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SECOND AMENDED AND RESTATED

DECLARATION OF EASEMENTS AND COVENANT TO SHARE COSTS

FOR

DANIEL ISLAND

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SECOND AMENDED AND RESTATED DECLARATION OF EASEMENTS AND COVENANT TO SHARE COSTS FOR DANIEL ISLAND

THIS SECOND AMENDED AND RESTATED DECLARATION (this "Declaration") is made effective as of the 1st day of January, 2005 by **Daniel Island Associates L.L.C.**, a Delaware limited liability company, successor to the interests of Daniel Island Development Company, Inc., a South Carolina corporation (hereinafter referred to as "Declarant"); **Daniel Island Community Association, Inc.**, a South Carolina nonprofit mutual benefit corporation (hereinafter referred to as "Residential Association"); **Daniel Island Park Association, Inc.**, a South Carolina nonprofit mutual benefit corporation (hereinafter referred to as "Park Association"); and **Daniel Island Town Association, Inc.**, a South Carolina nonprofit mutual benefit corporation (hereinafter referred to as "Town Association"). The Declarant, the Residential Association, the Park Association, and the Town Association are sometimes individually referred to herein as a "Party" and collectively referred to as the "Parties".

BACKGROUND STATEMENT

The Declarant, the Residential Association and the Daniel Island Office Park Association, Inc. (hereinafter referred to as the "Office Park Association") entered into a Declaration of Easements and Covenant to Share Costs for Daniel Island, dated June 13, 1997, recorded in the Register of Deeds of Berkeley County, South Carolina on August 1, 1997 at Book 1122, Page 7, et. seq. (the "Original Declaration"). The Declarant, the Residential Association, the Park Association, the Office Park Association and the Daniel Island Town Center Association, Inc. (hereinafter the "Town Center Association") entered into an Amended and Restated Declaration of Easements and Covenant to Share Costs, dated November 27, 2000, recorded in the Register of Deeds of Berkeley County, South Carolina on December 6, 2000 at Deed Book 2098, Page 80, et. seq. (hereinafter referred to as the "Amended Declaration") which amended and restated the Original Declaration in its entirety. Pursuant to the Amendment and Supplement to the Declaration of Covenants, Conditions and Restrictions for Daniel Island Town Center Zone, effective as of January 1, 2004, recorded in the Register of Deeds of Berkeley County, South Carolina on November 17, 2004, at Book 4355, Page 279, et. seq. and other related documents, the Town Center Association changed its name to the Town Association, and members of the Office Park Association became members of the Town Association, thereby effectively terminating the Office Park Association. In accordance with the provisions of Article VI, Section 6.4 of the Amended Declaration, which govern the right and authority to amend the Amended Declaration, the consents of the boards of directors of the Residential Association, the Park Association, the Town Association, and the Office Park Association as evidenced by their written approvals and the signatures of their respective presidents affixed hereto, and with the approval of the Declarant evidenced by the signature of its duly authorized representative affixed hereto, the Amended Declaration is hereby amended, stricken and restated, in its entirety, by this Declaration.

The Declarant is the declarant of the Residential Declaration, the Park Declaration and the Town Declaration, as defined and described below, and is the developer of the master planned community located in the City of Charleston, Berkeley County, South Carolina, comprised of the Properties hereinafter defined, together with additional properties, and known as Daniel Island (hereinafter referred to as the "Development").

The Residential Association is a mandatory membership owners association established pursuant to the Declaration of Covenants, Conditions, and Restrictions for Daniel Island Residential Zone recorded in the Register of Deeds of Berkeley County, South Carolina on September 21, 1995 at Book 734, Page 147, et. seq., (the Declaration, as amended from time to time, is referred to herein as the "Residential Declaration" and the property subject thereto, as supplemented in accordance with the terms thereof, is referred to herein as the "Residential Property").

The Park Association is a mandatory membership owners association established pursuant to the Declaration of Covenants, Conditions and Restrictions for Daniel Island Park recorded in the Register of Deeds of Berkeley County, South Carolina on January 26, 2000, at Book 1838, Page 21, et seq., (such Declaration, as amended from time to time, is referred to herein as the "Park Declaration" and the property subject thereto, as supplemented in accordance with the terms thereof, is referred to herein as the "Park Property").

The Town Association is a mandatory membership owners association established pursuant to the Declaration of Covenants, Conditions and Restrictions for Daniel Island Town Zone recorded in the Register of Deeds of Berkeley County, South Carolina on March 24, 1999, at Book 1587, Page 221, et seq., (such Declaration, as amended from time to time, is referred to herein as the "Town Declaration" and the property subject thereto, as supplemented in accordance with the terms thereof, is referred to herein as the "Town Property"). Members of the Town Association are comprised of property owners that were members of the previously named Town Center Association and the Office Park Association.

By virtue of the Amended Declaration, the Town Association is responsible for maintaining certain portions of the Development identified as the "Maintenance Property" (as defined in the Amended Declaration) and for providing certain services in accordance with the "Community-Wide Standard" (as defined in the Town Declaration). The Parties desire to expand the types of services to be provided by the Town Association for the benefit of the Residential Association and the Park Association and their respective members and to provide for the formation of a Joint Committee to oversee the implementation of such responsibilities by the Town Association. The Parties further acknowledge and agree that the maintenance of the Maintenance Property, the supplemented and expanded services to be provided pursuant to this Declaration and the establishment of the Joint Committee will mutually benefit the Parties and their respective properties (the Maintenance Property, the Residential Property, the Park Property, and the Town Property are hereinafter collectively referred to as the "Properties"). Therefore, the Parties agree to share and to allocate the cost of such maintenance and the providing of such services among themselves in accordance with the terms hereof.

The Parties hereto desire to provide for (a) the continued maintenance of the Maintenance Property (as defined below); (b) the continued provision of services which benefit all or a portion of the Properties; (c) the sharing of the costs of Joint Budget Items (as defined below); and (d) an allocation of such costs among the members of the Residential Association, the Park Association, and the Town Association. Declarant, Residential Association, Park Association and Town Association also desire to provide reciprocal easements over, across and through the Properties to the extent necessary for the performance of the responsibilities hereunder.

For the common and mutual benefit of the Parties and their respective Properties, the Town Association has agreed to and does hereby agree to continue to undertake the duties and responsibilities of directing and managing the maintenance of the Maintenance Property and performing the services provided for herein under the terms and conditions set forth herein.

NOW, THEREFORE, the Parties hereby amend, strike and restate the Amended Declaration and declare that the Properties, including but not limited to the Maintenance Property, shall be subject to the terms of this Declaration and shall be held, sold and conveyed subject to the covenants, conditions and easements contained herein, which shall run with the title to the Properties and shall bind all parties having any right, title or interest in the Properties, their heirs, successors and assigns, and shall inure to the benefit of the Parties, their heirs, successors and assigns, and each owner of any portion of any of the Properties.

ARTICLE I: EASEMENTS

The Declarant, the Residential Association and the Park Association hereby grant and convey to the Town Association, reciprocal easements of access, use and enjoyment over, across and through their respective Properties for the purpose of maintaining, repairing and replacing the Maintenance Property and providing the Joint Budget Items (as defined below) in accordance with this Declaration.

THE CONTINUED EXISTENCE OF THESE EASEMENTS IS EXPRESSLY MADE SUBJECT TO THE CONDITIONS AND RESTRICTIONS CONTAINED HEREIN WHICH SHALL CONSTITUTE COVENANTS RUNNING WITH THE TITLE TO, AND BOTH BENEFITTING AND BURDENING, THE PROPERTIES.

ARTICLE II: MAINTENANCE PROPERTY AND JOINT BUDGET ITEMS

2.1 Background. This Article II provides that the Town Association shall be responsible for maintaining the Maintenance Property (defined below) which shall benefit all of the Properties. The Town Association will also provide certain services, some of which will benefit all of the Properties and some of which will benefit only a portion of the Properties. Subject to the terms of this Declaration including but not limited to Article III, the Town Association will generally be responsible for performing these obligations and will have complete authority and control with respect to the type, level and extent of the services to be provided to the Residential Association, the Park Association and the Town Association and their respective members.

To the extent that any service is provided by the Town Association to only a particular association and/or its members or to property that is not designated as Maintenance Property, the benefited association shall maintain control and decision-making authority over such services, and the Town Association shall be responsible only for implementation and operation. For instance, the Residential Association may solicit bids from, interview and enter into a contract with a pool maintenance company to service the pools at Pierce Park and Scott Park. To the extent that the Town Association assists in this process or administers and oversees the performance of such contractor, this service would benefit only the Residential Association and would be performed at the request of the Residential Association. Thus, the intent of this Declaration is not to transfer control over all of the functions of each association to the Town Association, but to provide a cohesive framework for implementing the decisions of each association while obtaining the benefits of consolidating day to day operations of the associations.

2.2 Joint Budget Items.

a. The term "Joint Budget Items" means (i) the expenses associated with the maintenance of the Maintenance Property; (ii) the expenses incurred by the Town Association to provide services benefiting all or a portion of the Properties and the Residential Association, the

Park Association and the Town Association and their respective members; (iii) the expenses incurred by the Town Association to provide services benefiting a portion of the Properties and/or a particular association and its members; (iv) the expenses of overhead, costs and administration incurred by the Town Association in providing the aforementioned maintenance and services; and (v) all other expenses of the Town Association benefiting the Properties as reasonably determined by the Town Association's board of directors, or, after the Control Date, the Joint Committee (as defined in Article III below).

b. The term "Maintenance Property" as used in this Declaration means that property described in Exhibit "A" attached hereto and incorporated herein by this reference. Maintenance of the Maintenance Property may include, but shall not be limited to: (i) mowing and weeding on a regular basis; (ii) removal of litter, trash and refuse on a periodic basis; (iii) periodic tree and shrub pruning; (iv) repair of exterior damage to improvements and keeping exterior improvements in good repair; (v) sweeping of the roads; (vi) irrigation; (vii) grounds maintenance; (viii) water feature management; and (ix) pond management.

c. Services benefiting the Properties and the Residential Association, the Park Association and the Town Association and their respective members may include, but shall not be limited to:

(i) Providing security patrols of all or a portion of the Properties;
(ii) Street lighting within the Town Property;
(iii) Conducting festivals and other special events;
(iv) Contributing funds or services to Daniel Island Community Fund, Inc. or any other non-profit, tax-exempt organization providing benefits to the Development;
(v) Preparing the newsletter for the Development;
(vi) Performing the architectural review process for the Residential Association, the Park Association and the Town Association as provided for in the Residential Declaration, the Park Declaration and Town Declaration, respectively;
(vii) Budgeting for, billing and collecting assessments for the Residential Association, the Park Association and the Town Association as provided for in the Residential Declaration, the Park Declaration and Town Declaration, respectively;
(viii) Enforcing rules, regulations, covenants and design guidelines for the Residential Association, the Park Association and Town Association as provided for in the Residential Declaration, the Park Declaration and the Town Declaration, respectively;
(ix) Contracting with and supervising independent contractors as deemed necessary for the performance of the Town Center's responsibilities hereunder;
(x) Preparing, filing and causing to be paid all forms, reports and licenses required by law;
(xi) Maintaining all books and records for the Residential Association, the Park Association and the Town Association and making books available to members in accordance with the Residential Declaration, the Park Declaration and the Town Declaration;
(xii) Preparation of owner notebooks for new owners;
(xiii) Ensuring insurance coverages are kept in accordance with the applicable declarations;

(xiv) Providing oversight and management of work performed by contractors hired by a particular association; and
(xv) Performing other administrative services, such as mailing notices.

As provided in Section 4.3, certain services described above may benefit a particular association and its respective members, and therefore the cost of such service shall be allocated to the specific association receiving such service.

d. Expenses incurred by the Town Association for overhead, costs and administration in providing maintenance and services may include, but shall not be limited to:

(i) Salaries and benefits for employees of the Town Association;
(ii) Expenses related to the ownership and use of office space for the Town Association (which includes, without limitation, rent, mortgage payments, taxes, assessments, utilities and insurance);
(iii) Office supplies and equipment;
(iv) Maintenance equipment, tools, appliances, materials and supplies (for example, lawn movers and other landscaping equipment);
(v) Professional services; and
(vi) Any other administrative or overhead expense associated with performing the aforementioned maintenance and services.

2.3 Town Association Responsibilities.

a. Town Association Responsibilities. The Town Association shall (i) maintain, repair, replace, and keep the Maintenance Property in a neat and attractive condition consistent with the Community-Wide Standard established pursuant to the Town Declaration; (ii) provide, contract for and/or obtain the services contemplated by the Joint Budget Items; and (iii) have responsibility for the payment of the costs of performing such maintenance and services. After the Control Date (defined below), the Joint Committee shall oversee and manage the maintenance and services to be provided pursuant to this Declaration; however, the Town Association shall maintain the responsibility for implementing the decisions of the Joint Committee.

b. Responsibility of Others. Portions of the Maintenance Property may be included or identified as "Common Area" and/or "Area of Common Responsibility" under the Residential Declaration, the Park Declaration and/or the Town Declaration. In addition, certain services to be provided by the Town Association are the responsibility of the Residential Association and the Park Association. To the extent that the Town Association or Joint Committee has assumed and accepted certain responsibilities hereunder, including the maintenance and insurance of the Maintenance Property and the provision of certain services, the other Parties hereto are relieved and released from the performance of such responsibilities. In the event that all or any part of the Town Association's or Joint Committee's responsibilities under this Declaration are assumed by, or all or any portion of the Maintenance Property is dedicated to, any local, state or federal government entity, the Town Association and Joint Committee shall be relieved of such responsibility to the extent so assumed or dedicated; provided, however, that in connection with such assumption or dedication, the Town Association or Joint Committee may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities if the Town Association's board of

directors or the Joint Committee determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

c. Insurance. Prior to the Control Date, the Town Association shall keep in force property and public liability insurance on the Maintenance Property in accordance with the standards for insurance established in the Town Declaration. After the Control Date, the Joint Committee shall make all determinations related to property and public liability insurance for the Maintenance Property; however, the Town Association shall continue to be responsible for keeping in force the insurance provided for in this paragraph.

d. Right to Request Higher Level of Maintenance or Services. The Parties hereto may request at any time that the Town Association or Joint Committee provide a higher level of maintenance as to some or all of the Maintenance Property and/or provide additional related services than required hereunder and the Town Association or Joint Committee shall provide such additional maintenance or services. The Party requesting such higher level of maintenance or additional services shall be solely responsible to pay all costs of the same, including any additional administrative fees which may result from such increase in the level of maintenance or services. Additionally, the Town Association may provide additional or a higher level of maintenance to any portion of the Maintenance Property if the Town Association's board of directors determines that such additional maintenance is desirable to maintain the Community-Wide Standard under the Town Declaration.

ARTICLE III: JOINT COMMITTEE

3.1 Responsibilities. Until January 1, 2026, or an earlier date as may be determined by the Town Association in its sole discretion (the "Control Date"), the Town Association shall have the full and complete authority to carry out its responsibilities hereunder as its board of directors, in its sole discretion, deems appropriate and in the best interests of the Parties and the Development. Upon the earliest of termination of the Class "B" membership of either the Residential Association, the Park Association or the Town Association or January 1, 2026 if no Class "B" membership has been terminated by such time (the "Establishment Date"), a committee shall be formed as described below (the "Joint Committee"). After the Establishment Date and prior to the Control Date, the Joint Committee shall have an advisory role to the board of directors of the Town Association as to matters provided for in this Declaration; however, the Town Association shall continue to have full authority as to all matters provided for in this Declaration. Upon the Control Date, the Joint Committee shall make all determinations related to this Declaration; however, the Town Association shall continue to perform the responsibilities set forth hereunder at the direction of the Joint Committee. In connection with performing the obligations hereunder, the Town Association shall be responsible for keeping books, records and accounts and for preparing budgets for the Joint Budget Items which shall be subject to the review and approval of the Joint Committee after the Control Date.

3.2 Organization. Effective as of the Establishment Date, the Town Association shall establish a Joint Committee for Daniel Island which shall be comprised of three (3) members. The board of directors of the Residential Association, the Park Association and the Town Association shall each appoint one (1) member to the Joint Committee, each of whom shall be a member of the board of directors of the represented Association. In the event a member is not selected by a particular association as provided for herein, the president of such association shall automatically become a member of the Joint Committee. Upon resignation, removal, death or disability of any member of the Joint Committee, the association which the member represented shall replace such member immediately. The right to appoint

members of the Joint Committee may be assigned from time to time. An executed copy of any such assignment shall be given to the other Parties having a right of appointment under this Section.

3.3 Governance. The number of members serving on the Joint Committee may be increased or decreased upon the unanimous written consent of all members serving at the time that such action is taken. Such consent shall name the Party or person entitled to appoint such additional member (in the event that the number is increased) or the Party no longer entitled to appoint a member (in the event that the number is decreased). The Joint Committee shall select a chairperson and adopt rules of order subject to the procedures set forth herein. The chairperson or any two members may call a meeting of the Joint Committee upon written notice to all members. Written notice of all meetings shall be provided to all members not less than four (4) calendar days prior to such meeting. No notice need be given to any member who has signed a waiver of notice for that meeting. A quorum of the Joint Committee shall consist of a majority of the members serving at the time of the meeting. Once a quorum is established at a meeting, a majority of members present may act at such meeting. Members of the Joint Committee may participate in a meeting by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can converse with each other, and a member's participation in a meeting by such means shall constitute that member's presence in person at such meeting. Any action of the Joint Committee may also be taken without a formal meeting, without prior notice and without a vote, upon the written consent specifically authorizing the proposed action signed by all members then serving.

ARTICLE IV: OBLIGATION TO SHARE COSTS

4.1 Background. In order to equitably allocate costs of performing the obligations provided for in this Declaration, the Residential Association and the Park Association shall each pay to the Town Association its respective portion of the costs incurred by the Town Association. Generally, all such costs will be allocated to all associations; however, to the extent that less than all associations benefit from a particular service being performed by the Town Association, the Town Association may allocate such costs only to the benefited association.

4.2 Responsibility for Assessments. The Residential Association and the Park Association shall each pay to the Town Association, an annual assessment to cover its respective portion of the costs, including insurance and reserves, incurred by the Town Association in performing its obligations under this Declaration. The obligation to pay this assessment shall be mandatory, whether or not the Party obligated to pay the same agrees with or is satisfied with the manner and extent of performance by the Town Association. No diminution or abatement of assessments shall be claimed or allowed for any alleged failure of the Town Association or the Joint Committee to take any action or perform any function required of it hereunder.

4.3 Budget. At least sixty (60) days prior to the beginning of the fiscal year to which the budget relates, the Town Association shall prepare a budget for performing the Town Association's obligations under this Declaration during the upcoming year, which may include an appropriate amount to be placed in a reserve fund for capital repairs and replacements if the Town Association, or the Joint Committee, as the case may be, deems a reserve fund necessary. The budget shall be adjusted to reflect any other sources of income available to the Town Association for providing the Joint Budget Items and any excess or deficiency in the budget assessed for the immediately preceding year, as compared to actual expenses for that period. After the Control Date, such budget shall be subject to the approval of the Joint Committee.

The budget shall identify (i) items which benefit all associations, and therefore, will be paid for through assessments charged to all associations ("General Assessments"), and (ii) items which benefit one or two specific associations, and therefore, will be paid by those specific associations ("Specific Assessments"). The Town Association, and after the Control Date, the Joint Committee, shall have the right, in its discretion, to determine whether a particular expense benefits all of the Properties or less than all of the Properties. For example, if patrolling services are not provided to the Residential Association, then the expense for such patrolling services shall be deemed not to benefit the Residential Association.

Notwithstanding the foregoing, contributions to Daniel Island Community Fund, Inc. shall be deemed not to benefit the Residential Association or the Park Association, for so long as those Parties and their members contribute to Daniel Island Community Fund, Inc. through mandatory transfer fees.

4.4 Computation of Assessments. The amount of the annual General Assessment for the Residential Association, the Town Association, and the Park Association, respectively, shall be a pro rata amount of the annual general budget as determined based on the formula set forth in Exhibit "B" attached hereto and incorporated herein by this reference. The amount of the annual Specific Assessment for the Residential Association, the Town Association, and the Park Association, respectively, shall be based on the Specific Assessment allocated to each association, respectively, in the budget. In the event that certain costs set forth in the budget are allocated to two associations, then such costs shall be levied against only the benefited associations and allocated based upon the formula set forth in Exhibit "B"; provided however, the Land and Building Points allocated to the remaining portions of the Properties shall be disregarded in determining the allocation of such expenses.

Failure of the Town Association or the Joint Committee to exercise its authority under this Section shall not be grounds for any action against the Town Association or the Joint Committee and shall not constitute a waiver of the right to exercise its authority under this Section in the future with respect to any expenses.

4.5 Payment of Assessments. On an annual basis, the Town Association shall provide all other Parties with a copy of the budget and a notice with respect to such Party's annual assessment amount (which shall include both General Assessments and Specific Assessments). Prior to the last of the following events to occur: (a) February 15th of the fiscal year to which the budget relates, or (b) within sixty (60) days of receipt of such notice, each Party obligated to pay an annual assessment hereunder shall pay to the Town Association, the entire amount of its annual assessment, unless the Town Association's board of directors provides for the payment to be made in installments.

Any assessment delinquent for a period of more than thirty (30) days may incur a reasonable late charge in an amount determined by the Town Association's board of directors, plus interest (at a rate equal to the lesser of 18% per annum or the maximum lawful rate) on the principal amount of such delinquency plus all costs of collection, including, but not limited to, reasonable attorneys' fees actually incurred and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after ninety (90) days, the Town Association may institute suit to collect such amounts. All payments shall be applied first to costs and attorneys' fees, then to late charges, then to interest and then to the principal amount of such delinquent assessments. Any action by the Town Association to collect delinquent assessments including but not limited to the imposition of late charges and interest and institution of a lawsuit shall not be subject to the approval or consent of the Joint Committee.

4.6 Recordkeeping. The Town Association shall maintain or cause to be maintained full and accurate books of account with respect to the performance of its responsibilities and the responsibilities of the Joint Committee hereunder. The books and records and related financial statements (the "Records")

shall be made available for inspection and copying upon request by any member of the Joint Committee or any Party to this Declaration during normal business hours. Copying charges shall be paid by the person or Party requesting such copies. If any Party hereto desires to have the Records audited, it may do so at its own expense and the Town Association shall cooperate by making the Records available to the auditors, including all supporting materials (e.g. check copies, invoices, etc.), for the year(s) in question.

If the amount of actual expenses for the year remains in dispute after such audit, the Town Association shall cause a second audit to be performed by an auditor mutually acceptable to the Town Association and the Party or Parties who requested the initial audit. The decision of the second auditor shall be final and binding. If the amount as determined by the second auditor varies from the amount asserted by the Town Association by five percent (5%) or more, the Town Association shall pay the entire cost of the second audit. If the amount as determined by the second auditor varies from the amount asserted by the Town Association by two percent (2%) or less, then the Party or Parties who requested the initial audit shall pay the entire cost of the second audit. Otherwise, the cost of the second audit shall be shared equally by the Town Association and the Party or Parties who requested the initial audit. Variances shall be taken into account in the following year's budget as provided above.

ARTICLE V: ANNEXATION

Declarant may from time to time unilaterally subject all or any portion of the real property within the Development to the provisions of this Declaration. Such annexation shall be accomplished by filing an amendment to this Declaration in the Register of Deeds of Berkeley County, South Carolina describing the property being so annexed. Such amendment shall not require the consent of any owner or of any other Party to this Declaration, but shall require the consent of the owner of such property being so annexed, if other than Declarant. Any such annexation shall be effective upon the filing for record of such amendment unless otherwise provided therein. Any such amendment may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the property being annexed in order to reflect the different character and intended use of such property.

ARTICLE VI: GENERAL

6.1 Use. The Parties hereby agree that every resident of Daniel Island and their family members, guests and social invitees shall have the right to use and enjoy all passive open space park areas within the Development. This right of use and enjoyment shall be subject to the rights of the respective Parties to adopt reasonable rules and regulations regarding the use of such park areas, including the right to limit the number of permitted guests; provided however, no Party may exclude any resident of Daniel Island from any passive park areas, except on a temporary basis or for the violation of rules regarding the use of such parks. The rights set forth herein specifically do not apply or extend to any of the facilities or properties owned or operated by The Daniel Island Club, LLC d/b/a the Daniel Island Club nor to any other improved parks or recreational areas, including but not limited to, the Pierce Park Pavilion, the swim facilities located in Scott Park and Pierce Park and the swim and tennis facilities located in Daniel Island Park.

6.2 Notices. Any notice required to be given or delivered hereunder shall be served personally (including delivery by commercial courier service) or shall be mailed by registered or certified mail, return receipt requested, postage prepaid, to the Party to whom notice is being given. All such notices shall, for all purposes, be deemed delivered (a) upon personal delivery (including commercial

courier service); or (b) on the third (3rd) day after mailing when mailed by registered or certified mail, postage prepaid, and properly addressed.

6.3 Enforcement. The obligations created hereunder may be enforced by the Parties hereto and their successors and assigns by any means available at law or in equity.

6.4 Amendment.

a. By Declarant. The Declarant may amend this Declaration unilaterally at any time for the purpose of designating additional property as Maintenance Property, designating certain services or expenses as Joint Budget Items or deleting any property or Joint Budget Items previously included, by filing an amendment to this Declaration in the Register of Deeds of Berkeley County, South Carolina. The Declarant may also unilaterally amend this Declaration at any time and from time to time if such amendment is necessary to: (i) bring any provision hereof into compliance with any applicable governmental statute or regulation or judicial determination; (ii) enable any reputable title insurance company to issue title insurance coverage with respect to any portion of the Property; or (iii) enable any institution or government lender to make, purchase, insure or guarantee mortgage loans on any portion of the Properties; provided, however, any such amendment shall not adversely affect the title to any property unless the owner consents in writing. Further, so long as the Declarant owns any portion of the Development, Declarant may unilaterally amend this Declaration for any other purpose, so long as such amendment does not materially adversely affect the substantive rights of any owner of any portion of the Properties, nor adversely affect title to any portion of the Properties without the consent of the affected owner.

b. By the Parties Hereto. In addition to the above, this Declaration may be amended by a written instrument signed by all of the Parties hereto; however, so long as the Declarant owns any portion of the Development, the prior written consent of the Declarant shall also be required. No amendment may remove, revoke, or modify any right or privilege of Declarant without the prior written consent of Declarant.

c. Validity of Amendments. Amendments to this Declaration shall become effective when recorded in the Register of Deeds of Berkeley County, South Carolina, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be deemed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

6.5 Dedication of Property.

a. Declarant. The Declarant shall have the right to dedicate any roadways, parks, and other property within the Maintenance Property to the City of Charleston, Berkeley County, South Carolina, or any other governmental entity.

b. Town Association. The Town Association shall have the right to dedicate any roadways, parks, and other property within the Maintenance Property to the City of Charleston, Berkeley County, South Carolina, or any other governmental entity; provided that so long as Declarant owns any property within the Development, the Town Association shall obtain the prior written consent of the Declarant; and further provided that after the

Control Date, the Town Association shall obtain the prior written consent of the Joint Committee.

c. Party Consent. The Party holding title to any property to be dedicated shall consent to the dedication and take any necessary actions to effectuate the dedication or shall assume sole and complete responsibility for the maintenance of such area and the costs thereof.

6.6 Duration. The provisions of this Declaration shall run with and bind the Properties and shall be and remain in effect perpetually to the extent allowed by law.

6.7 Binding Effect. This Declaration shall be binding upon and shall inure to the benefit of every owner of any portion of the Properties.

6.8 Interpretation. This Declaration shall be governed by and construed under the laws of the State of South Carolina.

6.9 Waiver. No failure of any Party hereto to exercise any power granted to such Party under this Declaration or insist upon strict compliance with this Declaration and no custom or practice at variance with the terms of this Declaration shall constitute a waiver of the right of such Party to demand exact compliance with the terms of this Declaration.

6.10 Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

6.11 Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

6.12 Severability. Invalidation of any provision or application of a provision of this Declaration by any court shall not affect any other provisions or applications.

6.13 Captions. The captions of each Article and Section are inserted only for convenience and do not define, limit, extend, modify or add to the particular Article or Section to which they refer.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have executed this Declaration as of this 31st day of December, 2004.

DECLARANT:

IN THE PRESENCE OF:

DANIEL ISLAND ASSOCIATES L.L.C.,
a Delaware limited liability company

Witness

By:_____[SEAL]
Matthew R. Sloan, Vice President

Witness

Date Signed: December 31, 2004

RESIDENTIAL ASSOCIATION:

IN THE PRESENCE OF:

DANIEL ISLAND COMMUNITY ASSOCIATION, INC., a South Carolina nonprofit mutual benefit corporation

Witness

By:_____[SEAL]
Matthew R. Sloan, Vice President

Witness

Date Signed: December 31, 2004

PARK ASSOCIATION:

IN THE PRESENCE OF:

DANIEL ISLAND PARK ASSOCIATION, INC., a South Carolina nonprofit mutual benefit corporation

Witness

By:_____[SEAL]
Matthew R. Sloan, Vice President

Witness

Date Signed: December 31, 2004

[Additional Signature Pages Follow]

OFFICE PARK ASSOCIATION:

IN THE PRESENCE OF:

DANIEL ISLAND OFFICE PARK ASSOCIATION, INC., a South Carolina nonprofit mutual benefit corporation

Witness

By:_____[SEAL]
Matthew R. Sloan, Vice President and Treasurer

Witness

Date Signed: December 31, 2004

TOWN ASSOCIATION:

IN THE PRESENCE OF:

DANIEL ISLAND TOWN ASSOCIATION, INC., a South Carolina nonprofit mutual benefit corporation

Witness

By:_____[SEAL]
Matthew R. Sloan, Vice President and Treasurer

Witness

Date Signed: December 31, 2004

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF CHARLESTON)

I, Janine Malloy (Notary Public for South Carolina) do hereby certify that **Daniel Island Associates L.L.C.** by Matthew R. Sloan, its Vice President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 31st day of December, 2004.

Janine Malloy
Notary Public for South Carolina
My commission expires: 9/29/07

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF CHARLESTON)

I, Janine Malloy (Notary Public for South Carolina) do hereby certify that **Daniel Island Community Association, Inc.**, by Matthew R. Sloan, its Vice President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 31st day of December, 2004.

Janine Malloy
Notary Public for South Carolina
My commission expires: 9/29/07

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF CHARLESTON)

I, Janine Malloy (Notary Public for South Carolina) do hereby certify that **Daniel Island Park Association, Inc.**, by Matthew R. Sloan, its Vice President, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 31st day of December, 2004.

Janine Malloy
Notary Public for South Carolina
My commission expires: 9/29/07

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF CHARLESTON)

I, Janine Malloy (Notary Public for South Carolina) do hereby certify that **Daniel Island Office Park Association, Inc.**, by Matthew R. Sloan, its Vice President and Treasurer, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 31st day of December, 2004.

Janine Malloy
Notary Public for South Carolina
My commission expires: 9/29/07

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF CHARLESTON)

I, Janine Malby (Notary Public for South Carolina) do hereby certify that **Daniel Island Town Association, Inc.**, by Matthew R. Sloan, its Vice President and Treasurer, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 31st day of December, 2004.

Janine Malby
Notary Public for South Carolina
My commission expires: 9/29/07

Exhibit "A"

MAINTENANCE PROPERTY

The Maintenance Property shall mean that property described below:

a. Landscaping, street trees, irrigation, signage and lighting within the rights-of-way abutting and in the medians of the Mark Clark Interchange, River Landing Drive, portions of Seven Farms Road, Island Park Drive, Fairchild Street, and Daniel Island Drive, and other arterial roads within the Development;

b. Any arterial roads within the Development;

c. Any retention ponds visible from the Mark Clark Interchange, River Landing Drive, portions of Seven Farms Road, Island Park Drive, Fairchild Street, or Daniel Island Drive or other arterial roads within the development;

d. Viewing areas, bicycle and walkway paths, greenways and related facilities within the Development;

e. Entrance features and signage within the Development; and

f. The following parks:

(1) Guggenheim Plaza;

(2) Children's Park;

(3) Simmons Park; and

(4) Governor's Park. ERROR

This Exhibit "A" may unilaterally be amended by the Declarant at any time for the purpose of designating additional property as Maintenance Property or deleting any property previously included by filing an amendment to this Declaration in the Register of Deeds of Berkeley County, South Carolina striking this Exhibit "A" and substituting a new Exhibit "A" which incorporates a revised description of the Maintenance Property.

Exhibit "B"

ASSESSMENT FORMULA

I. Assessments. All expenses for the Joint Budget Items shall be allocated among the Parties hereto based on the following formula:

Each separately subdivided parcel of property within the Residential Property, the Park Property, and the Town Property, shall be referred to herein as a "Parcel."[1] Each Parcel is assigned one (1) point for each acre of land (rounded to the nearest positive number) comprising the Parcel ("Land Points") and four (4) points for each 1,000 square feet of gross floor area within any structures, as defined below, on the Parcel (rounded to the nearest 1,000 square feet) ("Building Points"). "Structures" are stadiums, arenas, and coliseums as well as enclosed structures for which an initial certificate of occupancy has been issued or which are substantially complete, as determined by a licensed engineer or architect, but shall not include parking garages, roadways, or driveways.

The percentage of expenses to be assessed to the various Parties shall be computed by dividing the total Land Points and Building Points for all Parcels within a Party's property by the total Land Points and Building Points for all Parcels within the Properties as a whole. The resulting percentage shall be multiplied by the total budget amount calculated pursuant to Article IV of the Declaration to determine the annual assessment to be levied against each of the Parties as shown in the following example:

Total Land Points and Building Points for all Parcels within the Party's Property / Total Land Points and Building Points for all Parcels within the entire Properties	X	Budget for Joint Budget Items	=	Assessment to be levied against the Party

No provision herein shall prohibit the Town Association or Joint Committee from entering into separate agreements with third parties to collect additional contributions to defray the costs of providing the Joint Budget Items. Any such additional contributions shall be reflected in the annual budget prepared by the Town Association.

II. Cutoff Date for Computation. The point totals for all Parcels and the percentage of expenses to be levied on each Parcel subject to assessment shall be computed annually by the Town Association, and after the Control Date, approved by the Joint Committee, as of the date which is not less than sixty (60) days prior to the beginning of each fiscal year. Notice of the percentages for each Parcel (including a summary of the computations) shall be sent to each Party hereto together with the annual notice of assessment.

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[1]With respect to the Residential Property, the Park Property, and the Town Property, a "Parcel" shall mean a unit, lot or parcel as such terms are defined in the applicable declarations. Parcel shall not be deemed to include any common areas or other portions of the Properties owned by a community or owners association for the common use and enjoyment of the members of the association.

III. Variation of Level of Assessments. Notwithstanding anything to the contrary contained in this Declaration, in setting the levels or amounts of the various assessments provided for herein, and the formulas for determining same as provided above, the Town Association's board or the Joint Committee may, but shall not be obligated to, consider the size of the Parcels, the level of maintenance provided by the Association and the particular usage of any Unit within a Parcel, such as commercial, retail, service, institutional, governmental, residential, recreational or open space (such designations being used as examples only). Such factors shall be considered a reasonable basis upon which to vary the assessments levied on the Parcels from the above stated formula. For example, the Board may determine that, due to the activities and usage of a stadium, the Building Points for the Parcel containing the stadium should be increased.