

CYNTHIA B FORTE
BERKELEY COUNTY
REGISTER OF DEEDS

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***** EXAMINED AND CHARGED AS FOLLOWS *****

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Cynthia B. Forte
Cynthia B Forte - Register of Deeds

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Charleston, SC 29402

STATE OF SOUTH CAROLINA
COUNTY OF BERKELEY)
)**AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR DANIEL ISLAND TOWN CENTER ZONE
(Cross Reference Book 2711, Page 238 and Book 2927, Page 373)**

THIS Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Daniel Island Town Center Zone (recorded in Book 2711, Page 238 on April 3, 2018) ("Town Restrictions") is made by The Daniel Island Company, Inc., a South Carolina corporation (the "Declarant") as of September 29, 2025.

WHEREAS, the Declarant supplemented the Town Restrictions by the recordation of the By-Laws for the Daniel Island Town Association, Inc. ("Association") by an instrument recorded in Book 2927, Page 373 on January 9, 2019;

WHEREAS, pursuant to Section 16.2(a) of the Town Restrictions, the Declarant has the right to amend the Town Restrictions for any purpose so long as the Declarant owns any property described on Exhibit A or Exhibit B to the Town Restrictions:

WHEREAS, pursuant to Section 6.6.(a) of the ByLaws, the Declarant has the right to amend the ByLaws for any purpose so long as the Declarant owns any property described on Exhibit A or Exhibit B to the Town Restrictions:

WHEREAS, the Declarant owns property described on Exhibit A or Exhibit B to the Town Restrictions and has elected to amend the Town Restrictions for the purpose of amending and correcting the matters stated herein.

NOW THEREFORE, the Declarant together with the Association hereby amend the Town Restrictions and the By-Laws for the Association as follows:

The By-Laws for the Association recorded in Book 2927, Page 373 on January 9, 2019 are hereby deleted in their entirety and replaced with the By-Laws for the Association which are attached hereto as **Schedule 1**.

IN WITNESS WHEREOF, the Declarant has executed this Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Daniel Island Town Center Zone (recorded in Book 2711, Page 238) as of the date set forth above.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

THE DANIEL ISLAND COMPANY, INC.,
a South Carolina corporation

[Signature]
Signature of 1st witness

By: [Signature]
Name: Frank W. Brumley
Its: President

[Signature]
Signature of 2nd witness

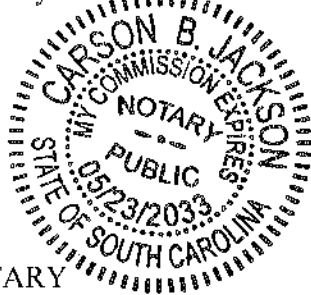
STATE OF SOUTH CAROLINA)

COUNTY OF Berkley)

ACKNOWLEDGMENT

I, the undersigned Notary Public, do hereby certify that The Daniel Island Company, Inc., a South Carolina corporation, by Frank W. Brumley, its President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 29th day of September, 2025.



SEAL OF NOTARY

[Signature]
Notary Public for South Carolina
Print Name of Notary: Carson B. Jackson
My Commission Expire: 5/23/2033

IN WITNESS WHEREOF, the Association has executed this Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Daniel Island Town Center Zone (recorded in Book 2711, Page 238) as of the date set forth above.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

DANIEL ISLAND TOWN ASSOCIATION,
INC., a South Carolina non-profit corporation

[Signature]
Signature of 1st witness

By: [Signature]
Name: Jane W. Baker
Its: President

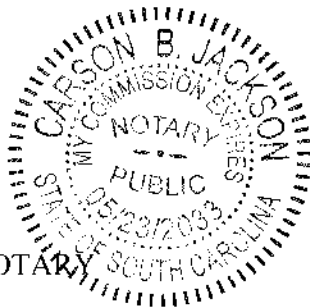
[Signature]
Signature of 2nd witness

STATE OF SOUTH CAROLINA)
COUNTY OF Berkely)

ACKNOWLEDGMENT

I, the undersigned Notary Public, do hereby certify that Daniel Island Town Association Inc., a South Carolina non-profit corporation, by Jane Baker, its President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 29th day of September, 20 25



SEAL OF NOTARY

[Signature]
Notary Public for South Carolina
Print Name of Notary: Carson B. Jackson
My Commission Expire: 5/23/2033

Schedule 1

BY LAWS FOR DANIEL ISLAND TOWN ASSOCIATION, INC.

(ATTACHED)

**AMENDED AND RESTATED BY-LAWS
OF
DANIEL ISLAND TOWN ASSOCIATION, INC.
Dated September 29, 2025**

**AMENDED AND RESTATED BY-LAWS
OF
DANIEL ISLAND TOWN ASSOCIATION, INC.**

WITNESSETH:

THESE AMENDED AND RESTATED BY-LAWS are made and adopted as of September 29, 2025 by The Daniel Island Company, Inc., a South Carolina corporation (hereinafter referred to as "Declarant");

WHEREAS, pursuant to the terms of Section 6.6(a)(iii) of the By-Laws for Daniel Island Town Association, Inc., the Declarant may amend the By-Laws for any purpose;

WHEREAS, the Declarant deems it appropriate for operation and administration to amend and restate the By-Laws by these Amended and Restated By-Laws of Daniel Island Town Association, Inc. (the "Amended and Restated By-Laws") attached thereto

WHEREAS, the Association is in agreement with these Amended and Restated By-Laws; and

WHEREAS, these Amended and Restated By-Laws do not materially modify or adversely affect any rights of any Owner.

NOW, THEREFORE, pursuant to the powers retained by the Declarant under the By-Laws of the Association, the Declarant hereby amends and restates the By-Laws. These Amended and Restated By-Laws supersede and replace the By-Laws for Daniel Island Town Association, Inc.

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AMENDED AND RESTATED BY-LAWS

OF

DANIEL ISLAND TOWN ASSOCIATION, INC.

ARTICLE 1. NAME, PRINCIPAL OFFICE, AND DEFINITIONS

1.1 Name. The name of the corporation is Daniel Island Town Association, Inc. (the "Association"). The corporation was formerly known as Daniel Island Town Center Owners Association, Inc.

1.2 Principal Office. The principal office of the Association shall be located in the City of Charleston, Berkeley County, South Carolina. The Association may have such other offices, either within or outside the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions. The words used in these Amended and Restated By-Laws shall have their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Daniel Island Town Center Zone filed in the public records of Berkeley County, South Carolina, as it may be amended, restated or supplemented from time to time (the "Declaration"), unless the context indicates otherwise.

ARTICLE 2. ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

2.1 Membership. The Association shall initially have two (2) classes of membership, Class "A" and Class "B," as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

2.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, on Daniel Island or as convenient as is possible and practical. Meetings may be held by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.

2.3 Annual Meetings. The first membership meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Subsequent regular meetings shall be held annually on a date and at a time set by the Board.

2.4 Special Meetings. The President may call a special meeting of the Members at any time. In addition, it shall be the duty of the President to call a special meeting within thirty (30) days if so directed by resolution of the Board, upon a written petition signed by Members representing at least ten percent (10%) of the total Class "A" votes in the Association, or upon

written request of the Declarant describing the purpose or purposes for which the special meeting is to be held.

2.5 Notice of Meetings. The Association's secretary shall cause written notice stating the place, day, and time of any Association meeting to be given in any manner permitted by applicable law. Notice may be sent by mail or private courier, published in a newspaper, or by radio, television, or other form of public broadcast communication in Berkeley County, South Carolina, delivered by hand delivery, sent by facsimile, or to the extent permitted by South Carolina and federal law, by electronic mail, or other electronic communication device, or such other manner which is reasonably calculated, as the Board determines in its discretion, to provide personal notice to Members. Notice shall be given at least ten (10) Days and, in any event, not more than sixty (60) Days before the date of the meeting, by or at the direction of the president, the secretary, or the officers or Persons calling the meeting.

In case of a special meeting or when otherwise required by statute or these Amended and Restated 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 for the special meeting. The notice of regular or annual meeting shall state the items on the agenda of the Association meeting to the extent required by statute, including, without limitation, the general nature of any proposed amendment to the Governing Documents, any proposed sale of assets, and any proposal to dissolve the Association.

If mailed, the notice of a meeting shall be deemed given when deposited in the United States mail addressed to the Member at his or her address as it appears on the Association's records, with postage prepaid. If sent by facsimile, electronic mail, or other electronic communication device, notice shall be deemed delivered when transmitted to the Member at his or her address, e-mail address, or telephone or fax number as it appears on the Association's records. Failure to receive actual notice of an Association meeting shall not affect the validity of any action taken at such meeting.

2.6 Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting shall be deemed a waiver of any objection as to notice of the time, date, and place thereof, unless specific objection as to the lack of proper notice is given at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection to the consideration of the business is raised before or when the business is presented for vote.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Members or their proxies holding a Majority of the votes represented at such meeting may adjourn the meeting to a time not less than five (5) nor more than twenty (20) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted that might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not set by those in attendance at the original meeting or if for any reason a new date is set for reconvening the

meeting after adjournment, notice for reconvening the meeting shall be given to Members in the manner prescribed in Section 2.5.

2.8 Voting. The voting rights of the Members are as set forth in the Exhibit D to the Declaration (being the Assessment and Voting Points assigned to each Unit), and such voting rights provisions are specifically incorporated by this reference. The Board may adopt policies and procedures regarding the methods of casting votes, such as written ballots, secret ballots or electronic ballots.

2.9 List for Voting. After setting a record date for notice of a meeting, the Board shall prepare an alphabetical list of the names of the Members entitled to notice of such meeting. The list shall show the address of each Member and the number of votes each is entitled to cast at the meeting. The list for voting shall be made available for inspection in accordance with South Carolina law.

2.10 Proxies. At all meetings of Members, each Member may vote in person (if a corporation, partnership, limited liability company, or trust, through any officer, director, partner, member, manager or fiduciary duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of South Carolina law relating to the use of general proxies and subject to any specific provision to the contrary in the Declaration or these Amended and Restated By-Laws. Every proxy shall be in writing specifying the Unit(s) for which it is given, signed by the Member or such Member's duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two (2) or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit for which it was given, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a Member who is a natural person, or of written revocation, or eleven (11) months from the date of the proxy, unless a shorter period is specified in the proxy.

2.11 Quorum. The presence, in person or by proxy, of Members representing ten percent (10%) of the total Class "A" votes in the Association shall constitute a quorum at all meetings of the Association. If a quorum is present, business may be continued until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.12 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13 Action Without a Meeting. Any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if: (i) the Association delivers a written ballot or, to the extent permitted by South Carolina and federal law, an electronic ballot to every Member entitled to vote on such matter; (ii) the number of votes cast

by written or electronic ballot satisfies the quorum requirements set forth in Section 2.11; and (iii) at least a Majority of the votes required to constitute a quorum approve such proposed action. A written or electronic ballot shall: (i) set forth each proposed action; (ii) provide an opportunity to vote for or against each proposed action; (iii) indicate the number of responses needed to meet the quorum requirements; (iv) state the percentage of approvals necessary to approve each matter other than election of directors; and (v) specify the time by which a ballot must be received by the Association in order to be counted. Except as provided herein, no written or electronic ballot may be revoked.

ARTICLE 3. BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection.

3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall be a natural person and have one (1) equal vote. Except with respect to directors appointed by the Class "B" Member or serving as a representative of the Declarant, the directors shall be representatives of eligible Members; provided however that a single Unit may not be represented by more than one person serving as a director on the Board at the same time. No Member shall be deemed eligible to serve as a director if any assessment for such Member's Unit is delinquent. In the event that a Member is not a natural person, a "representative" shall be any officer, director, partner, member, manager, employee, or fiduciary of such Member or any natural person designated by written notice signed by the Member and delivered to the Association; provided however, no Member may have more than one (1) such representative on the Board at a time, except in the case of directors appointed by or serving as representatives of the Class "B" Member or the Declarant.

3.2 Number, Nomination and Election of Directors. Except as provided in Section 3.3, the Board shall consist of three (3) natural persons elected by the Class "A" Members of the Association to serve as directors. The number of directors may be changed to an odd number by resolution of the Board.

3.3 Directors During Class "B" Control Period. The directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member during the Class "B" Control Period.

3.4 Nomination and Election Procedures.

(a) Determination of Candidates and Election of Directors. The slate of candidates for election to the Board of Directors will be determined by the submission of names to the Board of Directors by a date set by the Board (the "Submission Date"). At least twenty-eight (28) days prior to the Submission Date, the Board of Directors will provide written, printed or electronic notice to the Members of the requirement to submit the names of candidates for inclusion on the ballot for election to the Board of Directors by the Submission Date. All persons who satisfy the criteria stated in Section 3.1 above, whose name was submitted by the Submission Date, and who satisfy the criteria stated herein or in the

Declaration will be included on the ballot. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes

(b) Election Procedures. There shall be no cumulative voting and no splitting of votes. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. The ballot shall be in a form agreed upon by the Board and as required by South Carolina law, including South Carolina Code Section 33-31-708, as amended.

Each Class "A" Member shall cast all of the votes assigned to such Class "A" Member's Unit for each position on the Board of Directors to be filled by the election.

For example purposes only, if a Class "A" Member has 1,000 Assessment and Voting Points assigned to its Unit and the Class "A" Members are voting on three (3) individuals to serve as Directors on the Board of Directors, then such Class "A" Member shall cast its total assigned 1,000 Assessment and Voting Points for its Unit for each of the three (3) individuals that the Class "A" Member selected on its ballot to serve as a Director on the Board of Directors it follows that the Class "A" Member will have cast 1,000 Assessment and Voting Points for Candidate 1; 1,000 Assessment and Voting Points for Candidate 2; and 1,000 Assessment and Voting Points for Candidate 3.

(c) Term Limits. Directors can serve no more than two (2) consecutive terms.

3.5 Election and Term of Office. Notwithstanding any other provision of these Amended and Restated By-Laws:

(a) Prior to the termination of the Class "B" Control Period, an election shall be held in manner stated above for the election by the Class "A" Members of three (3) directors to serve on the Board of Directors. The three (3) directors will serve on the Board beginning on January 1, 2026 - the two (2) directors elected by the Class "A" Members who received the 1st and 2nd highest number of votes shall serve a term of two (2) years, and the director elected by the Class "A" Members who received the 3rd highest number of votes shall serve a term of one (1) year.

(b) Except as otherwise provided herein, including as stated in Section 3.5(a) above with respect to the director who received the 3rd highest number of votes by Class "A" Members, directors elected to serve on the Board of Directors will serve a term of two (2) years beginning on January 1 immediately following their election or on the commencement date of the term of the director as otherwise stated by the Board. The Board of Directors shall hold elections prior to expiration of the term of the current Directors serving on the Board of Directors to fill any vacancies arising on the Board upon the expiration of such Directors' term.

3.6 Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by Members holding two-thirds (2/3) of the votes entitled to be cast for the election of such director, but shall not be subject to removal solely by the Class "B" Member. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be

elected by the Class "A" Members to fill the vacancy for the remainder of the term of such director.

Any director elected by the Class "A" Members who has three (3) or more consecutive unexcused absences from Board meetings, or who is more than thirty (30) days delinquent (or is the representative of a Unit that is delinquent or is an officer, director, partner, member, employee, or trust officer of a Member who is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors, and the Board may appoint a successor to fill the vacancy for the remainder of the term of the removed director or until the next election of directors, which ever is sooner.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy for the remainder of the term of the former director or until the next election of directors, which ever is sooner.

This Section shall not apply to directors appointed by the Class "B" Member or to any director serving as a representative of the Declarant. The Class "B" Member or the Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Class "B" Member or the Declarant.

B. Meetings.

3.7 Organizational Meetings. Within thirty (30) days following the commencement of the term of any new Director(s) serving on the Board of Directors, the Board shall hold an organizational meeting at such time and place as the Board shall set.

3.8 Regular Meetings. Regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least one (1) such meeting shall be held during each quarter.

3.9 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or Vice President or by any two (2) directors.

3.10 Notice. Notice of a regular meeting shall be communicated to directors in accordance with applicable laws. Notice of a special meeting shall be communicated to directors not less than seventy-two (72) hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; (e) telegram, charges prepaid; (f) overnight or same day delivery, charges prepaid; or (g) to the extent permitted by South Carolina law and federal law, electronic mail or e-mail using Internet accessible equipment and services if the director has consented in writing to such method of

delivery and has provided the Board with an electronic mail or e-mail address. All such notices shall be given at the director's telephone, telecopier number, email address, or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal, overnight or courier delivery, telephone, telecopier, telegraph, electronic mail or e-mail shall be deemed communicated when delivered, telephoned, telecopied, electronically mailed, e-mailed or given to the telegraph company.

3.11 Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12 Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of telephone conference, video conference, or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.13 Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these Amended and Restated By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than four (4) nor more than twenty (20) days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.14 Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing a Majority of the total Class "A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board, excluding the interested director.

3.15 Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions

and all transactions and proceedings occurring at such meetings. In the case of a tie vote on a motion or resolution before the Board, the motion or resolution is considered lost.

3.16 Open Meetings. Subject to the provisions of Sections 3.12 and 3.17, all meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on a Member's behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board, reconvene in executive session, and exclude Members to discuss matters of a sensitive nature, such as pending or threatened litigation or personnel matters.

3.17 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.18 Powers. The Board shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done all acts and things which the Governing Documents or South Carolina law do not direct to be done and exercised exclusively by the membership generally.

3.19 Duties. The duties of the Board shall include, without limitation:

- (a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses and any District Expenses;
- (b) levying and collecting such assessments from the Owners;
- (c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;
- (d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (e) depositing all funds received on behalf of the Association in a bank depository which it shall approve and using such funds to operate the Association, provided any reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;
- (f) making and amending use restrictions and rules in accordance with the Declaration;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) contracting for repairs, additions, and Improvements to or alterations of the Common Area in accordance with the Governing Documents;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the costs of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4;

(n) permitting Utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(o) indemnifying a director, officer or ARB or committee member, or former director, officer or ARB or committee member of the Association to the extent such indemnity is required or permitted under South Carolina law, the Articles of Incorporation or the Declaration; and

(p) assisting in the resolution of disputes between Owners and others without litigation as set forth in the Declaration.

3.20 Right of Class "B" Member to Notice of Meetings & To Disapprove Actions. So long as the Class "B" membership exists, the Class "B" Member shall have the right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Class "B" Member, would tend to impair rights of the Declarant under the Governing Documents, or interfere with development of or construction on any portion of the Properties, or diminish the level of services being provided by the Association.

(a) The Class "B" Member shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by email, by certified mail, return receipt requested, or by personal delivery at the address the Class "B" Member has registered with the Secretary of the Association, which notice complies with Section 3.10 and which notice shall, except in the case of the regular meetings held pursuant to the Amended and Restated By-Laws, set forth in reasonable particularity the agenda to be followed at such meeting; and

(b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Class "B" Member, its representatives or agents may make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Class "B" Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within ten (10) days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) days following receipt of written notice of the proposed action. No action, policy or program shall be effective or implemented if the Class "B" Member exercises its right to disapprove. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.21 Management. The Board may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy-making authority. The Declarant or an affiliate of the Declarant may be employed as managing agent or manager.

The Board may delegate to one (1) of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Boards

3.22 Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) cash accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any item of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board; and

(f) an annual financial report shall be made available to all Members within one hundred twenty (120) days after the close of the fiscal year. Such annual report may be prepared on an audited, reviewed or compiled basis, as the Board determines.

3.23 Borrowing. The Association shall have the power to borrow money for any legal purpose; provided however, if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10 %) of the budgeted gross expenses of the Association for that fiscal year, the Board shall obtain the approval of Members holding at least sixty-seven percent (67 %) of the total votes allocated to Units prior to borrowing such money.

3.24 Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common and/or long term management, operational, or other agreements with trusts, condominiums, cooperatives, or other owners or residents associations, within and outside the Properties and/or any local, state, or federal governmental or quasi-governmental entity.

3.25 Enforcement.

(a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as set forth in the Declaration, the Board or its delegate shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if one has been appointed pursuant to Article 5, within ten (10) days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within ten (10) days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the ten (10) day period shall constitute a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one (1) year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without further notice to the violator.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the covenants committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer,

director, or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board may adopt a schedule of sanctions for violations of the Governing Documents.

(c) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the committee's decision to the Board. To exercise this right, a written notice of appeal must be received by the manager, President or Secretary of the Association within ten (10) days after the hearing date.

3.26 Board and Officer Training. The Board may conduct or provide for seminars and continuing educational opportunities designed to educate and inform its officers and directors of their responsibilities as officers and directors. Such programs may include instruction on applicable South Carolina corporate and fiduciary law principles, other issues relating to administering community affairs and upholding and enforcing the Governing Documents. The Board may retain industry professionals, which may include property managers, attorneys and accountants, as appropriate or necessary for such purpose. Expenses relating to such educational opportunities shall be a Common Expense of the Association.

The Board may also provide, or provide for, education programs designed to foster a better understanding of Daniel Island's governance and operations and leadership training classes designed to educate Members of the nomination, election, and voting processes and the duties and responsibilities of the directors and officers.

ARTICLE 4. OFFICERS

4.1 Officers. The officers of the Association shall be a President, Secretary and Treasurer. The President, Secretary and Treasurer shall be elected from the members of the Board of Directors. The Treasurer shall have prior experience and knowledge of accounting practices, tax laws, and fiscal record keeping. The Board may appoint such other officers, including a Vice President, one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as the Board shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

4.2 Election and Term of Office. The Board shall elect the officers of the Association at the organizational meeting of the Board of Directors to be held within thirty (30) days following the commencement of the term of any new Director(s) serving on the Board of Directors. The Board shall hold the meeting at such time and place as the Board shall set. Such officers shall serve until their successors are elected.

4.3 Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise for the unexpired portion of the term.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The Secretary shall be responsible for preparing minutes of meetings of the Association and the Board and for authenticating records of the Association.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Agreements, Contracts, Deeds, Leases, Checks, Etc. During the Class "B" Control Period, the Declarant may authorize a member of the Board appointed by the Declarant or the President of the Association to execute any and all agreements, contracts, deeds, leases, checks, and other instruments on behalf of the Association. Following the Class "B" Control Period and unless otherwise determined by the Board in its reasonable discretion, all agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed in the manner authorized by the Board. In addition, the Board may designate and authorize any other person or persons, who are not officers of the Association, to execute documents and instruments on behalf of the Association by a written resolution of the Board authorizing such person or persons.

4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.14.

ARTICLE 5. COMMITTEES

5.1 General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. No committee appointed by the Board shall be empowered to take any affirmative action or to bind the Board or the Association without the consent of the Board.

5.2 Covenants Committee. In addition to any other committees which the Board may establish pursuant to the Declaration, these Amended and Restated By-Laws and, specifically, Section 5.1, the Board may appoint a covenants committee consisting of at least three (3) and no more than seven (7) Members. Acting in accordance with the provisions of the Declaration, these Amended and Restated By-Laws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.25 of these Amended and Restated By-Laws.

5.3 District Committees. In addition to any other committees appointed as provided above, each District which has no formal organizational structure or association may elect a District Committee to serve as liaison between that District and the Board and to determine the

nature and extent of services, if any, to be provided to the District by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A District Committee may advise the Board on any other issue, but shall not have the authority to bind the Board or the Association. The Board may in its discretion establish criteria for appointment to and/or creation of District Committees.

District Committee members shall be elected for a term of one (1) year or until their successors are elected. Any director elected to the Board of Directors from a District shall be an ex officio member of the District Committee. The District Committee shall elect a chairperson who shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board.

In the conduct of its duties and responsibilities, each District Committee shall abide by the meeting, notice and quorum requirements applicable to the Board under Sections 3.12, 3.13, 3.15, and 3.16. Meetings of a District Committee shall be open to all Owners of Units in the District and their representatives; provided however, a District Committee may act by unanimous written consent in lieu of a meeting.

ARTICLE 6. MISCELLANEOUS

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Declaration, or these Amended and Restated By-Laws.

6.3 Conflicts. If there are conflicts between the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these Amended and Restated By-Laws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the Amended and Restated By-Laws (in that order) shall prevail.

6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to its interest in a Unit: the Declaration, Amended and Restated By-Laws, and Articles of Incorporation, any amendments and supplements to the foregoing, the rules of the Association, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate during normal business hours.

(b) Rules for Inspection. The Board may establish rules with respect to:

(i) notice to be given to the custodian of the records;

- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5 Notices. Except as otherwise provided in the Declaration or these Amended and Restated By-Laws, all notices, demands, bills, statements, and other communications under the Declaration or these Amended and Restated By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

- (a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or
- (b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

If mailed, any notice shall be deemed to be delivered when deposited in the United States mail addressed with postage prepaid. To increase flexibility, any Person, including the Association, may consent to or request in writing additional methods of receiving notice, including but not limited to, facsimile, electronic mail or e-mail.

6.6 Amendment.

(a) By Declarant. So long as Declarant owns property described on Exhibit "A" or "B" to the Declaration, or has the right to annex property pursuant to Section 7.1 of the Declaration and for a period of twenty (20) years thereafter, Declarant hereby reserves and shall have the sole right to:

- (i) amend these Amended and Restated By-Laws for the purpose of curing any ambiguity or any inconsistency among the provisions contained herein;
- (ii) amend these Amended and Restated By-Laws in any manner if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, to make, purchase, insure or guarantee Mortgage loans on the Units; (d) to enable any reputable private insurance company to insure Mortgage loans on the Units; or (e) to satisfy the requirements of any local, state or federal governmental agency; and

(iii) amend these Amended and Restated By-Laws without vote or consent of the Owners for any other purpose.

The foregoing amendments may be made without the joinder or approval of any Owner, Mortgagee, or the Association.

(b) By Members. Except as provided above, these Amended and Restated By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association, and the consent of the Declarant, so long as the Declarant has an option to subject additional property to the Declaration pursuant to Section 7.1. In addition, the approval requirements set forth in Article XII of the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) By the Board. The Board shall be authorized to amend these Amended and Restated By-Laws without the consent of the Members (i) to correct scrivener's errors and other mistakes of fact, and (ii) to remove provisions creating impediments to the implementation, use and operation of advancements in technology, provided that amendments under this provision have no material adverse effect on the rights of the Owners. During the during the Class "B" Control Period, any such amendments shall require the written consent of the Declarant.

(d) Validity and Effective Date. Any amendment to these Amended and Restated By-Laws shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Amended and Restated By-Laws.

No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant, the Class "B" Member, or the assignee of such right or privilege.

If a Member consents to any amendment to the Declaration or these Amended and Restated By-Laws, it will be conclusively presumed that such Member has the authority to consent and no contrary provision in any Mortgage or contract between the Member and a third party will affect the validity of such amendment.