CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

SEP 13 2010

SECRETARY OF STATE OF SOUTH CAROLINA

Print Form

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF MERGER

Corporation – Domestic
Filing Fee - $110.00

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant to S.C. Code of Laws §33-11-105, the undersigned as the surviving corporation in a merger, hereby submits the following information:

1. The name of the surviving corporation is **DAUFUSKIE ISLAND UTILITY COMPANY, INC.**

2. Attached hereto and made a part hereof is a copy of the Merger (see S.C. Code of Laws, Title 33, Ch. 11). Duplicate copies of the Plan of Merger **must** be attached in order for this form to be filed.

3. Complete the following information to the extent it is relevant with respect to **each** corporation which is a party to the transaction.

(a) Name of the corporation **DAUFUSKIE ISLAND UTILLITIES, INC.**
Complete either (1) or (2), whichever is applicable.

(1) [ ] Shareholder approval of the merger was not required (See S.C. Code of Laws §33-11-103(h)).
(2) [X] The Plan of Merger was duly approved by shareholders of the corporation as follows:

Voting Group	Number of Outstanding Shares	Number of Votes Entitled to be Cast	Number of Votes Represented at the meeting	Total Number of Votes Cast For AND	Against*
COMMON	**1,000**	**1,000**	**1,000**	**1.000**	**0**

***NOTE:** Pursuant to S.C. Code of Laws §33-11-105(a)(3)(ii), the corporation can alternatively state the total number of undisputed votes cast for the Plan Merger separately by each voting group with a statement that the number cast for the plan by each voting group was sufficient for approval by that voting group.

(b) Name of the corporation **MELROSE UTILITY COMPANY, INC.**
Complete either (1) or (2), whichever is applicable.

(1) [ ] Shareholder approval of the merger was not required (See S.C. Code of Laws §33-11-103(h)).
(2) [X] The Plan of Merger was duly approved by shareholders of the corporation as follows:

Voting Group	Number of Outstanding Shares	Number of Votes Entitled to be Cast	Number of Votes Represented at the meeting	Total Number of Votes Cast For AND	Against*
COMMON	**100,000**	**100,000**	**100,000**	**100,000**	**0**

(c) Names of Corporation: **HAIG POINT/MELROSE WASTE WATER TREATMENT COMPANY, INC.**
(1) ( ) Shareholders approval of the Merger was not required (See S.C. Code of Laws Section 33-11-103(h)).
(2) (X) The Plan of Merger was duly approved by Shareholders of the Corporation

Voting Groups	# of Outstanding Shares	#of Votes Entitled to Cast	#of Votes represented at Meeting	For	Against
COMMON	1,000	1,000	1,000	1,000	**0**

100913-0041 FILED: 09/13/2010
DAUFUSKIE ISLAND UTILITY COMPANY, INC.
Filing Fee: $110.00 ORIG
Mark Hammond South Carolina Secretary of State

100913-0042 FILED: 09/13/2010
MELROSE UTILITY COMPANY, INC.
Filing Fee: $0.00 ORIG
Mark Hammond South Carolina Secretary of State

DAUFUSKIE ISLAND UTILITY COMPANY, IN(

Name of Corporation

***NOTE:** Pursuant to S.C. Code of Laws §33-11-105 (a)(3)(ii) the corporation can alternatively state the total number of undisputed votes cast for the Plan of Merger separately by each voting group with a statement that the number cast for the plan by each voting group was sufficient for approval by that voting group.

4. Unless a delayed date is specified, the effective date of this document shall be the date it is accepted for filing by the Secretary of State (See S.C. Code of Laws §33-1-230(b)).

Date 8/31/2010

DAUFUSKIE ISLAND UTILITY COMPANY, INC.

Name of the Surviving Corporation

Signature and Office

JAMIE J. KARABINCHAK, PRESIDENT

Type or Print Name and Office

Filing Checklist

- Articles of Merger (filed in duplicate)
- Attach a copy of the Plan of Merger
- $110.00 made payable to the South Carolina Secretary of State
- Self-Addressed, Stamped Return Envelope
- Make sure the proper individual has signed the form (Please see S.C. Code of Laws §33-1-200(f))

  Corporate forms filed with the Secretary of State should be signed by:
  (1) the Chairman of the Board of Directors, president or another of its officers
  (2) if directors have not been selected or the corporation has not been formed, by incorporators or
  (3) if the corporation is in the hands of a receiver, trustee or other court appointed fiduciary, by that fiduciary.
- Return all documents to: South Carolina Secretary of State's Office
  Attn: Corporate Filings
  P.O. Box 11350
  Columbia, SC 29211

PLAN OF MERGER OF MELROSE UTILITY COMPANY, INC. (S.C. DOMESTIC) AND HAIG POINT/MELROSE WASTE WATER TREATMENT COMPANY, INC. (S.C. DOMESTIC)

INTO DAUFUSKIE ISLAND UTILITY COMPANY, INC. (S.C. DOMESTIC)

1. **MERGER. MELROSE UTILITY COMPANY, INC.** (hereinafter referred to as "**MUC**"), a South Carolina corporation, and **HAIG POINT/MELROSE WASTE WATER TREATMENT COMPANY, INC.** (hereinafter referred to as "**HPMW**"), a South Carolina corporation, shall be merged into **DAUFUSKIE ISLAND UTILITY COMPANY, INC.** (hereinafter referred to as "**DIUC**"), a South Carolina corporation. All the issued and outstanding shares of DIUC are owned by **CK MATERIALS, LLC,** a South Carolina limited liability company, and all the issued and outstanding shares of MUC are owned by **CK MATERIALS, LLC** (the "**Parent**"). The Members of the Parent have approved the within described Plan of Merger by Consent Resolution dated as of the 31st day of August, 2010.

2. **TERMS OF MERGER**. The terms of the Merger are:

(a) MUC and HPMW shall be merged into DIUC in accordance with the statutory procedure set forth in Section 33-11-101 of the Code of Laws of South Carolina, 1976.

(b) The Articles of Incorporation of DIUC, MUC and HPMW are attached hereto at **Exhibit "A."**

(c) DIUC shall be the surviving corporation and the corporate identity, existence, purposes, powers, franchises, rights, and immunities of DIUC shall continue unaffected and unimpaired by the merger. The Articles of Incorporation and the Bylaws of DIUC, each as heretofore amended by the Articles of Merger, of DIUC shall remain in effect unaltered as the Articles of Incorporation and the Bylaws of the surviving corporation, and the duly qualified and acting directors and officers immediately prior to the time when the merger becomes effective, as provided in paragraph 5 hereof, hereinafter called the Effective Time, shall be the directors and officers of the surviving corporation.

(d) The corporate identity, existence, purposes, powers, franchises, rights, and immunities of MUC and HPMW shall be merged into DIUC and DIUC shall be fully vested therewith. The title to all real estate and other property, tangible and intangible, including but not limited to all permits and approvals issued by the South Carolina Department of Heath and Environmental Control and the South Carolina Public Service Commission as more particularly described at **Exhibit "B"** owned by each corporation are vested in DIUC without reversion or impairment. DIUC shall have all the liabilities of MUC, HPMW, and DIUC as of the Effective Time.

(e) The separate existence of MUC and HPMW, except insofar as specifically otherwise provided by law, shall cease at the Effective Time, whereupon MUC, HPMW and DIUC shall become a single corporation.

(f) At the Effective Time, all of the outstanding common shares of MUC and HPMW shall be void.

3. **Basis of Exchange**. The manner and basis of converting the shares of MUC and HPMW into shares of DIUC shall be as follows:

(a) The outstanding shares of DIUC shall not be changed or converted as a result of the merger and following the Effective Time all shares of DIUC heretofore authorized shall be authorized shares of the surviving corporation, and all shares of DIUC then outstanding, including shares held in the treasury of DIUC, shall remain out-standing, shall be fully paid and nonassessable by DIUC and shall be subject to all the provisions of this Plan of Merger.

(b) At the Effective Time, each common share of MUC and each common share of HPMW of which is then the holder of record shall thereupon be void.

4. **Shareholders' Approval**. **CK MATERIALS, LLC**, as the sole and single Shareholder of all the issued and outstanding shares of MUC, HPMW and DIUC, has approved this Plan of Merger by action of its Members dated as of August 31, 2010 attached hereto at **Exhibit "C"** and by execution of this Agreement.

5. **Effective Time**. The merger shall become effective upon filing of the Articles of Merger with the Secretary of State of the State of South Carolina.

6. **Tax Ruling**. The obligations of MUC and/or DIUC hereunder are, at the option of MUC and/or DIUC and the obligations of DIUC hereunder are, at the option of DIUC, subject, respectively, to the further condition that, on or before the time of closing the Commission of Internal Revenue shall have issued a written ruling to the effect that the proposed plan of merger provided for herein will be a merger as that term is defined in the Internal Revenue Code and that no gain or loss will be recognized to any of the shareholders of either company by virtue of the transactions herein contemplated; notwithstanding the above, if the issuance of such a ruling shall be unduly delayed, this condition may be waived by agreement mutually agreeable to MUC, HPMW and DIUC.

7. Upon Merger, the assets of MUC AND HPMW will be transferred to DIUC, including but not limited to cash-on-hand, all other bank account balances, accounts receivable and all records and other intangibles, such distribution being in accordance with 501 (c)(3) of the Internal Revenue Code and the Articles of Incorporation of

DIUC.

8. The By Laws of DIUC attached hereto at **Exhibit "D"**, as existing on the effective date of Merger (the "**Merger Date**"), shall be the By Laws of the surviving corporation and are hereby ratified and approved by DIUC.

9. Individuals who shall constitute the Board of Directors of DIUC after the Merger, and who shall hold office until their successors are duly elected are listed at **Exhibit "E"** attached hereto (the "**Merger Directors**"). The term of office of each Merger Director shall be established in accordance with the By Laws of DIUC.

10. Articles of Merger incorporating the within Agreement in the form attached hereto at **Exhibit "F"** shall be filed with the Secretary of State of South Carolina upon the Effective Date Date.

11. At the Effective Date, the sole shareholder of DIUC shall be CK Materials, LLC.

12. The Effective Date shall be as of September 1, 2010.

13. The Members of the Parent have full disclosure of the complete terms and conditions of this Plan of Merger including but not limited to all financial terms. There currently exists no dispute, claims, or controversy between the Members of the Parent that would delay or otherwise limit the parties', hereto, ability to consummate the within Merger.

14. The Parent shall bear all expenses incurred in connection with the negotiation, preparation, and execution of this Agreement and the transactions contemplated hereby (the "Transaction Expenses") to include attorney fees and costs incurred by all parties to this transaction.

15. The provisions of this Agreement and the documents delivered pursuant hereto shall be governed by and construed in accordance with the laws of the State of South Carolina (excluding any conflict of law rule or principle that would refer to the laws of another jurisdiction).

16. Each of the representations and warranties of each of the parties to this Agreement shall be deemed to have been made by a party are agreed to and shall be deemed to constitute the making of such representations and warranties, again at and as of the Effective Time by and on behalf of the party on behalf of whom such certificates are delivered.

17. This Agreement, together with all exhibits and schedules attached hereto constitutes the entire agreement between and among the parties hereto pertaining to the subject

matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as set forth specifically herein or contemplated hereby. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

18. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs and permitted successors and assigns; but neither this Agreement nor any of the rights, benefits or obligations hereunder shall be assigned, by operation of law or otherwise, by any party hereto without the prior written consent of the other party. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity other than the parties hereto and their respective permitted successors and assigns, any rights, benefits or obligations hereunder.

19. Neither MUC nor HPMW, shall, prior to the Merger Date engage in any activity or transaction other than in the ordinary course of business.

20. This Plan of Merger and Acquisition Agreement may be executed in any number of counterparts, and all such counterparts and copies shall be and constitute an original instrument.

[the remainder of this page left blank intentionally]

DAUFUSKIE ISLAND UTILITY COMPANY, INC.
(*Surviving Corporation*)

BY:_____
JAMIE J. KARABINCHAK
Its: President

MELROSE UTILITY COMPANY, INC.

BY:_____
JAMIE J. KARABINCHAK
Its: President

HAIG POINT/MELROSE
WASTEWATER TREATMENT CO., INC.

BY:_____
JAMIE J. KARABINCHAK
Its: President

CK MATERIALS, LLC

BY:_____
JAMIE J. KARABINCHAK
Its: Manager

EXHIBIT "A"

ARTICLES OF INCORPORATION FOR:

1. **MELROSE UTILITY COMPANY, INC.;**
2. **HAIG POINT/MELROSE WASTE WATER TREATMENT COMPANY, INC.; and**
3. **DAUFUSKIE ISLAND UTILITY COMPANY, INC.**

FORM NO. 815 SS-ARTICLES OF INCORPORATION

Walker, Evans & Cobb, Inc. Columbia, S.C. 29201 January 1983

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
ARTICLES OF INCORPORATION

OF

MELROSE UTILITY COMPANY, INC.

John T. Campbell
SECRETARY OF STATE
FILED
AUG - 5 1986
AM PM
7|8|9|10|11|12|1|2|3|4|5|6

For Use By The Secretary of State
File No.
Fee Paid $
R. N.
Date

(File This Form in Duplicate Originals)

(Sect. 33-7-30 of 1976 Code)

(INSTRUCTIONS ON PAGE 4)

This Space For Use By The Secretary of State
WMJ 01/02 4973
86-011634/86-011634 15:48:00 002
08-05-86 PMT $45.00
SECT OF STATE OF SOUTH CAROLINA

1. The name of the proposed corporation is Melrose Utility Company, Inc.

2. The initial registered office of the corporation is 23-B Shelter Cove Executive Pk., Suite 203, (Street and Number) located in the city of Hilton Head Island, county of Beaufort and the State of South Carolina and the name of its initial registered agent at such address is Stephen B. Kiser

3. The period of duration of the corporation shall be perpetual (XXXXXXXXXXXXXXXX years).

4. The corporation is authorized to issue shares of stock as follows:

Class of shares	Authorized No. of each class	Par Value
Common	100,000	$1.00

If shares are divided into two or more classes or if any class of shares is divided into series within a class, the relative rights, preferences, and limitations of the shares of each class, and of each series within a class, are as follows:

5. Total authorized capital stock $100,000.00
Please see instructions on Page 4.

6. The existence of the corporation shall begin as of the filing date with the Secretary of State XXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

7. The number of directors constituting the initial board of Directors of the corporation is two (2), and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify are:

Name	Address
Stephen B. Kiser	42 Brams Pt., Hilton Head Is., SC 29928
William W. Jones, Jr.	12 Oyster Catcher, Hilton Head Is., SC 29928

Name ..... Address .....

Name ..... Address .....

8. The general nature of the business for which the corporation is organized is (it is not necessary to set forth in the purposes powers enumerated Section 33-3-10 of 1976 Code).

To provide general utility services on Daufuskie Island, Beaufort County, South Carolina, and all other acts generally allowable by corporations under the laws of the State of South Carolina.

9. Provisions which the incorporators elect to include in the articles of incorporation are as follows:

10. The name and address of each incorporator is

Name	Street & Box No.	City	County	State
Stephen B. Kiser,	42 Brams Point Road,	Hilton Head Island,	Beaufort,	South Carolina

Date 7/26/86

(Signature of Incorporator)

STEPHEN B. KISER
(Type or Print Name)

(Signature of Incorporator)

(Type or Print Name)

(Signature of Incorporator)

(Type or Print Name)

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

The undersigned STEPHEN B. KISER

do hereby certify that they are the incorporators of MELROSE UTILITY COMPANY, INC. XXXXXXXXX and are authorized to execute this verification; that each of the undersigned for himself does hereby further certify that he has read the foregoing document, understands the meaning and purport of the statements therein contained and the same are true to the best of his information and belief.

(Signature of Incorporator)

(Signature of Incorporator)

(Signature of Incorporator)
(Each Incorporator Must Sign)

If I, WILLIAM W. JONES, JR., an attorney licensed to practice in the State of South Carolina, certify that the corporation, to whose articles of incorporation this certificate is attached, has complied with the requirements of chapter 7 of Title 33 of the South Carolina Code of 1976, relating to the organization of corporations, and that in my opinion, the corporation is organized for a lawful purpose.

Date 7/26/84

(Signature)

WILLIAM W. JONES, JR.
(Type or Print Name)

Address P.O. Drawer 7049

Hilton Head Is., SC 29938

SCHEDULE OF FEES

(Payable at time of filing Articles of With Secretary of State)

Fee for filing Articles	$ 5.00
In addition to the above, $.40 for each $1,000.00 of the aggregate value of shares which the Corporation is authorized to issue, but in not case less than	40.00
nor more than	1,000.00

NOTE: THIS FORM MUST BE COMPLETED IN ITS ENTIRETY BEFORE IT WILL BE ACCEPTED FOR FILING. THIS FORM MUST BE ACCOMPAINED BY THE FIRST REPORT OF CORPORATIONS AND A CHECK IN THE AMOUNT OF $10 PAYABLE TO THE SOUTH CAROLINA TAX COMMISSION.

Please see instructions on the reverse side

STATE OF SOUTH CAROLINA

SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

HAIG POINT UTILITY COMPANY, INC.

John T. Campbell
SECRETARY OF STATE
FILED
JUN 20 1985
AM PM
7|8|9|10|11|12|1|2|3|4|5|6

CWS 01/02 497
85-008682/85-008682 16:15:00 00
06-20-85 PMT:$45.0
SECT OF STATE OF SOUTH CAROLINA

1. The name of the proposed corporation is Haig Point Utility Company, Inc.

2(a) The initial registered office of the corporation is: One Sea Pines Circle, Hilton Head Island, South Carolina 29938.

(b) The name of the initial registered agent at such address is: Neil C. Robinson, Jr.

3. The period of duration of the corporation shall be perpetual.

4. The corporation is authorized to issue shares of stock as follows:

Class of Shares	Authorized Number of Each Class	Par Value
Common	100,000	$1.00

If shares are divided into two or more classes or if any class of shares is divided into series within a class, the relative rights, preferences, and limitations of the shares of each class, and of each series within a class, are as follows:

5. Total authorized capital stock is $100,000.00

6. The existence of the corporation shall begin as of the filing date with the Secretary of State.

7. The number of directors constituting the initial Board of Directors of the corporation is three (3), and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualify are:

(ii) The corporation shall have the authority to issue bonds convertible into shares of the corporation within such period and upon such conditions as shall be fixed by the Board of Directors.

(iii) The judgment of the Board of Directors of the corporation as to the value of consideration received for shares or for rights or options entitling the holders thereof to purchase from the corporation shares of any class or classes of the corporation shall be conclusive.

10. The name and address of each incorporator is Joseph K. Qualey, 151 Meeting Street, Suite 300, Charleston, South Carolina 29401.

Date June 18, 1985

Joseph K. Qualey
Joseph K. Qualey
Incorporator

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

The undersigned Joseph K. Qualey does hereby certify that he is the incorporators of Haig Point Utility Company, Inc. and is authorized to execute this verification; that he does hereby certify that he has read the foregoing document, understands the meaning and purport of the statements therein contained and the same are true to the best of his information and belief.

Joseph K. Qualey
Joseph K. Qualey, Incorporator

11. I, Joseph K. Qualey, an attorney licensed to practice in the State of South Carolina, certify that the corporation to whose articles of incorporation this certificate is attached, has complied with the requirements of Chapter 7 of Title 33 of the Code of Laws of South Carolina 1976, as amended, relating to

the organization of corporations and that in my opinion, the corporation is organized for a lawful purpose.

Date: June 18, 1985

Joseph K. Qualey
Robinson, Craver, Wall & Hastie, P.A.
Post Office Box 1860
Charleston, S.C. 29402

Fee for Filing Articles: $ 5.00
$.40/$1,000.00 of the aggregate value of shares which the corporation is authorized to issue, but in no case less than $40.00 nor more than $1,000.00.

John T. Campbell
SECRETARY OF STATE
FILED
AUG 28 1986
AM 7 8 9 10 11 12 1 2 3 4 5 6 PM

STATE OF SOUTH CAROLINA

SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

HAIG POINT UTILITY COMPANY, INC.

WMJ 01/02 4973
86-012793/86-012793 16:06:00 002
08-28-86 PMT:$45.00
SECT OF STATE OF SOUTH CAROLINA

1. The name of the proposed corporation is Haig Point Utility Company, Inc.

2(a) The initial registered office of the corporation is One Sea Pines Circle, Hilton Head, South Carolina 29928.

(b) The name of the initial registered agent at such address is Neil C. Robinson, Jr.

3. The period of duration of the corporation shall be perpetual.

4. The corporation is authorized to issue shares of stock as follows:

Class of Shares	Authorized Number of Each Class	Par Value
Common	100,000	$ 1.00

If shares are divided into two or more classes or if any class of shares is divided into series within a class, the relative rights, preferences, and limitations of the shares of each class, and of each series within a class, are as follows: None

5. Total authorized capital stock is: $100,000.

6. The existence of the corporation shall begin as of the filing date with the Secretary of State.

7. The number of directors constituting the initial Board of Directors of the corporation is three (3), and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualify are:

Name	Address
R. Michael Ross, Chairman	One Sea Pines Circle, Hilton Head, S.C. 29928
Patricia J. Biggins	One Sea Pines Circle, Hilton Head, S.C. 29928
Benny K. Jones	One Sea Pines Circle, Hilton Head, S.C. 29928

8. The general nature of the business for which the corporation is organized shall be:

   (i) to acquire by purchase, lease, gift, devise, or otherwise and to own, use, hold, sell, convey, exchange, lease, mortgage, work, improve, develop, divide and otherwise handle, deal in and dispose of real and personal property of any and all kinds;

   (ii) to engage in all commercial or mercantile transactions;

   (iii) to engage in, promote and carry on any and all lawful acts or activities for which a corporation is or may be organized under the South Carolina Business Corporation Act, as amended; and

   (iv) to acquire by purchase, lease or otherwise, and to construct, own, use, hold, sell, convey, exchange, lease , mortgage, work, improve and generally do anything and everything necessary and proper, to the extent permitted by law, in connection with providing utility services to the property owners at the subdivision known as "Haig Point", on Daufuskie Island, Beaufort County, South Carolina.

9. Provisions which the incorporators elect to include in the articles of incorporation are as follows:

   (i) The corporation may, as determined from time to time by the Board of Directors, purchase shares of the corporation to the extent of unreserved and unrestricted capital surplus available therefor.

   (ii) The corporation shall have the authority to issue bonds convertible into shares of the corporation within such period and upon such conditions as shall be fixed by the Board of Directors.

   (iii) The judgment of the Board of Directors of the corporation as to the value of consideration received for shares or for rights or options

entitling the holders thereof to purchase from the corporation shares of any class or classes of the corporation shall be conclusive.

10. The name and address of the incorporator is:

Anne W. Price
151 Meeting Stree, Suite 300
Charleston, South Carolina 29401

Date 8/4/86

Anne W. Price
Anne W. Price, Incorporator

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

The undersigned Anne W. Price does hereby certify that she is the incorporator of Haig Point Utility Company, Inc. and is authorized to execute this verification; that she does hereby certify that she has read the foregoing document, understands the meaning and purport of the statements therein contained and the same are true to the best of her information and belief.

Anne W. Price
Anne W. Price, Incorporator

11. I, Anne W. Price, an attorney licensed to practice in the State of South Carolina, certify that the corporation to whose articles of incorporation this certificate is attached, has complied with the requirements of Chapter 7 of Title 33 of the Code of Laws of South Carolina 1976, as amended, relating to the organization of corporations and that in my opinion, the corporation is organized for a lawful purpose.

Date: 8/4/86

Anne W. Price
Anne W. Price
P.O. Box 1860
Charleston, S.C. 29402

Fee for Filing Articles: $ 5.00
$.40/$1,000.00 of the aggregate value of shares which the corporation is authorized to issue, but in no case less than $40.00 nor more than $1,000.00.

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF AMENDMENT

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant Section 33-10-106 of the 1976 South Carolina Code of Laws, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation

1 The name of the corporation is HAIG POINT UTILITY COMPANY, INC

2 Date of Incorporation AUGUST 28, 1986

3 Agent s Name and Address JAMIE J KARABINCHAK, 1 FUSKIE LANE, UNIT #2201, DAUFUSKIE ISLAND SC 29915

4 On JULY 9, 2008, the corporation adopted the following Amendment (s) of its Articles of Incorporation (Type or attach the complete text of each Amendment)

HAIG POINT UTILITY COMPANY INC CHANGED ITS NAME AS FOLLOWS

DAUFUSKIE ISLAND UTILITY COMPANY, INC

5 The manner, if not set forth in the Amendment, in which any exchange, reclassification, or cancellation of issued shares provided for in the Amendment shall be effected, is as follows (if not applicable, insert "not applicable" or "NA)

N/A

6 Complete either "a" or "b", whichever is applicable

a ☒ Amendment(s) adopted by shareholder action
At the date of adoption of the Amendment, the number of outstanding shares of each voting group entitled to vote separately on the Amendment, and the vote of such shares was

Voting Group	Number of Outstanding Shares	Number of Votes Entitled to be Cast	Number of Votes Represented at the meeting	Number of Undisputed* Shares For	or	Against
N/A	600	600	600	600	0	

081103-0026 FILED 11/03/2008
DAUFUSKIE ISLAND UTILITY COMPANY INC
~~Filing Fee $110.00 ORIG~~

Mark Hammond South Carolina Secretary of State

HAIG POINT UTILITY COMPANY, INC
Name of Corporation

***NOTE** Pursuant to Section 33-10-106(6)(i) of the 1976 South Carolina Code of Laws, as amended, the corporation can alternatively state the total number of disputed shares cast for the amendment by each voting group together with a statement that the number of cast for the amendment by each voting group was sufficient for approval by that voting group

b ☐ *The Amendment(s) was duly adopted by the incorporators or board of directors without* shareholder approval pursuant to Section 33-6-102(d), 33-10-102 and 33-10-105 of the 1976 South Carolina Code of Laws, as amended, and shareholder action was not required

7 Unless a delayed dated is specified, the effective date of these Articles of Amendment shall be the date of acceptance for filing by the Secretary of State (See Section 33-1-230(b) of 1976 South Carolina Code of Laws, as amended) N/A

HAIG POINT UTILITY COMPANY, INC

Date JULY 28, 2008

Name of Corporation

Signature

JAMIE J KARABINCHAK PRESIDENT

Type or Print Name and Office

FILING INSTRUCTIONS

1 Two copies of this form the original and either a duplicate original or a conformed copy must by filed

2 If the space in this form is insufficient please attach additional sheets containing a reference to the appropriate paragraph in *this form*

3 Filing fees and taxes payable to the Secretary of State at time of filing application

Filing Fee	$ 10 00
Filing tax	100 00
Total	**$110 00**

Return to Secretary of State
P O Box 11350
Columbia SC 29211

EXHIBIT "B"

PERMITS FROM DHEC
AND PUBLIC SERVICE COMMISSION

STATE OF SOUTH CAROLINA

Public Water System
OPERATING PERMIT

Issued in accordance with the provisions of the State Safe Drinking Water Act (SDWA) (S.C. Code Ann. § 44-55-10 et seq., 1976) and the State Primary Drinking Water Regulations (SPDWR) (R.61-58).

This Permit is Issued to: *CK MATERIALS LLC*
CONTACT: JOHN F GUASTELLA, GUASTELLA ASSOCIATES LLC

For the Operation of a Public Water System Serving: *MELROSE UTILITY COMPANY INC*

County: *Beaufort*

Public Water System Name: *MELROSE UTILITY COMPANY INC*

Permit Number: *0750043*

Date of Issuance: *October 12, 2006*
MODIFIED: January 21, 2010

Jeffrey P. deBessonet, P.E., Director
Water Facilities Permitting Division

D H E C
PROMOTE PROTECT PROSPER
South Carolina Department of Health and Environmental Control

Land Application Discharge Permit

This State Permit Certifies That

Haig Point/Melrose WWTP
Haig Point/Melrose Wastewater Treatment Company, Inc.

has been granted permission to discharge treated wastewater from a facility located at

the southwest boundary of Haig Point on Daufuskie Island
(Lat. 32^0 07' 68" N; Long. 80^0 51' 42" W)
Beaufort County

to property located at

a 27 holes golf course and drive range at Haig Point and
a 18 holes golf course and drive range at Melrose

in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts I, II, III, IV and V hereof. This permit is issued in accordance with the provisions of the Pollution Control Act of South Carolina (S.C. Code Sections 48-1-10 et seq., 1976), Regulation 61-9 and with the provisions of the Federal Clean Water Act (PL 92-500), as amended, 33 U.S.C. 1251 et seq., the "Act."

Jeffrey P. deBessonet, P.E., Director
Water Facilities Permitting Division
Bureau of Water

Issued: January 15, 2010

Expires: January 31, 2020

Effective: February 1, 2010

Permit No.: ND0062286

D H E C
PROMOTE PROTECT PROSPER
South Carolina Department of Health and Environmental Control

Action Item 17

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE

ADMINISTRATIVE MATTER	☐	DATE	**April 21, 2010**
MOTOR CARRIER MATTER	☐	DOCKET NO.	**2007-414-WS**
UTILITIES MATTER	☑	ORDER NO.	

SUBJECT:
DOCKET NO. 2007-414-WS - Joint Application of Haig Point, Incorporated and CK Material, LLC for Approval of the Sale and Transfer of Stock, and Assets and Operating Authority of Haig Point Utility Company, Incorporated - Discuss with the Commission a Request for Acceptance of the Performance Bonds Previously Filed with the Commission as Sufficient to Fulfill CK Material, LLC's Obligations under S. C. Code Ann. §58-5-720.

COMMISSION ACTION:
Carry Over

PRESIDING: Fleming SESSION: Regular TIME: 2:30 p.m.

	MOTION	YES	NO	OTHER
FLEMING	☐	☐	☐	
HAMILTON	☐	☐	☐	
HOWARD	☐	☐	☐	
MITCHELL	☐	☐	☐	
WHITFIELD	☐	☐	☐	
WRIGHT	☐	☐	☐	

(SEAL)

RECORDED BY: J. Schmieding

Action Item 16

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE

ADMINISTRATIVE MATTER	☐	DATE	**October 28, 2009**
MOTOR CARRIER MATTER	☐	DOCKET NO.	**2009-426-WS**
UTILITIES MATTER	☑	ORDER NO.	**2009-760**

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:
DOCKET NO. 2009-426-WS - Daufuskie Island Properties, LLC and CK Materials, LLC Request for Expedited Review and Approval of the Sale, Transfer of Stock, Assets and Operating Authority of Melrose Utility Company, Incorporated and Haig Point / Melrose Wastewater Treatment Company, Incorporated - Discuss this Matter with the Commission.

COMMISSION ACTION:
Approve the stock purchase agreement between CK Materials, LLC and Daufuskie Island Properties, LLC whereby CK Materials, LLC will purchase the stock of Melrose Utility Company, Inc. and Haig Point/Melrose Wastewater Treatment Company, Inc. owned by Daufuskie Island Properties, Inc. Also, move to Waive the Notice Requirement to eliminate the possibility for interruption of services. Note that the transfer of DHEC Operating Permits from Melrose Utility Company and Haig Point/Melrose Wastewater Treatment Company to CK requires the approval of DHEC.

PRESIDING: Howard SESSION: Regular TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER	
FLEMING	☐	☐	☐	Absent	Family Sick Leave
HAMILTON	☐	☑	☐		
HOWARD	☐	☑	☐		
MITCHELL	☐	☑	☐		
WHITFIELD	☐	☑	☐		
WRIGHT	☑	☑	☐		

(SEAL)

RECORDED BY: J. Schmieding

EXHIBIT "C"
CONSENT RESOLUTION OF PARENT

CONSENT AND RESOLUTION
CK MATERIALS, LLC
a South Carolina limited liability company

BE IT RESOLVED, that the undersigned being the Owners of One Hundred (100%) Percent of the Membership Interests of CK Materials, LLC do hereby consent to and approve the merger of its wholly owned subsidiaries, Melrose Utility Company, Inc., Haig Point/Wastewater Treatment Company, Inc., and Daufuskie Island Utility Company, Inc. into Daufuskie Island Utility Company, Inc. in accordance with that certain Plan of Merger dated as of August 31, 2010; and

BE IT FURTHER RESOLVED, that Jamie J. Karabinchak, as Manager of CK Materials, LLC, and as President of Melrose Utilities, Inc., and as President of Haig Point/Melrose Wastewater Treatment Company, Inc., and as President Daufuskie Island Utility Company Inc., be and hereby is authorized to execute any and all documents necessary to complete the Plan of Merger including but not limited to any documents required by the South Carolina Department of Health and Environmental Control and the South Carolina Public Service Commission.

Consented to as of this 31 day of August, 2010.

CLASS A MEMBER:

Jadwiga M. Karabinchak

Jadwiga M. Karabinchak

CLASS B MEMBER:

JJK UTILITIES HOLDINGS, LLC
By: Its Members:

Jamie J. Karabinchak

Jamie J. Karabinchak

David Hutt

Ronald Shimanowitz

Terry R. Lee

CONSENT AND RESOLUTION
CK MATERIALS, LLC
a South Carolina limited liability company

BE IT RESOLVED, that the undersigned being the Owners of One Hundred (100%) Percent of the Membership Interests of CK Materials, LLC do hereby consent to and approve the merger of its wholly owned subsidiaries, Melrose Utility Company, Inc., Haig Point/Wastewater Treatment Company, Inc., and Daufuskie Island Utility Company, Inc. into Daufuskie Island Utility Company, Inc. in accordance with that certain Plan of Merger dated as of August 31, 2010; and

BE IT FURTHER RESOLVED, that Jamie J. Karabinchak, as Manager of CK Materials, LLC, and as President of Melrose Utilities, Inc., and as President of Haig Point/Melrose Wastewater Treatment Company, Inc., and as President Daufuskie Island Utility Company Inc., be and hereby is authorized to execute any and all documents necessary to complete the Plan of Merger including but not limited to any documents required by the South Carolina Department of Health and Environmental Control and the South Carolina Public Service Commission.

Consented to as of this 31 day of August, 2010.

CLASS A MEMBER:

_____
Jadwiga M. Karabinchak

CLASS B MEMBER:

JJK UTILITIES HOLDINGS, LLC
By: Its Members:

_____
Jamie J. Karabinchak

_____
David Hutt

_____
Ronald Shimanowitz

_____
Terry R. Lee

EXHIBIT "D"

BYLAWS OF DAUFUSKIE ISLAND UTILITY COMPANY, INC.

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

NOV 03 2008

SECRETARY OF STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF AMENDMENT

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant Section 33-10-106 of the 1976 South Carolina Code of Laws, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is HAIG POINT UTILITY COMPANY, INC.
2. Date of Incorporation AUGUST 28, 1986
3. Agent's Name and Address JAMIE J. KARABINCHAK, 1 FUSKIE LANE, UNIT #2201, DAUFUSKIE ISLAND, SC 29915
4. On JULY 9, 2008, the corporation adopted the following Amendment (s) of its Articles of Incorporation: (Type or attach the complete text of each Amendment)

   HAIG POINT UTILITY COMPANY, INC. CHANGED ITS NAME, AS FOLLOWS:

   DAUFUSKIE ISLAND UTILITY COMPANY, INC.

5. The manner, if not set forth in the Amendment, in which any exchange, reclassification, or cancellation of issued shares provided for in the Amendment shall be effected, is as follows: (if not applicable, insert "not applicable" or "NA").

   N/A

6. Complete either "a" or "b", whichever is applicable.

   a. ☒ Amendment(s) adopted by shareholder action.
   At the date of adoption of the Amendment, the number of outstanding shares of each voting group entitled to vote separately on the Amendment, and the vote of such shares was:

Voting Group	Number of Outstanding Shares	Number of Votes Entitled to be Cast	Number of Votes Represented at the meeting	Number of Undisputed* Shares For	or	Against
N/A	600	600	600	600	0	

081103-0026 FILED: 11/03/2008
DAUFUSKIE ISLAND UTILITY COMPANY, INC.
Filing Fee: $110.00 ORIG

Mark Hammond South Carolina Secretary of State

HAIG POINT UTILITY COMPANY, INC.
Name of Corporation

*NOTE: Pursuant to Section 33-10-106(6)(i) of the 1976 South Carolina Code of Laws, as amended, the corporation can alternatively state the total number of disputed shares cast for the amendment by each voting group together with a statement that the number of cast for the amendment by each voting group was sufficient for approval by that voting group.

b. ☐ The Amendment(s) was duly adopted by the incorporators or board of directors without shareholder approval pursuant to Section 33-6-102(d), 33-10-102 and 33-10-105 of the 1976 South Carolina Code of Laws, as amended, and shareholder action was not required.

7. Unless a delayed dated is specified, the effective date of these Articles of Amendment shall be the date of acceptance for filing by the Secretary of State (See Section 33-1-230(b) of 1976 South Carolina Code of Laws, as amended) N/A

HAIG POINT UTILITY COMPANY, INC.

Date JULY 28, 2008

Name of Corporation

Signature

JAMIE J. KARABINCHAK, PRESIDENT

Type or Print Name and Office

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must by filed.
2. If the space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form.
3. Filing fees and taxes payable to the Secretary of State at time of filing application.

Filing Fee	$ 10.00
Filing tax	100.00
Total	**$110.00**

Return to: Secretary of State
P.O. Box 11350
Columbia, SC 29211

BYLAWS

ARTICLE I

NAME, PLACES OF BUSINESS AND REGISTERED OFFICE AND AGENT

1.1 The name of the corporation shall be Haig Point Utility Company, Inc.

1.2 The principal place of business of the corporation shall be One Sea Pines Circle, Hilton Head Island, South Carolina 29928.

1.3 The corporation may also have offices at such other places, both within and without the State of South Carolina, as the Board of Directors may from time to time determine or as the business of the corporation may require.

1.4 The registered office and registered agent shall be as designated by the Board of Directors from time to time.

ARTICLE II

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

2.1 The business and affairs of the corporation shall be managed and controlled by a Board of Directors.

2.2 The number of directors shall be not less than one nor more than seven as determined from time to time by the Board of Directors.

2.3 At each annual meeting, the shareholders shall elect directors tu hold office until the next succeeding annual meeting. Each director shall hold office until the expiration of the term for which he is elected, and until his successor shall have been elected and

qualified, or until his earlier resignation, removal from office, death or incapacity.

2.4 Any vacancy, however occurring, in the Board of Directors may be filled by a majority of the remaining directors even though less than a quorum or by the sole remaining director and any vacancy created by an increase in the number of directors may be filled by the Board of Directors.

2.5 Regular meetings of the Board of Directors shall be held at such time and place as the directors may by resolution determine. Except as provided in Section 9.2, no notice to the directors of such regular meetings shall be required.

2.6 Special meetings of the Board of Directors may be called by the President, any Vice-President, or any director, upon notice sent by any usual means of communication not less than four business days before the meeting. Notice of a meeting of directors need not be given any director who signs a waiver of notice either before or after the meeting. Attendance of a director at any meeting shall of itself constitute a waiver of notice of such meeting, except where a director attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.7 If a meeting, otherwise valid, of the Board of Directors or of any committee is held without call or

notice where such is required, any action taken at such meeting shall be deemed ratified by a' director or committee member who did not attend, unless after learning of the action taken and of the impropriety of the meeting, he makes prompt objection thereto, and files the same in writing with the Secretary of the corporation.

2.8 At any meeting of the Board of Directors, a majority of the total number of directors then in office shall constitute a quorum for the transaction of business. Except as otherwise provided by the Articles of Incorporation, these Bylaws or by law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of the Directors.

2.9 Action by Directors without a Meeting

2.9.1 Action otherwise taken without a meeting by a majority of the directors or by such larger vote as the Articles of Incorporation or the Bylaws may require shall be deemed action of the Board of Directors:

2.9.1(a) if all shareholders know of the action taken, and no shareholder makes prompt objection to such action; or

2.9.1(b) if the directors take informal action pursuant to a custom of the corporation known generally to its shareholders, and all directors know of the action taken and no director makes prompt objection thereto.

2.9.2 Action taken without a meeting by a majority of directors or by such larger vote as the Articles of Incorporation may require, shall be deemed action of the Board of Directors if all directors execute either before or after the action is taken, a written consent thereto, and the consent is filed with the records of the corporation.

2.9.3 If a meeting otherwise valid of the Board of Directors is held without call or notice where such is required, any action taken at such meeting shall be deemed ratified by a director who did not attend, unless after learning of the action taken and of the impropriety of the meeting, he makes prompt objection thereto.

2.9.4 Objection by a shareholder, director or committee member shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the corporation.

2.9.5 Unless otherwise provided by the Articles of Incorporation, an action permitted only when authorized at a meeting of the Board of Directors may nevertheless be taken without a meeting if, before or after the action, all members of the Board of Directors consent thereto in writing. The written consent shall be filed with the minutes of the meeting of the Board of Directors. The consent shall have the same effect as a vote of the Board of Directors for all purposes.

2.10 The Board of Directors, by a resolution adopted by a majority of the Board of Directors, may designate from among its members an executive committee and other committees, each consisting of one or more directors, and may delegate to such committee or committees all of the authority of the Board of Directors, except that no such committee or committees shall have and exercise the authority of the Board of Directors to:

2.10.1 amend the Articles of Incorporation;

2.10.2 adopt a plan of merger, consolidation, or exchange;

2.10.3 recommend to the shareholders the sale or disposition of all or substantially all of the property and assets of the corporation other than in the usual course of its business;

2.10.4 recommend to the shareholders a voluntary dissolution of the corporation or revocation of such dissolution;

2.10.5 declare dividends or other corporate distributions;

2.10.6 adopt or revise a Bylaw of the corporation;

2.10.7 fill vacancies on the Board of Directors; or

2.10.8 issue stock, except by Board of Directors' resolution

The designation of any such committee and the delegation to it of authority shall not relieve the Board of Directors, or any member thereof, of any responsibility imposed by law. So far as applicable the provisions of these Bylaws relating to the conduct of the meetings of or action without a meeting of the Board of Directors, shall govern the meetings and action without a meeting of the executive or other committees, At any meeting of the executive or other committees, a majority of the total number of members then in office shall constitute a quorum for the transaction of business. In the absence or disqualification of a member of the executive or other committees, the members of the committee present at the meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of such absent or disqualified member.

2.11 Removal and Replacement of Directors

2.11.1 The entire Board of Directors or any individual director may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors.

2.11.2 If any or all directors are removed, new directors may be elected at the same meeting.

2.11.3 Any individual director may be removed for cause by affirmative vote of the majority of the members of the Board of Directors at a specially called

meeting which shall consider only removal and replacement of such director. "Cause" for removal of a director under this section shall mean fraudulent or dishonest, acts, or gross abuse of authority in discharge of duties to the corporation and shall be established after written notice of specific charges and opportunity to meet and refute such charges.

ARTICLE III

POWERS OF THE DIRECTORS

3.1 The Board of Directors may exercise, in addition to the powers and authorities conferred by the Articles of Incorporation and by these Bylaws, all such powers and do all such acts and things which a corporation may legally do, but subject, nevertheless, to the provisions of law, the Articles of Incorporation, and these Bylaws.

ARTICLE IV

MEETINGS OF THE SHAREHOLDERS

4.1 The annual meeting of the shareholders shall be held for the election of directors and the transaction of other business within six months from the end of the fiscal year of the corporation at the principal place of business or at such other place as may be determined from time to time, the exact time and place to be determined by the Board of Directors.

4 2 Special meetings of the sbareholders of the corporation may be held either at the place mentioned in the foregoing section or at any other place within or without the State of South Carolina designated by the Board of

Directors, Such special meetings may be called by the President, a majority of the Board of Directors, or by the holders of not less than ten percent (10%) of the shares of stock entitled to vote at the meeting, except as otherwise provided by the Articles of Incorporation or law.

4.3 Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed delivered when deposited with postage prepaid in the United States mail, addressed to the shareholder at the address appearing on the stock transfer books of the corporation.

4.4 Notice of a meeting of shareholders need not be given any shareholder who signs a waiver of notice, in person or by proxy, either before or after the meeting. The waiver need not specify the purpose of or the business to be transacted at such meeting. Attendance of a shareholder at a meeting, in person or by proxy, shall of itself constitute waiver of notice, except when the shareholder attends a meeting solely for the purpose of stating his objection, at the beginning of the meeting, to the transaction of any

business on the ground that the meeting is not lawfully called or convened.

4.5 Action taken at any meeting of shareholders, however called and with whatever notice, or with no notice, shall be deemed action of the shareholders taken at a meeting duly called and held on proper notice, if:

All shareholders entitled to vote at the meeting are present in person or by proxy, and no shareholder objects to holding the meeting; or

If a quorum is present either in person or by proxy, no one present objects to holding the meeting, and each absent person entitled to vote at the meeting signs, either before or after the meeting, a written waiver of notice, or consent to the holding of the meeting, or approval of the action taken as shown by the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Action required or permitted to be taken by shareholders may be taken without a meeting if a written consent, setting forth the action so taken, is signed by the holders of all outstanding shares entitled to vote on such action, or their attorneys-in-fact or a proxyholder thereof, and is filed with the Secretary of the corporation as part of the corporate records. Such written consent shall have the same effect as a unanimous vote of the shareholders and may be stated as such in any certificate or document,

including those required to be filed with the Secretary of State.

4.5.1 A shareholder shall not sell his vote to any person, nor shall he issue a proxy to vote for any sum of money or anything of value, except so far as subsection 4.5.6 of this section authorizes irrevocable proxies.

4.5.2 Every shareholder entitled to vote may appoint one or more agents to vote on his behalf. Such appointment shall be by a printed or written proxy executed by the shareholder or by his duly appointed attorney-in-fact, or by a telegram or cablegram appearing to have been transmitted by a shareholder.

4.5.3 No proxy shall confer authority to vote at any meeting of the shareholders other than the next meeting, or any adjournment thereof to be held after the date on which the proxy was first sent or given. Every proxy shall be dated as of its execution, and no proxy shall be undated or postdated. Every proxy, except as otherwise provided in these Bylaws, shall be revocable at the pleasure of the shareholder executing it, and a proxy may be revoked by an instrument which in its terms revokes the proxy, or by a duly executed proxy bearing a later date. The authority of a proxyholder shall not be revoked by death or supervening incapacity of the shareholder executing the proxy unless, before such authority is exercised, written notice of such death or incapacity is filed with the

corporate officer responsible for maintaining the list of shareholders.

The presence at a shareholders' meeting of the shareholder appointing a proxy shall not of itself revoke the proxy, but such shareholder may revoke the appointment by giving notice to the corporate officer responsible for maintaining the list of shareholders, or by giving notice in open meeting of the shareholders.

4.5.4 Unless a proxy otherwise specifically provides, any proxyholder shall have the power to appoint in writing a substitute to act in his place.

4.5.5 No proxy shall be solicited on the basis of any proxy statement or other communication, written or oral, containing any statement which was, at the time and in the light of the circumstances under which it was made, false or misleading with respect to any material fact or which omits to state any material fact necessary in order to make the statements therein not false or misleading.

4.5.6 A proxy which is entitled "irrevocable proxy" and which specifically states that it is irrevocable, shall be irrevocable only when it is held by any of the following or by a nominee of any of the following:

4.5.6.1 a pledgee of the shares which are the subject of the proxy;

4.5.6.2 a person who has contracted to purchase the shares which are the subject of the proxy;

4.5.6.3 a creditor or creditors of the corporation who extend or continue credit to the corporation in consideration of the proxy, if such proxy specifically states that it was given in consideration of such extension or continuation of credit, and sets forth the amount of and the name of the person extending or continuing credit;

4.5.6.4 an officer of the corporation under an employment contract which required a proxy, if the proxy states that it was given in consideration of the contract, the name of the employee, and the period of employment contracted for;

4.5.6.5 a person, including an arbitrator, designated by or under a shareholders' agreement as provided by law.

Any such proxy shall become revocable after the pledge is redeemed, or the contract of purchase has been performed and the purchaser has become a shareholder of record, or the debt of the corporation is paid, or the period of employment stipulated in the contract of employment has been terminated, or the agreement has terminated according to law.

4.5.7 A **proxy may** be revoked, **notwithstanding a provision making it irrevocable, by a purchaser of shares without knowledge of the existence of such provision, unless notice of the proxy and of its**

irrevocability plainly appears on the face or back of the certificate representing such shares.

4.6 At all meetings of the shareholders, regular or special, a majority of the shares entitled to vote thereat shall constitute a quorum for the transaction of any business. A majority of the votes by the shareholders constituting such quorum may decide any question coming before the meeting except where otherwise provided by law. Shareholders present at a duly called or held meeting at which a quorum is present may continue to do business at the meeting or at any adjournment thereof notwithstanding the withdrawal of enough shareholders to leave less than a quorum. In the absence of a quorum, any meeting of the shareholders may be adjourned from time to time, by a vote of a majority of the shares present.

4.7 When a meeting is adjourned, for whatever reason, for thirty days or more, notice of the adjourned meeting shall be given as provided in Section 2.6. Notice of a meeting adjourned for less than thirty days need not be given if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, and at the adjourned meeting the corporation may transact any business which might have been transacted at the meeting at which the adjournment was taken.

ARTICLE V

OFFICERS OF THE CORPORATION AND THEIR DUTIES

5.1 The officers of the corporation shall consist

of a Chairman, a President, Vice Presidents, a Secretary and a Treasurer. Other officers and other assistant officers may be appointed by the Board of Directors and assistant officers may be appointed by the President. Any two or more offices may be held by the same person.

5.2 Each officer and assistant officer shall hold office until his successor is elected and qualified or until his resignation or removal. Such officers and assistant officers shall have such authority and perform such duties as may be provided herein or by action of the Board of Directors not inconsistent herewith. In addition, they shall have such other duties as are usually imposed upon such officers and assistant officers of such corporation and such as are required by law.

5.3 CHAIRMAN - The Chairman shall be the Chief Executive Officer of the Corporation. Subject to the control of the Board of Directors, the Chairman shall have all the powers incident to the office of Chief Executive Officer. The Chairman shall preside at all meetings of the Board of Directors and Shareholders, and in his absence, the President shall preside.

5.4 PRESIDENT - The President, subject to the control of the Chairman and the Board of Directors, shall be the chief executive officer of the corporation. He shall be a director of the corporation and shall, in the absence of the Chairman, preside at all meetings of the Board of Directors and of the shareholders. He shall have

responsibility for general and active management of the business of the corporation, see that all orders and resolutions of the Board of Directors are carried out, and perform such other duties as may be delegated to him by the Board of Directors.

He shall have responsibility for general supervision and direction of all the other officers and assistant officers of the corporation and shall see that their duties are properly performed.

He shall report on the operation of the corporation to the directors and shareholders from time to time concerning all matters within his knowledge relating to the business and affairs of the corporation.

He shall be an ex-officio member of all committees appointed by the shareholders or directors of the corporation.

5.5 VICE **PRESIDENT(S)** - The Vice President(s) shall perform such duties as may be delegated to him (them) by the Board of Directors or the President. In the case of disability of the President as determined by the Board of Directors, or in the event of the absence of the President, the Vice President or, if there is more than one Vice President, such Vice President as shall have been designated **by the President or, if the President has not made such designation, such Vice President as shall be determined by the Board of Directors, shall be vested with all the powers and shall perform all of the duties of the President.**

5.6 SECRETARY - The Secretary shall attend all meetings of the shareholders and of the Board of Directors and act as Secretary thereof and record all: votes and the minutes of all proceedings in a book to be kept for that purpose. It shall be the duty of the Secretary to give each Director and each shareholder of the corporation notice of special meetings of the Board of Directors and shareholders respectively as required by these Bylaws. In addition, the Secretary shall perform such duties as may be delegated to him by the Board of Directors, the President or any Vice President.

5.7 TREASURER - The Treasurer shall have custody of all money and securities of the corporation. He shall keep full and accurate accounts of all receipts and disbursements of the corporation in appropriate books belonging to the corporation and shall deposit all money and valuable effects in the name of and to the credit of the corporation in such depositories as shall be designated by the Board of Directors.

He shall disburse the funds of the corporation as may be authorized by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and directors, whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the corporation. In addition, the Treasurer shall perform such duties as may be delegated to

him by the Board of Directors, the President or any Vice President.

He shall keep the accounts of the corporation stock registered and transferred, in such form and manner and under such regulations as the Board of Directors may prescribe.

If required by the Board of Directors, the Treasurer shall give the corporation a bond in a form and in a sum with surety satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation in case of his death, resignation or removal from office, of all books, papers, vouchers, money and other property of whatever kind and nature in his possession belonging to the corporation.

5.8 ASSISTANT OFFICERS - The assistant officers shall perform such duties as may be delegated to them by the Board of Directors, the President, any Vice President, the Secretary or the Treasurer.

5.9 All agreements, indentures, mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, checks, affidavits, bonds, undertakings, proxies and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted on behalf of the corporation by the President. Any such instruments or documents may also be signed, executed, acknowledged, verified, delivered or accepted on behalf of

the corporation in such other manner and by such other officers as the Board of Directors may from time to time direct. The provisions of this section 5.9 are supplementary to any other provision of the Bylaws.

5.10 The Board of Directors may remove officers of the corporation appointed by it or by the President at any time, with or without cause, whenever in its judgment the best interests of the corporation will be served thereby. The President may remove officers of the corporation appointed by him at any time, with or without cause, whenever in his judgment the best interests of the corporation will be served thereby.

ARTICLE VI:

INDEMNIFICATION

6.1 The corporation shall, to the full extent permitted by Section **33-13-180**, Code of Laws of South Carolina 1976, as amended from time to time, indemnify all persons whom it may indemnify pursuant thereto. In this connection, the corporation is authorized to take out such insurance as it may deem necessary or desirable consistent with the indemnification provisions of Section **33-13-180**, Code of Laws of South Carolina 1976, as amended.

ARTICLE VII

STOCK

7.1 Certificates of stock shall be signed by the President or a Vice President and the Secretary or Assistant

Secretary of the corporation and may be sealed with the seal of the corporation.

7.2 The corporation shall have a lien upon each share of stock for any indebtedness due to it from the holder thereof. Transfer of stock may be made in person or by attorney-in-fact only, on the books of the corporation in a transfer book kept for that purpose. Certificates of stock shall be surrendered and cancelled at the time of the transfer.

7.3 Transfers of stock may be made subject to agreements between shareholders and/or the corporation in accordance with the Articles of Incorporation and law.

ARTICLE VIII

FISCAL YEAR

8.1 The fiscal year of the corporation shall be as determined by the Board of Directors.

ARTICLE IX

ADOPTION, AMENDMENT AND REPEAL OF THE BYLAWS

9.1 The Board of Directors may alter, amend or repeal Bylaws, including Bylaws adopted by the shareholders, or adopt new Bylaws, subject always to the rights of the shareholders to alter, adopt, amend or repeal Bylaws, unless the Articles of Incorporation vest in the shareholders the exclusive power to alter, amend or repeal Bylaws or adopt new Bylaws.

Any notice of a meeting of the shareholders or of the directors at which it is proposed to adopt, amend

or repeal Bylaws shall include notice of such proposed action. Adopted on September 11, 1986.

Patricia J. Biggins, Secretary

EXHIBIT "E"
BOARD OF DIRECTORS OF
DAUFUSKIE ISLAND UTILITY COMPANY, INC.

Jaime J, Karabinchak - President

Jaime J. Karabinchak - Secretary

EXHIBIT "F"
ARTICLES OF MERGER