lot under conditions interfering with play due to their loud barking, running on the fairways, picking up balls or other like interference with play.

6. Notwithstanding the provisions of Section Three of this Article V the Company hereby reserves the right to allow an owner to construct a dwelling over a portion of the "Golf Course Maintenance Easement Area" in those cases where it, in its uncontrolled discretion, determines that such construction will not materially lessen the beauty or playing qualities of the adjacent golf course.

ARTICLE VI

SPECIAL RESTRICTIONS AFFECTING ALL WATERFRONT AND WOODLAND AREAS

1. In order to preserve the natural appearance and scenic beauty of the property and to provide a "cover" for animals which habitually move along the marsh edges, there is hereby established a construction and clearing restricted zone on all lots fronting on marshlands. That portion of any marshland lot located within thirty (30) feet of the mean high water mark shall be preserved substantially in its present natural state except for moderate clearing for view and breeze. Construction of improvements and major clearing of trees and underbrush is hereby restricted. For the purpose of this paragraph "marshland lot" is defined as any lot fronting on the salt marshland one of the four sides of which is within twenty (20) feet of the mean high tide line. Notwithstanding the foregoing, the Company hereby reserves the right to exempt lots or portions of lots from said construction and clearing restrictions in those cases where it, in its uncontrolled discretion, determines that such exemption will not materially lessen the natural appearance and scenic beauty of the property or is necessary to protect the shoreline from erosion.

2. The provisions of Section I of this Article VI shall not prohibit the construction of docks and decks over the marsh in compliance with Section 3 of this Article VI.

3. Owners of lots fronting on the navigable water may erect docks (and boathouses where appropriate and in the discretion of the Company) upon the property located between the outer boundary of their lots and contiguous to same and the low water mark upon complying with the following terms and conditions:

- (a) Complete plans and specifications including site, color or finish must be submitted to the Company in writing;
- (b) Written approval of the Company of such plans and specifications must be secured, the Company reserving the right in its uncontrolled discretion to disapprove such plans and specifications on any grounds, including purely aesthetic reasons;
- (c) Written approval of any local, state or federal governmental departments or agencies which have jurisdiction over construction in or near salt marshlands must be secured.

Any alterations of the plans and specifications or of the completed structure must also be submitted to the Company in writing and the Company's approval in writing must be similarly secured prior to construction, the Company reserving the same rights to disapprove alterations as it retains for disapproving the original structures.

4. Owners of lots fronting on inland lakes, lagoons and ponds may erect small decks and/or docks extending from the outer boundary of their lots and contiguous to same upon complying with the following terms and conditions:

- (a) Complete plans and specifications including the site, color or finish must be submitted to the Company in writing;
- (b) Written approval of the Company of such plans and specifications must be secured, the Company reserving the right in its uncontrolled discretion to approve or disapprove such plans and specifications on any grounds, aesthetics and compatibility with golf courses and other facilities being of prime consideration;
- (c) Written approval of any local, state or federal governmental department or agencies which have jurisdiction over construction in wetlands must be secured.

Any alteration of plans and specifications of the completed structure must also be submitted to the Company in writing and the Company's approval in writing must be similarly secured prior to construction, the Company reserving the same right to approve or disapprove alterations as it retains for the original structure.

5. All lot owners who construct or cause to be constructed said decks, docks and/or boathouses, must maintain said structures in good repair and keep the same safe, clean and in orderly appearance at all times. Such owners shall paint or otherwise treat with preservatives all wood or metal (exclusive of pilings) located above the high water mark of tidal waters, inland lakes, lagoons and ponds, and shall maintain such paint and preservatives in an attractive manner. The Company or the Association shall be the sole judge as to whether the decks, docks and/or boathouses are safe, clean, and orderly in appearance, and properly painted or preserved in accordance with reasonable standards.

When the Company notifies a particular lot owner in writing that his deck, dock and/or boathouse fails to meet acceptable standards, said lot owner shall remedy such condition within thirty (30) days to the satisfaction of the Company. In the event such lot owner fails to remedy such a condition, the Company may make the necessary repairs or take such actions as will bring the said deck, dock and/or

boathouse up to acceptable standards, all such repairs and actions being at the sole expense of the lot owner.

6. Whenever the Company is permitted by these covenants to correct, repair, clean, preserve, clear out or do any action on the property of any lot owner, or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

7. In order to protect the natural beauty and water quality of the natural ponds, man-made lakes and lagoons, water craft will be allowed to operate only on the inland ponds, man-made lakes and lagoons as designated by the Company where the operation will not affect golf and other outdoor recreational facilities or residential units. Permission to operate water craft on the designated waterways shall be at the discretion of the Company which will establish operating rules for each designated waterway. All water craft will have methods of propulsion that will not cause pollution or affect water quality or shore line stability. To this end, water craft propelled by an internal combustion engine shall not be allowed except to perform maintenance or other community related functions.

8. The Company for itself, its successors and assigns does hereby covenant and agree that the areas extending from the mean high water mark of the Atlantic Ocean (as such mark may vary from time to time) to the front lot lines of subdivided residential "ocean front" lots shall remain basically in their current, natural state of existence without any man-made structures or improvements being erected thereon; provided, however, (a) a walkway may be constructed by the Owner of such a residential "ocean front" lot extending from his front lot line (or within his property) to the mean high water mark of the Atlantic Ocean if such walkway is constructed in compliance with applicable regulations of the South Carolina Coastal Council, or any other local, state, or federal governmental department or agency having jurisdiction, and (b) man-made improvements for the protection of sand dunes are not prohibited by this restriction, however any improvement, other than the rebuilding of sand dunes eroded by wave action shall be in accordance with a comprehensive plan which conforms to applicable governmental regulations and is approved by the Company or its successors or assigns. This covenant shall run with and be for the benefit of the aforesaid subdivided residential "ocean front" lots, and shall not be subject to the amendment provisions of Article VII hereof.

ARTICLE VII

ADDITIONS, LIMITATIONS, DURATION AND VIOLATION OF COVENANTS TOGETHER WITH AFTERWORD

1. All covenants, restrictions, and affirmative obligations set forth in this Declaration shall run with the land and shall be binding on all parties and persons claiming under them specifically including, but not to be limited to, the successors and assigns, if any, of the Company for a period of twenty-five (25) years from the execution date of this Declaration after which time, all said covenants shall be automatically extended for successive periods of ten (10) years, unless changed in whole or in part by an instrument signed by a majority of the then owners of lots substantially affected by such change in covenants, has been placed of record (the joint owners of any lot being considered as one for purposes of calculating a majority). Unless the contrary shall be determined by a court of equity jurisdiction, "substantially affected" shall mean those lots shown on (a) the plat showing the lots to be modified in permitted use by the change, and (b) the plats which subdivided the property immediately abutting the plat described in (a).

2. In the event of a violation or breach of any of the restrictions contained herein by any lot owner, or agent of such owner, the owners of lots in the neighborhood or subdivision or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent a violation or a breach. In addition to the foregoing, the Company and/or Association shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent a violation or a breach. In addition to the foregoing the Company and/or the Association shall have the right, whenever there shall have been built on any lot any structure which is in violation of these restrictions, to enter upon such property where such violation exists and summarily abate or remove the same at the expense of the owner, if after thirty (30) days' written notice of such violation it shall not have been corrected by the owner. Also, in addition to the foregoing, the Company and/or the Association shall have the right whenever there shall have been any violation of these restrictions to enter upon such property where such violation exists and similarly abate or remove the same at the expense of the Owner, if after thirty (30) days' written notice of such violation, it shall not have been corrected by the Owner. Any such entry and abatement or removal shall not be deemed a trespass. Any person entitled to file a legal action for the violation of these covenants shall be entitled to recover reasonable attorneys' fees as a part of such action. The failure to enforce any rights, reservations, restrictions, or condition contained in this Declaration, however long continued, shall not be deemed a waiver of this right to do so hereafter as to the same breach, or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

3. The Company reserves in each instance the right to add additional restrictive covenants in respect to lands conveyed in the future in Kiawah Island, or to limit therein the application of these covenants, provided that no limitations shall be made applicable to a portion of the lots in a platted subdivision, with any limitations to this Declaration of Covenants to be applicable only as to subdivisions in which no parcels have been previously conveyed subject to this prior Declaration of Covenants.

4. The Company reserves the right to assign to the Association any of its rights reserved in these covenants including but not limited to, its rights to approve (or disapprove) plans and specifications of proposed improvements.

5. Should any covenant or restriction herein contained, or any article, section, subsection, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and 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.

The foregoing DECLARATION OF RIGHTS, RESTRICTIONS, AFFIRMATIVE OBLIGATIONS AND CONDITIONS APPLICABLE TO ALL PROPERTY IN KIAWAH ISLAND was recorded December 29, 1977, in the R.M.C. Office for Charleston County, South Carolina, in Book M 114, page 406.

Applicability of the foregoing covenants and restrictions was extended to additional property on Kiawah Island by instrument recorded in Book Z 124, page 305 (1981) of said R.M.C. Office.

IN WITNESS WHEREOF, Kiawah Island Company Limited has caused these presents to be executed by its duly authorized officers this 21st day of December, 1977.

KIAWAH ISLAND COMPANY LIMITED

[actual signatures on recorded document]

Signed, sealed, and delivered
in the presence of:

Jo Ann Towe

BY: Frank W. Brumley
Frank W. Brumley,
As its Vice President and General Manager

Thomas G. Buist

BY: Lovick P. Suddath
Lovick P. Suddath, Vice President

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me Jo Ann Towe and made oath that she saw the within named Frank W. Brumley, as Senior Vice President and General Manager, and Lovick P. Suddath, as Vice President, sign and seal the foregoing covenants as the act and deed of Kiawah Island Company Limited and that deponent, with Thomas G. Buist witnessed the execution thereof.

Jo Ann Towe

Sworn to and subscribed before me this
21st day of December, 1977.

Thomas G. Buist
Notary Public of South Carolina
My commission expires: 11-25-79