

**BY-LAWS OF KIAWAH ISLAND COMMUNITY ASSOCIATION, INC. (amended and restated
a/o - -2023)**

Article I: Name & Location

The name of the corporation is "Kiawah Island Community Association, Inc.", a South Carolina mutual benefit non-profit corporation, hereinafter referred to as the "Association". The principal office of the corporation is located at 23 Beachwalker Drive, Kiawah Island, Charleston County, South Carolina; 29455

Article II: Definitions

The following words and terms when used in these By-Laws or any modification thereto ~~will~~shall have the following meanings:

(a) "Board of Directors" or "Board" or "Directors" means, collectively, 1) those Members elected to Director Positions (as defined in Article IV, Section 1) to govern the affairs of the Association during their term ("Elected Directors") and 2) the director appointed by the Type E Member (the "Type E Director") in both cases pursuant to Article III of the Association Covenants. Any reference to simply "Director" herein means such clause is applicable to Elected Directors, individually, and the Type E Director.

~~(b) "Communication Threshold" means a percentage of the Total Vote delineated in certain sections of these By laws. Obtaining signatures of Members to a Petition, representing, in aggregate, the number of votes that equal or exceed the Communication Threshold, will entitle the Members undertaking a Petition to request that the Association circulate the Petition to all Members. Provided the Petition does not contain Offensive Language (as defined in subsection (n) of this Article), if so requested, the Association must circulate the Petition in its original, unaltered form using the Association's usual and customary methods for communicating with individual Members within five (5) business days.~~

~~(d)~~(b) "Covenants" means, collectively:

- "Association Covenants" means the most recent adopted and recorded version of the Declaration of Covenants and Restrictions of the Kiawah Island Community Association, Inc., dated December 21, 1977, and recorded in the office of the R.M.C. for Charleston, South Carolina in Book M-114, page 407;
- "General Covenants" means the most recent adopted and recorded version of 1) DECLARATION OF RIGHTS, RESTRICTIONS, AFFIRMATIVE OBLIGATIONS AND CONDITIONS APPLICABLE TO ALL PROPERTY IN KIAWAH ISLAND recorded December 29, 1977, in the R.M.C. Office in Charleston County, South Carolina in Book M114, page 406, and amended by instrument recorded in Book Z-124, page 305; and
- "Ancillary Covenants" means the most recent adopted and recorded version of, collectively, 1) the CLASS "A" COVENANTS FOR SINGLE-FAMILY RESIDENTIAL AREAS IN KIAWAH ISLAND originally recorded February 19, 1976 in the R.M.C. Office in Charleston County, South Carolina in Book T108, page 406; 2) the CLASS "B" COVENANTS FOR MULTI-FAMILY RESIDENTIAL AREAS IN KIAWAH ISLAND originally

recorded February 19, 1976 in the R.M.C. Office in Charleston County, South Carolina in Book T108, page 340; and 3) the COVENANTS AFFECTING PATIO HOME SITES IN KIAWAH ISLAND originally recorded February 19, 1976 in the R.M.C. Office in Charleston County, South Carolina in Book T108, page 341

(e)(c) "Days" means calendar days except if the period of time is six (6) days or less, intervening Saturdays, Sundays and federal holidays ~~will~~shall not be included. If the last day of a time period falls on a Saturday, Sunday or federal holiday, the time period ~~will~~shall be extended to the next day that is not a Saturday, Sunday or federal holiday.

(f)(d) "Electronic Means" refers to communications delivered or received by the Association by facsimile or electronic mail. The Association must create and retain a retrievable record of any communication it sends or receives by Electronic Means.

(g)(e) "Good Standing" means and refers to the status of Members who have not had their rights as Members suspended by the Board of Directors, acting in accordance with Section 33-31-621 of the SCNC Act, as a result of 1) being delinquent or in arrears in the payment of any and all Annual Assessments, Special Assessments (both as defined in Article V of the Association Covenants), or charges of the Association; 2) being in default of any of the Member's obligations under the Association Covenants and these By-Laws; 3) being in violation of the KICA Rules and Regulations (as hereinafter defined).

(h)(f) "KICA Governance Procedures Manual" means ~~the~~ document ~~which is~~ attached to these By-laws and made a part of ~~thereof~~hereof. The ~~document will set~~KICA Governance Procedures Manual ~~sets forth~~ detailed guidelines for, among other items, Meeting agendas and Officer roles and responsibilities.

(j)(g) "KICA Rules and Regulations" means the most recent and adopted version of the AMENDED OVERVIEW OF RULES AND REGULATION OF THE KIAWAH ISLAND COMMUNITY ASSOCIATION, INC last recorded December 10, 2018 in the R.M.C. Office in Charleston County, South Carolina in Book 0765, page 301, as may be further amended.

(k)(h) "Meeting" means and refers to a gathering of a quorum of the Members or the Board of Directors, as applicable, ~~at the same time and place~~ to hear, discuss, or deliberate upon any item of business that is within the authority of the Members or the Board of Directors. Meetings ~~will~~shall be held at specific times, dates and such places within the Town of Kiawah Island, as may be designated by the Board of Directors unless provided for to the contrary herein. A Meeting may also be conducted by conference telephone, teleconference, video conference, or online audio and web conferencing platform, either together with or separate from an in-person meeting, in such a manner that the participants at the Meeting can participate in real time and may hear each other simultaneously during the Meeting. A person participating in a Meeting by either or any of these means or methods is deemed to be present in person or personally at the meeting. Agendas and meeting procedures for each type of Meeting ~~will~~shall be those ~~prescribed~~prescribed in the KICA Governance Procedures Manual (as hereinafter defined).

~~(h)~~(i) "Member(s)" means all Owners who are Members of the Association as provided in Article III Section 1 of the Association Covenants.

~~(m)~~(j) "Member Meetings" means either an Annual Meeting of the Members or a Special Meeting of the Members as further defined in Article III of these By-laws.

~~(n)~~(k) "Membership List" means a list of all Members prepared and maintained by the Association in compliance with the requirements of Section 33-31-1601 (c) of the SCNC Act which shall be available for inspection by any ~~Member~~ or all Members, their ~~agent~~ agents or ~~attorney~~ attorneys at Member Meetings and at other times pursuant to Section 33-31-~~702720~~ (g) of the SCNC Act.

~~(o)~~(l) "Notice" means a notice issued by the Association to its Members as required by the Association Covenants and these By-laws regarding a Meeting or other action requiring approval by the Members. A Notice ~~may~~ shall be (1) delivered to Members in writing, either in person, or ~~sent~~ by mail at the last known address as shown on the Association records, or (2) transmitted by Electronic Means to the last known facsimile number or electronic mail address, respectively, of a Member as shown on the records of the Association. If the Association properly mails or transmits the Notice, the Member is deemed to have been given notice whether or not the Member actually receives it.

If a lot or property is jointly owned or co-owned by more than one person or entity, Notice to one co-owner or joint owner is deemed Notice to all co-owners or joint owners. Similarly, Notice to one resident of a lot or property is deemed Notice to all residents of the lot or property. If a Member fails to give the Association an effective address, the Notice may be sent (1) to the address of the Member's developed property and/or (2) to the Member's address shown on the then-current property tax rolls for the lot or property.

For purposes of these By-Laws, when any property is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, Notice of any Meeting ~~will~~ shall be made or delivered as in the manner as stated above to one such joint owner, and such Notice ~~will~~ shall be deemed Notice to all joint owners of such property.

~~(p) "Offensive Language" is defined as any language in a Petition or Member-initiated communication that is defamatory, profane, obscene or abusive. If a Member plans to initiate a Petition, he/she may submit language to be used therein to the Secretary. The Secretary will determine if the Petition or Member-initiated communication contains Offensive Language and will notify the Member of such determination not more than three (3) days following its submission. Should the Secretary determine there is Offensive Language, he/she will suggest specific changes to alter or remove such Offensive Language with such notice of determination. Should the Secretary fail to respond as required herein within three (3) days, the language will be deemed not to be Offensive Language.~~

~~(q)~~(m) "Owner(s)" is as defined in Article I (l) of the Association Covenants.

(+)(n) _____ "Petition" means a formal request or demand, signed by Members in Good Standing, that the Association take or not take certain actions as permitted and further specified by the Association Covenants and these By-laws. A Petition must contain a written statement detailing the facts involved and the action requested. A written Petition or electronic Petition (including but not limited to signatures collected through an "on-line" petition service) ~~will~~shall be allowed, provided that each ~~signee's~~signer's identity is reasonably discernable. ~~Each signee must provide their~~A Kiawah property address: must be provided by each signer. While any Member may sign a Petition, only one Member's signature per property ~~will~~shall be counted toward calculating whether required thresholds have been achieved.

Upon achieving a required threshold, a Petition ~~must~~shall be delivered to the Secretary in person or personally, by mail or Electronic Means by a Member (the "Submitting Member"). The Association ~~will~~shall not be responsible for soliciting signatures ~~and has the right to verify Petition signatures and the signees' status~~.

(o) "Prohibited Language" is defined as any specific language in a Member-initiated or Director-initiated communication required to be circulated by the Association to the Members in Good Standing pursuant to these By-laws (a "Required Communication"), that is defamatory or profane. Upon submission to the Association, the Secretary (or Vice Chair if the Secretary is submitting the Required Communication) shall conduct a review of the Required Communication to determine if it contains what would be viewed by a reasonable person to be Prohibited Language and shall notify the Member or Director of such verification must be completed indetermination not more than seven (7)three (3) Days following the delivery of a Petition to the Association:its submission by the Member or Director to the Association. Should the Secretary (or Vice Chair, if applicable) reasonably determine the proposed communication contains Prohibited Language, the Secretary shall suggest specific changes, to the extent reasonably possible, to alter or remove such Prohibited Language with such notice of determination. Should the Secretary (or Vice Chair, if applicable) fail to respond as required herein within three (3) Days, the language of the proposed communication shall be deemed not to contain Prohibited Language.

(+)(p) _____ "Record Date" means the date upon which a Membership List identifying those who are eligible to vote in a Regular or Special Election and/or participate in Members Meetings is finalized.

(+)(q) _____ "Regular Election" means a vote of the Membership conducted annually for any Director Positions (as defined in Article IV of these By-laws) for which terms are expiring. All Regular Elections shall be conducted over a thirty (30) day period from the date ballots are issued to Members.

(+)(r) _____ "Robert's Rules" means the current edition of Robert's Rules of Order.

(+)(s) _____ "SCNC Act" means the South Carolina Nonprofit Corporation Act of 1994, as amended.

(t) "SCHA Act" means the South Carolina Homeowners Association Act of 2018, as amended.

(+)(u) _____ "Secretary" means the Secretary of the Board and Association as elected by the Board pursuant to Article VII of these By-laws who shall receive all correspondence, notices and any

other submissions referred to in these By-laws at the address of the Association provided that if the position of Secretary is vacant, such correspondence, notices or other submissions may be sent to any other Officer (as defined in Article ~~7~~:VII of the By-laws). The Secretary shall be responsible for the custody of all Association records.

~~(x)~~(v) _____ “Special Election” means any vote of the Membership required or caused by provisions of these By-laws or the Association Covenants other than for a Regular Election. A Special Election may be conducted by written or electronic ballot as authorized by Section 33-31-708 of the SCNC Act. All Special Elections shall be conducted over a thirty (30) day period from the date ballots are issued to Members.

~~(y)~~(w) _____ “Total Base Vote” means, ~~from time to time,~~ the total number of possible votes calculated on any Record Date pursuant to the formulas set out in Article III Section 2 of the Association Covenants. The Total Base Vote calculated for any Regular Election, Special Election or Members Meeting ~~will~~shall be included in any announcement or Notice of the same and further announced by the Association at Member Meetings. The Total Base Vote most recently announced by the Association ~~will~~shall be used for the purposes of calculations required under these By-laws ~~other than as~~unless specifically provided to the contrary herein.

~~(z)~~(x) _____ “Type E Member” means Kiawah Island Company Limited, a corporation duly organized and existing under the laws of the territory of the British Virgin Islands, and its successors and assigns.

~~(aa)~~(y) _____ “Voting Tabulation Service” means a third-~~party~~ voting service engaged by the Association for the purpose of issuing, collecting and counting of Ballots for all Regular Elections and Special Elections.

Article III: Members Meetings and Referendum Rights

Section 1: Annual Meeting of the Members

An Annual Meeting of the Members is a Meeting held within the first three (3) calendar months of each year but in no event more than seventy (70) ~~days~~Days after the Record Date for such meeting. The Record Date for an Annual Meeting of the Members is ten (10) ~~calendar days~~Days before the date the Notice is distributed and/or published to the Members. The Record Date is effective for any adjournment of the Annual Meeting of the Members, provided the date of the adjourned meeting is not more than thirty (30) ~~days~~Days after the original Meeting.

Section 2: Special Meeting of the Members

A Special Meeting of the Members is a Meeting that may be called by a) a majority vote of the Board of Directors, or b) pursuant to Section 33-31-702 of the SCNC Act, a Petition by Members representing votes that comprise not less than five percent (5%) of the Total Base Vote (the “Special Meeting Threshold”) as calculated based upon a Record Date as of the close of business on the thirtieth (30th)

day before the Petition is delivered to the Secretary. If ~~called~~required by the Petition and the Association fails to schedule the Meeting within thirty (30) ~~days~~Days of the submission of the Petition, a Member who has signed the Petition may set the date, time and location (within the Town of Kiawah Island) of such a Meeting and the Association must cooperate with the demanding Member to provide Notice to the Members.

Section 3: Notice of Member Meetings

A Notice stating the place, day, and hour of a Members Meeting willshall be provided to Members not less than thirty (30) ~~days~~Days nor more than sixty (60) ~~days~~Days before the date of the Members Meeting. All Notices for Members Meetings willshall include proposed actions and a descriptive statement of each action that is being presented to the Members and if applicable, the ballot for a Regular Election and/or Special Election. A Notice for a Special Meeting of the Members must identify the purpose of such a Meeting.

Section 4. Proxies.

Any Member in Good Standing may execute a written proxy setting forth the Meeting at which the proxy is valid. To be valid, a proxy must be signed and dated on a proxy form provided or approved by the Association and filed, prior to the opening of the Meeting for which it is to be used, by personal delivery, mail, or Electronic Means to the Voting Tabulation Service or the Secretary. Proxies may be revoked by written notice delivered to the Association or by request in person by the proxy giver at a Meeting for which the proxy is given. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy. Any proxy willshall automatically cease upon sale ~~by~~of the ~~Member of his~~Member's property interest. No proxies willshall be permitted for Regular Elections or Special Elections to fill Director Positions.

Section 5. Quorum Required for Any Action Authorized at Annual or Special Meetings of the Members.

Quorum requirements for Members Meetings and any actions related thereto willshall be as set forth in Article III, Section 6 of the Association Covenants unless superseded by an alternate quorum requirement elsewhere in the Association Covenants.

Section 6: Conduct of Members Meetings

Procedures regarding the Conduct of a Members Meetings willshall be as provided in the KICA Governance Procedures Manual.

Section 7: Ballots

Written or electronic ballots must be returned to the Voting Tabulation Service, or if mandated by the Association, to the Secretary, by such date and time as set forth in the Notice of the Members Meeting

(the "Ballot Due Date"). Ballot decisions may also be made by phone to the Voting Tabulation Service, or the Association if mandated by the Association. Only those ballots cast by the Ballot Due Date ~~will~~shall be counted in calculating the achievement of quorum requirements, the election of Elected Directors and the approval or rejection of any other proposed actions. A Member satisfies the requirement or mechanics of casting a ballot by meeting the requirements set out above. Once cast, a written, electronic, or telephonic ballot may not be revoked. The form of all ballots ~~will~~shall comply with the requirements Section 33-31-708 of the SCNC Act. No Director or candidate for a Director Position, Officer, Member, or Association staff member is permitted to request or receive any information from the Voting Tabulation Service regarding any Regular or Special Election prior to the Ballot Due Date other than the total number of votes that have been cast for purposes of determining how many more votes are needed to achieve quorum requirements and as to whether or not individual Members have voted solely to allow the Association to communicate with such Members to encourage them to vote.

Section 8. Association Actions Requiring a Referendum.

Actions by the Association requiring a referendum of the Members are delineated in the Association Covenants (a "Required Referendum"), including but not limited to Article I(u); Article III, Section 5; Article V, Sections 3 through 5; and Article VI, Section 5. A Special Election ~~will~~shall be conducted for any Required Referendum ~~allowing for a thirty (30) day voting period from the date ballots are issued to Members unless the Association Covenants provide to the contrary.~~ The Record Date for any Special Election for a Required Referendum ~~will~~shall be ten (10) ~~days~~Days before the Notice and ballot for a Required Referendum is sent to the Members. The percentage of the vote required to "pass" a Required Referendum ~~will~~shall be as specified in the Association Covenants for the particular action under consideration. If Members returning ballots by the Ballot Due Date collectively representing not less than the required percentage approve of the proposed action by selecting "For" (which together with "Against" ~~will~~shall be the only choices on the ballot), it ~~will~~shall be deemed to "pass" and the action voted upon ~~will~~shall be deemed to have been authorized by the Members. The Association may not undertake any action requiring a Required Referendum without complying with these provisions. For clarification, there is no quorum requirement for a Special Election for a Required Referendum unless specified to the contrary in the Association Covenants.

Section 9. Member-initiated Referendums regarding Disputed Board of Directors Actions

Pursuant to Article III, Section 5 of the Association Covenants and in recognition that the "A", "B", "C", and "D" Members now elect a majority of the Board of Directors, the Members may ~~initiate~~undertake a Petition ~~requiring to require that~~ a referendum ~~on~~be held regarding any action of the Board of Directors (a "Disputed Action") ~~by presenting Petition"). The process for any Disputed Action Petition and referendum related thereto shall be as follows:~~

- A. If Members, whose votes, as calculated pursuant to Article III, Section 2 of the Association Covenants collectively representing not less than five percent (5%) of the Total Base Vote, sign a Disputed Action Petition, the Association shall circulate the Petition to all Members using the Association's usual and customary methods for communicating with individual Members within five (5) Days of the Disputed Action Petition being delivered to the Secretary. The Association

~~must circulate the Disputed Action Petition to Members in its original, unaltered form unless it contains Prohibited Language (as defined in subsection (o) of Article I).~~

- ~~B. If 1) Members, whose votes, as calculated pursuant to Article III, Section 2 of the Association Covenants collectively representing not less than twenty five percent (25%) of the Total Base Vote, sign a Disputed Action Petition, and 2) the Disputed Action Petition is submitted to the Secretary within thirty (30) days of the later of (a) taking of such Disputed Action or (b) ratification by Days of the Board of its intent to take voting to approve such an action (provided that such Disputed Action, a Petition signed by Members whose votes represent, collectively, not less than twenty five per cent (25%) of the Total Vote (thirty (30) day period will not commence for any Time Critical Action as defined in Article V, Section 8 herein until such vote is ratified at a Meeting), the Disputed Action Petition shall be deemed to have achieved the "Referendum Threshold". If "~~
- ~~C. The Association shall have the right to review Member signatures to a Disputed Action Petition that has achieved the Referendum Threshold is reached, the Association will promptly to confirm such signatures are from Members in Good Standing. The Association shall have seven (7) Days to provide conclusive evidence to the Members that there are enough signatures that are not from Members in Good Standing that the Referendum Threshold has not been achieved. Provided, if the Association does not provide such conclusive evidence, the Association shall conduct a Special Election allowing for a commencing not more than thirty (30) day voting Days following the end of such seven (7) day period from the date ballots are issued.~~
- ~~D. A Special Election shall be conducted for a referendum related to Members a Disputed Action Petition. The Record Date for any Special Election related to a Disputed Action will Petition shall be ten (10) days Days before the Notice and Ballot for the Special Election is sent to the Members.~~
- ~~E. If Members representing, collectively, fifty-one per cent (51%), or more of votes returned during the voting period approve overturning the Board action identified Disputed Action Petition by selecting "For" (which together with "Against" will shall be the only choices on the ballot), it will shall be deemed to "pass" and the Board action that is identified in the Disputed Action will Petition shall be deemed null and void. For clarification, there is no quorum requirement for a Special Election for a Disputed Action. If the Association fails to timely schedule the Special Election in accordance with this Section, then the Members initiating the Petition may set the date, time and location (within the Town of Kiawah Island) of such Special Election and the Association must cooperate with the Members initiating the Petition to provide Notice and Ballots to the Members and arranging for the services of the Voting Tabulation Service, all at the expense of the Association. Petition.~~

~~The Communication Threshold for this Section will be five percent (5%). In addition, the Board of Directors will have the right to circulate, together with the Petition, a statement of position regarding the Disputed Action.~~

Section 10: Member Eligibility

Any Member not in Good Standing on the applicable Record Date is ineligible to a) vote in a Regular Election or Special Election, b) participate in a Members Meeting, and c) be counted or accounted for purposes of determining a quorum of the Members. In addition, a Member not in Good Standing may not submit or sign a Petition.

Article IV: Board of Directors

Section 1. Number.

A Board of Directors willshall consist of Three (3), Five (5), Seven (7), Nine (9) or Eleven (11) director positions ("Director Positions" or, individually, a "Director Position") as determined by the Board provided that any change in the number of Director Positions willshall require a unanimous the affirmative vote of the Board at a Meeting, a minimum of three fourths (3/4) of the Directors. All but one of the Director Positions willshall be filled by Elected Directors with the remaining Director Position filled by the Type E Director. Should the Board decide to change the number of Directors Positions, such Director Positions willshall be filled or eliminated, as applicable, in accordance with Section 910 of this Article IV.

Section 2. Director Qualifications

All Elected Directors must be Eligible Members. An Eligible Member is 1) a Member in Good Standing, and 2) a natural person. If the Member is a trust, any trustee of such trust willshall be a Member for purposes of this section. If the Member is a corporation, partnership, or LLC, such entity may designate a person who willshall be a Member for purposes of this section subject to reasonable written evidence of the designation being provided to the Board.

Section 3. Elected Term.

~~Director Positions for~~ Elected Directors willshall have three (3)-year terms: unless elected for a term of less than three (3) years in a Special Election pursuant to Sections 9 or 10 of this Article IV. No Elected Director may serve consecutive terms or more than atwo terms in total.

~~Section 4 of six (6) years and will be ineligible for election if it is possible that such an Elected Director could exceed this six (6) year limitation if elected.~~ Staggered Terms for Director Positions

Terms for Elected Directors willshall be staggered such that one-third (1/3) of the total number Director Positions for Elected Directors willshall be filled by an election each year provided that if the number of Director Positions for Elected Directors is not divisible by three (3) into a whole number, the Board willshall set the terms to be staggered to achieve this distribution as closely as possible provided that no term may exceed three (3) years.

Section 45. Removal of Elected Directors by the Members.

Any one or more Elected Directors may be removed by the Members pursuant to the provisions of Sections 33-31-725 and 33-31-808 of the SCNC Act. Members may initiate the removal process pursuant to a Petition for a Special Meeting. Any Elected Director whose removal becomes subject to

Special Election or a vote of the Members at a Special Meeting, may prepare a statement of defense to be circulated to the Members by the Association concurrent with the issuance of a Notice and ballots for a Special Election and Special Meeting and further, the Elected Director ~~will~~shall be given the opportunity to speak at any Special Meeting during which the removal ~~will~~shall be debated, discussed and/or voted upon. The Association ~~will~~shall allow for a thirty (30) ~~days~~day voting period from the date ballots are issued for any removal initiative.

Section ~~56~~: Removal of Elected Directors by the Board

Any Elected Director ~~a)-who~~ a) has had three consecutive absences from regularly scheduled Board Meetings or b) ~~who has had a lien filed against their property for failure~~has failed to pay Assessments when due ~~and the Association has filed a lien related thereto~~, may be removed by the unanimous vote of the other Elected Directors.

Section ~~67~~. Compensation.

No Elected Director ~~will~~shall receive compensation for any services rendered to the Association. However, any Elected Director may be reimbursed for actual expenses incurred in the performance of duties upon approval of such expenses by the Board. ~~[In addition, Elected Directors are prohibited from soliciting or accepting any compensation, gratuity, or other remuneration that would improperly influence or would appear to a reasonable person to improperly influence their decisions or would result or would appear to a reasonable person to result in a conflict of interest].~~

Section ~~78~~. Board Elections.

Regular Elections and Special Elections for Director Positions ~~will~~shall be held as provided for in these By-laws. ~~Votes will~~The number of votes each Member is eligible to cast shall be calculated in accordance with Article III, ~~Section 4~~ of the Association Covenants. The Members receiving the greatest number of votes in either a Regular Election or Special Election ~~will~~for Director Positions shall be elected. The results of a Regular Election ~~will~~shall be announced no later than the Annual Meeting while the results for a Special Election for a Director Position ~~will~~shall be announced no later than ten (10) ~~days~~Days following the Ballot Due Date.

Section ~~89~~. Director Position Vacancies.

If a Director Position held by an Elected Director becomes vacant by reason of death, resignation, retirement, or disqualification of the Elected Director, the Director Position ~~will~~shall remain vacant until ~~the next Regular Election at which time~~a concurrent Special Election ~~will be~~is held ~~for to elect~~ an Eligible Member to serve for the remaining term, if any, of the vacated Director Position. The Special Election ~~to fill a vacated Director Position will~~shall be conducted concurrent with the next scheduled ~~Regular Election but shall~~ be treated separate and apart from the Regular Election ~~and any~~. Any Eligible Member seeking to be elected to a Director Position ~~will~~shall be required to declare whether ~~she/he~~election is ~~seeking election~~being sought to a full-term Director Position or to complete the term

of the vacated Director Position. ~~As the Special Election for a vacated Director Position will be treated as separate and apart from the election for full term Director Positions, the Cumulative Voting provision in Article III Section 4(a) of the Association Covenants will not apply as between these separate elections and cumulative voting will not be allowed at such Special Election.~~ A Special Election that is not concurrent with a Regular Election may be held to fill a vacated Director Position ~~only~~ if i) the Special Election would be completed more than six (6) months prior to the commencement of a Regular Election and ii) **a minimum of three fourths (3/4) of the Elected Directors remaining on the Board unanimously affirmatively agree to hold a Special Election for such a purpose.**

Section ~~9~~10. Increasing or Decreasing the Number of Director Positions

Should the Board decide to add new Director Positions in compliance with Section 1 of this Article, a Special Election ~~will~~shall be held to fill such new Director Positions. The ~~terms~~Elected Term of the new Director Positions ~~will~~shall be set by the Board to achieve compliance with the provisions of Section ~~34~~ of this Article. Should the Board decide to reduce the number of Director Positions, such a reduction ~~will~~shall be achieved by not holding elections to fill the first Director Positions becoming vacant for any reason herein including, but not limited to, the expiration of a Director Position term, until the total number of Director Positions equals the reduced number agreed to by the Board pursuant to Section 1 of the Article. Once Director Positions have been eliminated, the Board ~~will~~shall adjust the terms of future elections for Director Positions as needed to achieve compliance with the provisions of Section ~~34~~ of this Article. Under no circumstance ~~will~~shall the Board have the right to require an Elected Director to resign to effectuate a reduction in the number of Director Positions nor appoint any Member to fill any new Director Position.

Section ~~10~~11. Resignation and Disqualification of Elected Directors.

An Elected Director may resign at any time by sending a written notice of such resignation to the office of the Association, delivered to the Secretary. Unless otherwise specified therein, such resignation ~~will~~shall take effect upon receipt thereof by the Secretary. If an Elected Director is no longer a Member, the transfer of title of the Member's property ~~will~~shall automatically constitute a resignation.

Section ~~11~~12. Director Conflicts of Interest.

This Section is intended to supplement or augment but not replace any applicable federal or state laws governing conflicts of interest applicable to South Carolina nonprofit corporations, including but not limited to Section 33-31-831(d) of the SCNC Act.

A Director is prohibited from engaging in a transaction with the Association in which the Director has a conflict of interest, ~~unless the conflict of interest transaction is approved as hereinafter provided.~~ A conflict of interest transaction is a transaction with the Association in which a Director has a direct or indirect financial or personal interest as defined in Section 33-31-831(d) of the SCNC Act and as further supplemented or augmented by this Section. Such a transaction ~~will~~shall be approved only if it is determined by an affirmative vote of a majority of the remaining Directors who do not have a direct or indirect financial or personal interest in the transaction to be fair to the Association and the material facts of the transaction and the interest of the Director were disclosed to all the other Directors, but a

transaction may not be authorized, approved, or ratified under this Section by a single Director. If a majority of the Directors on the Board who have no financial or personal interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this Section. All Directors also have a Fiduciary Duty to the Board and the Members to use due diligence in all decision making, to ensure all decisions are in the best interest of the Association and to always act within the scope of the Board's and the Association's authority. This duty includes identifying any proposed transactions or votes in which the Director has a direct or indirect financial or personal interest and to disclose in good faith to the Board any and all facts which may cause the Director to have a conflict with respect to the vote on that matter. A conflict may occur if the Director has a direct or indirect financial or personal interest in a vote that would benefit the Director or would impair or might appear to impair the Director's independence and objectivity of judgment in making a decision that is in the best interest of the Association. A Director has a personal interest if the outcome of the vote would advantage or disadvantage the Director individually or personally, including but not limited to votes to ratify, approve, or disapprove the Director's actions and votes to modify, appoint, renew, continue, or terminate the Director's compensation (if any), title, duties, authorizations, term, or tenure as an Officer of the Board or as member of a Board committee.

All questions as to whether a Director has a conflict of interest shall be resolved by a majority vote of the Board in which the Director with the purported conflict may not vote. If this question cannot be resolved by majority vote of the Board, then the Board shall submit and refer the question for a binding resolution to a single neutral and impartial arbitrator pursuant to the Commercial Arbitration Rules promulgated by the American Arbitration Association utilizing its Expedited Procedures, with jurisdiction and venue for such arbitration to be in the Town of Kiawah Island, South Carolina. The Directors asserting there is a conflict shall be the claimants and shall submit the Demand for Arbitration. The Directors asserting there is no conflict shall be the respondents. KICA shall pay all fees (except for counsel, consultant and expert fees as noted below) associated with the arbitration, including but not limited to, the filing fees and arbitrator fees, subject to subsequent allocation as part of the award. The Directors waive any right or obligation to have KICA retain or pay for counsel, consultants or experts in or associated with the arbitration. The arbitration shall be determined and resolved based on written submissions and no discovery or motions ~~will~~shall be allowed. The intent is for the question of a conflict of interest to be resolved as expeditiously, summarily, and informally as is practicable. TheAs a condition of a Board and itsMember's service on the Board, the Directors shall be deemed to have each ~~waive~~waived and ~~relinquish~~relinquished any right to appeal, contest, or litigate the decision by the arbitrator on the subject or to seek review of the arbitrator's decision by any court or other tribunal.

Article V: Board Meetings

Section 1. Regular Board Meetings

Regular Board Meetings ~~will~~shall be Meetings of the Directors held at least six ~~(6)~~ times each year as set forth in the published annual calendar of the Board. Agendas for Regular Board Meetings ~~will~~shall be posted electronically no less three (3) ~~calendar days~~Days prior to a Regular Board Meeting.

Section 2. Special Board Meetings

A Special Board Meeting ~~will~~shall be a Meeting of the Directors called by or at the request of the Chairperson or any two Directors by giving Notice not less than three (3) ~~days~~Days prior to any Special Board Meeting to each Director and to the Members including an agenda stating any matters to be discussed.

Section 3. Emergency Meetings

Emergency Meetings of the Board without Notice may only be held in the event of a ~~natural disaster-flood, typhoon, earthquake, volcanic eruption, tsunami, hurricane, cyclone, tornado or other force of nature that has catastrophic consequences for Kiawah Island (a "Natural Disaster")~~.

Section 4. Quorum

A majority of the Directors ~~will~~shall constitute a quorum for the transaction of business at any Board Meeting.

Section 5. Conduct of Board Meetings

The Chair, or if the Chair is not in attendance, the Vice-Chair ~~will~~shall chair Board Meetings. All Board Meetings ~~will~~shall be deemed to be adjourned the earlier of (a) the approval by the Directors of a motion to adjourn or (b) ~~twenty-four (24)~~ten (10) hours following the commencement of the Board Meeting. Other procedures regarding the Conduct of Board Meetings ~~will~~shall be as provided in ~~these By-laws (inclusive of the KICA Governance Procedures Manual) and otherwise subject, to the extent not addressed in these By-laws, guided by~~ Robert's Rules.

Section 6. Director Votes

Each Director ~~will~~shall have one vote. The vote or act of a majority of the Directors present at a Board Meeting at which a quorum is present ~~will~~shall be required for such a vote or act to be a binding vote of the Board for all purposes, unless a greater percentage is required by law, the Association Covenants, or these By-Laws. A Director who is present at a Board Meeting at which a properly motioned action is taken on any Association matter is presumed to have assented to the action unless such Director dissents or abstains pursuant to the conditions of 33-31-824 (c) of the SCNC Act. No action ~~will~~shall be deemed to have been taken on any matter ~~at a Board Meeting~~ unless the vote or abstention of each Director present is taken and recorded in the minutes of ~~the meeting~~a Board Meeting. Directors may not vote by proxy or by secret ballot.

Section 7. Executive Session

Any Member ~~will~~shall have the right to attend any Board Meeting, provided that, subject to the limitations of this Section, the Board may meet, immediately prior to or following any Board Meeting, with only Directors, or any combination of Directors and Association staff and any invited guests, whose presence is determined in the Board's discretion to be relevant to the subjects to be discussed, in attendance ("Executive Session").

Notwithstanding the foregoing, Directors may only consider and/or vote on, as appropriate, the following matters in an Executive Session: (a) requesting or obtaining legal advice from legal counsel where the legal advice relates to a pending, threatened, or potential claim or other matters covered by the attorney-client privilege or the settlement of legal claims; (b) personnel matters, including but not limited to the employment, appointment, compensation, salary, suspension, removal, promotion, demotion, discipline, or release of an employee of the Association; (c) the negotiation of contracts where the terms are required to be kept confidential pursuant to a written non-disclosure agreement provided that any vote to approve a contract may not be taken in Executive Session; (d) collection of unpaid Assessments, fees or fines; (e) appeals of commercial assessments; or (f) issues related to individual Members including Committee or Task Force appointments or appeals of determinations of violations of Rules and Regulations or other obligations under the Association Covenants and/or these By-laws.

If the Board plans to meet in Executive Session as permitted herein, the agenda for the Regular Board Meeting or Special Board Meeting ~~will~~shall indicate as such and ~~will~~shall include a general description of the matters to be discussed in the Executive Session using classifications (a) through (f) above. The chair of the Board Meeting ~~will~~shall announce to the Association any actions taken during an Executive Session concurrent with the approval of the minutes from the previous meeting. Any action taken during the Executive Session, including how each Director voted, ~~will, shall~~ be recorded in the minutes of the Board Meeting at which such actions are announced without disclosing the identity of any Members or employees associated with such actions.

Section 8. Actions by Directors Without a Meeting

Any action that requires a time critical decision essential to the operation of the ~~organization~~Association by the Board between Regular Board Meetings (a "Time Critical Action") may be taken without a Meeting only if all Directors ~~vote unanimously consent in favor of~~writing to taking such an action. A Director's consent to a Time Critical Action is satisfied or made effective by delivering or submitting the Director's signed consent to the Secretary in person, by mail or by Electronic Means. Any Time Critical Action so approved has the effect of a Meeting vote and may be described as such in any document. Any Time Critical Action ~~will~~must be ratified at the next Regular Board Meeting, and ~~will~~must be included in the Association's minutes or minute book. The Association ~~will~~shall also include the text of and reasoning behind any Time Critical Action in the first regular weekly communication of the Association to the Members following the approval of ~~the~~any Time Critical Action.

Section 9. Right of Dissenting Director

A Director disagreeing with a vote of the Board willshall have the right to file a dissent provided the dissenting Director advises the entire Board in writing two (2) daysDays after the vote in question of the intent to file a dissent. The dissenting statement (or statements if submitted by more than one Director) willshall submitted to the Secretary within four (4) daysDays after the vote in question. Any statement in support of the vote taken willshall also be provided to the Secretary within four (4) daysDays after the vote in question. The Secretary willshall then send all statements to the entire Board. Final versions of the dissenting and supporting statements willshall be submitted to the Secretary within two (2) daysDays after the statements are sent to the entire Board. The Secretary willshall cause to have all final statements sent electronically to all Members at the same time and in the same format. In that electronic communication, the Secretary willshall note the substance of the vote in question and state that the dissenting and/or supporting statements are being sent in connection with that vote. The Secretary willshall not comment further on the matter in the communication although the Secretary may submit or join in a separate statement dissenting from or supporting the vote in question.

Article VI: Powers & Duties of the Board of Directors

Section 1. Powers

Except as otherwise provided by law, the Articles of Incorporation, the Association Covenants, or these By-Laws, the ultimate authority over the management and conduct of the business and affairs of the Association willshall be exercised by or under the direction of the Board of Directors. The business and property of the Association willshall be managed and controlled by the Board. The Board willshall have all requisite power, duty, and authority to perform its obligations under the Association's Articles of Incorporation, the Association Covenants, the General Covenants, these Bylaws, the ~~South Carolina Nonprofit Corporation SCNC Act, and the SCHA Act, as amended (S.C. Code Ann. §§ 33-31-101 et seq.); and the South Carolina Homeowners Association Act, as amended (S.C. Code Ann. §§ 27-30-110 et seq.);~~ including, without limitation, the power, duty, and authority to enforce the provisions of the Association Covenants and these Bylaws, -to acquire and pay for, out of the funds received from the collection of assessments pursuant to the Association Covenants, all goods and services necessary or appropriate for the proper functioning of the Association in accordance with the Association Covenants and these Bylaws and to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association, which loans willshall be used by the Association in performing its authorized functions.

Section 2. Duties

It willshall be the duty of the Board of Directors to:

- A. cause to be kept a complete record of all its acts and corporate affairs in compliance with Section 33-31-1601 of the SCNC Act;

- B. adopt and amend, if appropriate, the annual budget for the Association as prepared with the Treasurer and to post or provide ~~a summary of~~ the budget, as approved by the Board, to all Members;
- C. ~~supervise and evaluate~~oversee the performance of the COO, and ~~to see, in a manner compliant with each Director's legal duties, assure~~ that ~~his/her~~the COO's duties are being properly performed;
- D. as more fully provided in the Association Covenants, to:
 - ~~a.i.~~ a.i. determine and fix the amounts for all assessments and fees as authorized in the Association Covenants;
 - ~~b.ii.~~ b.ii. send Notice of all assessments to every owner or Member subject thereto;
 - ~~c.iii.~~ c.iii. take such actions as the Board of Directors deems appropriate to collect assessments and charges of the Association, to enforce or foreclose the lien against any property for which assessments are not paid within one hundred twenty (120) ~~days~~Days after the due date, or to bring an action at law against the owner personally obligated to pay the same; and
 - ~~d.iv.~~ d.iv. ~~provide for, appoint, create~~ and operate an Architectural Review Board ~~if or when rights referred~~the Board determines it is appropriate to in Article VII Section 4 of the General Covenants related thereto do so and ~~currently held by the Company are transferred or assigned to the Association and once operating,~~ to maintain records of all its actions;
- E. issue, or to cause an appropriate officer to issue, upon demand by any person liable for any assessment, a certificate pursuant to Article VI, Section 10, of the Association Covenants setting forth whether or not said assessment has been paid. A reasonable charge may be made by the Association for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- F. procure, cause to be purchased, and maintain adequate liability and hazard insurance on property and facilities owned or leased by the Association; liability insurance to protect any person who is or was a director, officer, employee, committee or task force member, or agent of the Association, or is or was serving at the request of the Association in all cases limited as to when ~~to the~~ person was acting in such capacity; and any other insurance as the Board of Directors may deem appropriate or necessary;
- G. cause all officers, employees, agents, or independent contractors having fiscal responsibilities to be bonded or insured, as it may deem appropriate;
- H. enforce the provisions of the Association Covenants, these Bylaws, and the KICA Rules and Regulations, including but not limited at its discretion actions to enjoin violations or to seek other legal or equitable remedies for a breach thereof, including recovery of damages, attorneys' fees, and costs or expenses;
- I. ~~verify and certify, after exercising reasonable diligence, that, to the best of the Association's knowledge, assure that~~ the Association, the Board and Association staff are operating and acting in compliance with the Association Covenants, these By-laws and the SCNC Act in all material respects and ~~issuing a certification causing the Association to the Members signed by~~

~~issue a compliance report to the Directors and COO Membership~~ not less than annually to this effect ~~in the form contained in the KICA Governance Procedures Manual;~~

- J. cause any and all amendments to these By-laws, the Association Covenants and/or the KICA Rules and Regulations to be (a) submitted for recording and (b) posted on the KICA website; in both cases not less than thirty (30) ~~days~~Days following approval;
- K. cause the Common Properties, Restricted Common Properties, and Purchased Common Properties (as such terms are defined in Article I of the Association Covenants) and the roads, facilities, and facilities located thereon to be adequately maintained or improved;
- ~~L.~~—perform such other and further duties as the Board of Directors may deem necessary or desirable for the preservation or maintenance of the Association’s property and facilities; and
- ~~M.~~~~L.~~ act in accordance with the provisions of Director and Board Positions descriptions as delineated in the KICA Governance Procedures Manual.

Article VII: Officers

Section 1. Officer(s)

The Officers of the Board and the Association ~~will~~shall be a Chair, Vice Chair, Secretary, and Treasurer, all of whom ~~will~~shall be Elected Directors.

Section 2. Election of Officers.

The election of Officers ~~will~~shall take place at the first Board meeting following the Annual Meeting. ~~A majority vote of [Elected] Directors, exclusive of the Elected Director who is being considered for an Officer position, shall be required to elect any Officer.~~

Section 3. ~~Term~~Officer Terms.

Officers ~~will~~shall each hold office for a one (1) year term commencing on the date of the Annual Board Meeting and ending at the next occurring Annual Board Meeting. ~~Any Officer whose Elected Term as a Director has not expired will be eligible for reelection as an Officer.~~

Section 4. Resignation and Removal.

~~The Board~~An Elected Director may ~~remove~~be removed as an Officer ~~with or without cause~~(but not as an Elected Director) by a ~~an affirmative vote of a minimum of three-quarters (3/4) of the other Elected Directors.~~ Any ~~(i.e. not including the Elected Director who is being considered for removal).~~ Removal may only occur at a Meeting.

An Officer may resign at any time by giving written notice to the Board, the Chair, or the Secretary. Such resignation ~~will~~shall take effect on the date of receipt of such notice or at any later time specified

therein provided that an Officer's resignation or removal as an Elected Director shall automatically terminate an associated Officer position.

Section 5. Vacancies.

The Board may fill a vacancy in any office. The Officer elected to such vacancy willshall serve for the remainder of the term of the replaced Officer he/she-replaces.

Section 6. Powers and Duties of Officers.

Officers willshall each have powers and duties delineated in the KICA Governance Procedures Manual. Officers shall act in accordance with the provisions of Officer Positions descriptions as delineated in the KICA Governance Procedures Manual.

Section 7. Chief Operating Officer

The Board willshall employ a salaried staff executive who willshall have the title of Chief Operating Officer ("COO") on such terms and conditions as the Board willshall determine. The COO willshall be the chief operating officer of the Association with the responsibility to perform the duties as required by the Board and as set forth in the COO's employment contract. The COO shall be subject to the Board's supervision and evaluation oversight. The Board may remove the COO in its discretion with or without cause, subject to and without prejudice to the contractual provisions or rights, if any, applicable to the COO. The COO willshall be an ex officio member of the Board, willshall attend Board meetings, willshall make periodic reports to the Board, and may participate in Board discussions, but willshall have no vote. The COO willshall have the responsibility for the day-to-day administration and operations of the Association. He/sheThe COO directs and administers all aspects of the operations: the common areas, infrastructure, staff, and all activities and owner relations. In addition, he/she-willthe COO shall assist the Board in setting strategies for the future. The COO willshall have such other powers and duties as may be prescribed by the Board. The COO willshall be authorized to execute such contracts, notes, mortgages, security interests, and similar instruments binding the Association, under the seal of the Association, as may be approved by the Board, except where required by law to be otherwise signed and executed and except where the signing and execution thereof willshall be expressly delegated by the Board of Directors to some other officer or agent of the Association. [The COO shall be prohibited from soliciting or accepting any compensation, gratuity, or other remuneration that would improperly influence or would appear to a reasonable person to improperly influence their decisions or would result or would appear to a reasonable person to result in a conflict of interest.]

ARTICLE VIII: Committees and Task Forces

Section 1. Committees and Task Forces

Committees and Task Forces may be created by a charter adopted by a majority of the Directors at a Meeting subject to the requirements of Section 33-31-825 of the SCNC Act and such further restrictions contained in Section 2 of this Article. Committees ~~will~~shall be for matters that are expected to extend indefinitely while Task Forces ~~will~~shall be for matters that are expected to be completed in a defined time frame.

Section 2. Powers of Committees and Task Forces

Committees and Task Forces, regardless of whether comprised of Directors and Members or only Directors, ~~will~~shall have no authority to bind the Association to any course of action unless the Elected Directors unanimously agree to such a delegation in advance. Any and all other actions recommended by Committees and Task Forces ~~will~~shall be subject to the approval of the Board by majority vote or by such a percentage of Directors or Members otherwise required by these By-laws or the Association Covenants pertaining to the matter at hand. A Committee or Task Force of the Board may never (a) authorize distributions; (b) approve or recommend to members dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the Association's assets; (c) select, appoint, or remove Directors or Officers or fill vacancies on the Board or on any of its Committees; (d) adopt, amend, or repeal the Association's Articles of Incorporation or these By-laws; or (e) otherwise take any action in contravention of the SCNC Act.

Committees and Task Forces may adopt their own written procedural rules provided such rules are ~~not inconsistent~~ consistent with the ~~resolution~~charter of the Board creating the Committee or Task Force or with rules otherwise delineated in the KICA Governance Procedures Manual.

Any Director ~~will~~shall have the right to attend any Committee or Task Force meeting whether or not such Director is a member of the Committee or Task Force.

Section 3: Appointment of Members to all Committees and Task Forces

The appointment by the Board of Members to Committees and Task Forces ~~will~~shall follow the procedures delineated in the KICA Governance Procedures Manual.

~~Section 4: Architectural Review Board/Committee~~

~~The Board will establish the Architectural Review Board consistent with the terms and requirements of Article VII of the Association Covenants.~~

ARTICLE IX: Merger and Consolidation

To the extent, as permitted by, and in the manner provided by law, including but not limited to the provisions of Article 11 of the SCNC Act, the Association may participate in mergers and consolidation with other non-profit associations organized for the same purpose, provided, however, that any such mergers or consolidation ~~will~~shall require unanimous approval by the Board of Directors of the Association and the affirmative vote of Members representing two-thirds (2/3) of the Total Base Vote at a meeting duly called for such purpose.

Upon merger or consolidation of the Association with another association or associations, its property rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the existing property, together with the covenants and restrictions established upon any other property, as one plan. No merger or consolidation ~~will~~shall change, without limitation, the maximum limits on assessments and dues of the Association, or any other matter substantially affecting the interest of Members of the Association.

ARTICLE X: Miscellaneous

Section 1. Inspection of Records

A Member may inspect and copy ~~and~~ records of the Association as permitted by Section 33-31-1602 of the SCNC ~~Act~~Act upon written notice at least five (5) ~~business days~~Days before the date on which the Member wishes to inspect and copy such records. The Association may impose a reasonable charge covering the cost of labor and material for copies of any documents provided to the Member. The files and records of any attorney who performs services for the Association are not records of the Association and are not subject to inspection by Members.

Section 2. Indemnification.

Officers, Directors, Committee members and Task Force members (collectively "Serving Member(s)"), while acting in such capacity, ~~will~~shall not be liable for any mistake of judgment, negligent-~~Public~~ or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. Serving Members ~~will~~shall have no personal liability for any contract or other commitment made or action taken in good faith on the Association's behalf.

Subject to South Carolina law, the Association ~~will~~shall indemnify every Serving Member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been a Serving Member, except that such obligation to indemnify ~~will~~shall be limited to those actions for which the indemnitee's personal liability is limited under this Section.

This right to indemnification ~~will~~shall not be exclusive of any other rights which any present or former Serving Member may have. The Association ~~will~~shall maintain general liability and directors and officers liability insurance to assist in funding this obligation. The Association also may, but is not required to, purchase and maintain insurance on behalf of an individual, who is or was a Serving Member, against liability asserted against or incurred by ~~him or her~~a Serving Member in that capacity or arising from ~~his or her~~the Serving Member's status ~~as a Serving Member~~ even if the Association would not have the power to indemnify the person against the same liability under the provisions of the SCNC Act.

Section 3. Construction

In the event of a conflict between the Association Covenants and the Articles of Incorporation or the By-Laws, the Association Covenants willshall control; and in the case of any conflict between the Articles of Incorporation and the By-Laws that the Association Covenants do not resolve, the Articles of Incorporation willshall control.

Section 4. Corporate Seal

The Association willshall have a seal in circular form having within its circumference the words: Kiawah Island Community Association, Inc., State of South Carolina, 1976.

Section 5. Amendments

These By-Laws may be altered, amended, or repealed in whole or part and new By-Laws may be adopted; by either the Board or the Members pursuant to the provisions of Sections 33-31-1021, 1022, 1023 and 1024 of the SCNC Act and this Section 5. In the case of the Board, any amendment shall require the affirmative vote of a minimum of three fourths (3/4) of the Directors, except for those provisions in these By-laws that otherwise require a unanimous vote of the Directors which willshall require the same to amend. The text of any By-laws amendment proposed by the Board must be published and distributed to the Members not less than thirty (30) daysDays prior to a Regular Board Meeting at which time such amendment willshall be voted upon. In addition to forgoing, theThe Members may call a Special Meeting to propose and enact an amendmentamendments to the By-laws pursuant to the Referendum process provided in Article III, Section 9 of these By-laws. Further, any amendments to this Section 5 must be approved by the Members in a Special Meeting.

Section 6. Fiscal Year.

The fiscal year of the Association willshall begin on the first day of January and end on the 31st day of December of every year.

Section 7. ~~Gender and~~ Grammar.

Wherever ~~in these By-Laws a pronoun is used in the masculine it will be read and construed in the feminine as an alternative if applicable or more appropriate; and whether~~ a word is used in the singular or plural it willshall be read and construed as whichever would best apply.

Section 8. Severability.

The invalidity of any part of these By-Laws willshall not impair or affect in any manner the validity, enforceability or affect the balance of these By-Laws or the Association Covenants. The invalidity of any part of these By-Laws willshall not impair or affect in any manner the validity, enforceability or affect the balance of these By-Laws or the Association Covenants.