



BY-LAWS OF KIAWAH ISLAND COMMUNITY ASSOCIATION, INC.

[KICA By-laws]

**The aforesaid By-Laws were recorded in the R.M.C. Office
for Charleston County, South Carolina
in Book M-114, page 407, and incorporates in the text
thereof the amendments made by the instrument recorded
in Book R-210, page 759 and
in Book G-413, page 010**

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

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BY-LAWS OF KIAWAH ISLAND COMMUNITY ASSOCIATION, INC.

ARTICLE I

MEMBERS

Section 1. **Membership in the Corporation.** The Members of the Kiawah Island Community Association, Inc. (hereinafter referred to as "Corporation") shall be every Owner (as defined in the Covenants hereinafter described) of the property subject to the provisions of (i) Declaration of Covenants and Restrictions of the Kiawah Island Community Association, Inc., (ii) Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable To All Property in Kiawah Island, (iii) Class "A" Covenants for Kiawah Island, (iv) Covenants Affecting Patio Home Sites in Kiawah Island, and (v) Class "B" Covenants for Kiawah Island (all such covenants, restrictions and affirmative obligations, as the same may be amended from time to time, are hereinafter referred to as the "Covenants"), all such Covenants having been made August 30, 1974, by Kiawah Beach Company, Inc., a South Carolina Corporation (hereinafter referred to as the Developer).

The Board of Directors of the Corporation may suspend any person from Membership in the Corporation during any period of time when such person is in default of any of his obligations under the By-Laws (including, without limitation, the failure to pay any assessment), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such Member.

Section 2. **Membership Classes.** There shall be the following five classes of voting Membership in the Corporation:

(a) Type "A" Members shall be all Owners, including the Company (as defined in the Covenants), of Residential Lots and Family Dwelling Units as such terms are defined in the Covenants. A Type "A" Member shall be entitled to two votes for each Family Dwelling Unit he owns. An owner of a Residential Lot upon which a Family Dwelling Unit has not been constructed shall be entitled to one vote for each Residential Lot which he owns.

(b) Type "B" Members shall be all those Owners, including the Company (as defined in the Covenants), of platted Public or Commercial Sites and Multiple-Family Tracts as such terms are defined in the Covenants. A Type "B" Member's total annual assessment will be divided by the amount of the annual assessment for a Residential Lot to determine the number of votes to which the Type "B" Member is entitled, with any fraction of one-half or greater rounded off to the next highest number.

(c) Type "C" Members shall be all those Owners, including the Company (as defined in the Covenants), of the Public and Commercial Units as such terms are defined in the Covenants. A Type "C" Member's total annual assessment will be divided by the amount of the annual assessment for a Residential Lot to determine the number of votes to which the Type "C" Member is entitled, with any fraction of one-half or greater rounded off to the next highest number.

(d) Type "D" Members shall include all those Owners, including the Company (as defined in the Covenants), of Unsubdivided Lands and Development Unit Parcels as such terms are defined in the Covenants, held and intended for future development by the Company or a third party. A Type "D" Member's total annual assessment will be divided by the amount of the annual assessment for a Residential Lot to determine the number of votes to which the Type "D" Member is entitled, with any fraction of one-half or greater rounded off to the next highest number.

(e) Type "E" Member shall be the Company as such term is defined in the Covenants. The Type "E" Member shall be entitled to cast votes for the election of the Board of Directors as set out in Section 4 of Article III of the Corporation's Covenants.

(f) When any property entitling the Owner to Membership as a Type "A", "B", "C", or "D" Member of the Corporation 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, such joint owners shall share among them the right to vote, which such right shall be exercised as a whole, and not in part, in the manner which they shall jointly determine; and if such joint owners fail to determine the manner in which their vote should [be] cast, their vote shall not be counted. When one joint owner signs a proxy or purports to vote for his or her co-owners, such vote shall be counted and bind all. The principles of this paragraph shall apply, insofar as possible, to the execution of proxies, waivers, consents or objections and for the purpose of ascertaining the presence of a quorum. (as amended 12-18-1991).

Payment of Special Assessments shall not entitle Type "A", "B", "C", or "D" Members to additional votes.

The voting rights of any Owner may be assigned by said Owner to his lessee by giving written notice to the Secretary of the Corporation; provided, however, that the Owner may not assign to such lessee any vote or votes not attributable to the property actually leased by such lessee.

Section 3. Voting Rights in the Corporation. The Members of the Corporation shall have the right to vote for the election and removal of directors and upon such other matters with respect to which a vote of Members is required under the Covenants. Each Member of each Membership class shall be entitled to as many votes as equals the number of votes he is entitled to, based on his ownership of, or tenancy in, one or more of the various classifications of property as computed by the formula set out hereinabove in Section 2 hereof, multiplied by the number of directors to be elected by Type "A", "B", "C", and "D" Members. Members may cast all of such votes for any one director or may distribute them among the number to be elected by Type "A", "B", "C" and "D" members, or any two or more of them, as he may see fit, provided, however, that all votes must be cast in whole numbers and not fractions thereof. Members, excepting Type "E" member, are divided into classes for the sole purpose of computing voting rights and shall, in no event, vote as a class.

Section 4. Members to Have Power of Referendum in Certain Instances. Where specifically provided for in the Covenants, the Members, or some specific portion thereof, shall have the power to approve or reject certain actions proposed to be taken by the Corporation by Referendum including, without limitation, whether the Corporation shall accept any offer by the Company to convey to the Corporation any "Purchased Common Properties", as defined in the Covenants, the increase of Maximum Annual Assessments by the Corporation in excess of those increases authorized in the

Covenants, the levy by the Corporation of any Special Assessment, and the addition or deletion of functions or services which the Corporation is authorized to perform. In the event fifty-one per cent (51 %), or more, of the votes actually returned to the Corporation within the specified time shall be in favor of such action, the Referendum shall be deemed to "pass" and the action voted upon will be deemed to have been authorized by the Members; provided, however, that if a higher percentage vote required to "pass" shall be specifically expressed in the Covenants, that higher percentage shall control in that instance. The Board of Directors may not undertake any action requiring a Referendum without complying with the provisions therefor. At any time that the "A", "B", "C", and "D" Members have the ability to elect a majority of the Board of Directors, the Members may require a Referendum on any action of the Board of Directors by presenting to the Secretary of the Board within thirty (30) days of the taking of such action a petition signed by not less than twenty-five per cent (25%) of the Members requesting that a Referendum be held. (as amended 12-18-1991)

ARTICLE II

MEETING OF MEMBERS

Section 1. **Annual Meeting.** The annual meeting of the Members shall be held within the first three (3) calendar months of each year at a time, date and place selected by the Board of Directors. Such annual meetings shall be held for the purpose of electing directors and for the transaction of such other business as may come before the meeting. (as amended 12-18-1991)

Section 2. **Special Meeting.** Special meetings of the Members may be called by the President, the Board of Directors or upon petition of not less than 10 percent (10%) of the total vote of the Membership. The purpose or purposes for which the meeting is called shall be stated in the notice of the meeting as hereinafter provided. (as amended 12-18-1991)

Section 3. **Place of Meeting.** The Board of Directors may designate any location within Charleston County, South Carolina, as the place for any annual meeting or special meeting called by the Board of Directors, and the President may designate any location as the place for any special meeting called by him. If no designation is made or if a special meeting is called by the Members of the Corporation, the place of meeting shall be the principal office of the Corporation within Charleston County, South Carolina.

Section 4. **Notice of Meeting.** Written 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 mailed or delivered not less than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary or the person calling the meeting, to each Member of the Corporation at his address as shown on the records of the Corporation. A Member may, in writing, signed by him, waive notice of any meeting before or after the date of the meeting stated therein; provided, however, when any property entitling the Owner to Membership as a Type "A", "B", "C", or "D" Member of the Corporation 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, such notice shall be made or delivered as aforesaid to one such joint owner, and such notice shall be deemed notice to all joint owners of such property. (as amended 12-18-1991)

Section 5. **Informal Action by Members.** Any action required or permitted by law to be taken at a meeting of the Members of the Corporation may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Members of the Corporation, which consent shall be filed with the Secretary of the Corporation as part of the corporate records.

Section 6. **Quorum Required for Any Action Authorized at Regular or Special Meetings of the Corporation.** The quorum required for any action which is subject to a vote of the Members at an open meeting of the Corporation (as distinguished from the Referendum) shall be as follows:

The first time a meeting of the Members of the Corporation is called to vote on a particular action proposed to be taken by the Corporation the presence at the meeting of Members or proxies entitled to cast fifty-one per cent (51 %) of the total vote of the Membership shall constitute a quorum. If the required quorum is not present at any such meeting, a second meeting may be called subject to the giving of proper notice and there shall be no quorum requirement for any such second meeting. This provision shall not apply when the proposed action is the amendment of the Corporation's Covenants and the quorum requirement established by Article VIII, Section 2 of the Corporation's Covenants shall govern in that instance; nor shall this provision apply as to assessment actions, in which case the quorum requirement established by Article V, Section 8 of the Corporation's Covenants shall govern. For the purpose of this section, "proper notice" shall be deemed to be given when posted to the last known address of each Member not less than thirty (30) days prior to the date of the meeting at which any proposed action is to be considered. (as amended 12-18-1991)

Section 7. **Conduct of Meetings.** The directors may make such regulations as they deem advisable for any meeting of the Members, including proof of Membership in the Corporation, evidence of the right to vote and the appointment and duties of inspectors of votes. Such regulation shall be binding upon the Corporation and its Members.

Section 8. **Ballots by Mail.** When required by the Board of Directors, there shall be sent with notices of regular or special meetings of the Corporation a statement of certain motions to be introduced for vote of the Members and a ballot on which each Member may vote for or against the motion. Each ballot which is presented at such meeting shall be counted in calculating the quorum requirements set out in Section 6 of this Article II. Provided, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on the ballot.

ARTICLE III

DIRECTORS

Section 1. **General Powers.** The affairs of the Corporation shall be managed by its directors. The directors need not be Members of the Corporation.

Section 2. **Number of Tenure.** Initially the number of directors shall be three (3) with the number of directors in subsequent years to be set by the Board of Directors at three (3), five (5), seven (7), nine (9) or eleven (11) Members as the directors deem appropriate. At the first annual meeting, the Members shall elect three directors for a term of two years. At each annual meeting thereafter, the Members shall elect directors for a term of three (3) years. Any vacancy occurring in the initial or

subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, or by a sole remaining director and, if not previously filled, shall be filled at the next succeeding meeting of the Members of the Corporation. Any director elected to fill a vacancy shall serve as such until the expiration of the term of the directors whose position he was elected to fill. Election of directors may be conducted by mail ballot if the Board of Directors so determines.

Section 3. Election of the Board of Directors. Each Member of Types "A", "B", "C", and "D" Membership classes shall be entitled to as many votes as equals the number of votes he is entitled to, based on his ownership of or tenancy in one or more of the various classifications of property as computed by the formula set out in the Covenants, multiplied by the number of directors to be elected by Types "A", "B", "C", and "D" Members. Members may cast all of such votes for any one director or may distribute them among the number to be elected by Types "A", "B", "C", and "D" Members, or any two or more of them, as he may see fit, provided, however, that all votes must be cast in whole numbers and not fractions thereof. This right, when exercised, is termed Cumulative Voting. Members, except the Type "E" Member, are divided into classes for the sole purpose of computing voting rights and shall not vote as a class. (as amended 12-18-1991)

Section 4. Annual Meetings. Annual Meetings of the Board of Directors shall be held annually. Such meetings shall be held within 30 days following the annual meeting of the Membership. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board without notice. (as amended 12-18-1991)

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors by giving notice thereof as provided in Section 6 of this Article III. Such persons calling a special meeting of the Board of Directors may fix any location as the place for holding such special meeting.

Section 6. Notice. When notice of any meeting of the Board of Directors is required, such notice shall be given at least three days previous to such meeting by written notice delivered personally or sent by mail to each director at his address as shown on the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited postage prepaid in the United States mail in a sealed envelope properly addressed. Any director may waive notice of any meeting before or after the time of the meeting stated therein and attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, the Articles of Incorporation, these By-Laws or the Covenants.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting without further notice.

Section 8. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. **Compensation.** Directors as such shall not receive any stated salaries for their services, but by the resolution of the Board of Directors any director may be reimbursed for his actual expenses incurred in the performance of his duties as director but nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 10. **Informal Action by Directors.** Any action required or permitted by law to be taken at a meeting of directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by a majority of the directors, which consent shall be filed with the Secretary of the Corporation as part of the corporate records.

Section 11. **Removal of Directors.** Any director may be removed from the Board of Directors, with or without cause, by the Members of the Corporation, with the exception of those directors elected by the Type "E" Member. The vacancy thus created by such a removal shall be filled as provided in Section 2 of this Article III. The Type "E" Member shall have the right to remove any director the Type "E" Member has elected. (as amended 12-18-1991)

Section 12. **Right of Dissenting Director.** Any distribution or dissemination of information to the membership of the Corporation by the Board of Directors shall be subject to the right of a director to express his dissenting views, if any, as part of such mailing. The dissenting director or directors may append to any such mailing made by the Board, at the expense of the Corporation and at no cost to any such director, a report not exceeding four pages in length expressing his position and the reasoning therefor, together with other pertinent information. Such report shall be submitted to the Board of Directors not less than four days prior to the scheduled printing date of other Board materials, but in no event less than four days following the meeting of the Board of Directors at which the vote was taken to distribute such information. Failure to submit such minority report within the specified time limit shall be deemed a waiver of the rights expressed in this Section. (as amended 12-18-1991)

ARTICLE IV

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. **Powers.** The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Properties, Restricted Common Properties and Purchased Common Properties, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Corporation. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Corporation all powers, duties and authority vested in or delegated to the Corporation and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation or the Covenants; and

(d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. **Duties.** It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by a one-fourth (1/4) vote of the Members who are entitled to vote;

(b) supervise all officers, agents and employees of the corporation, and to see that their duties are properly performed;

(c) as more fully provided in the Covenants, to:

(1) fix the amounts for all assessments;

(2) send written notice of all assessments to every owner subject thereto;

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same; and

(4) provide for a Board of Architectural Review;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned or leased by the Corporation;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Properties, Restricted Common Properties and Purchased Common Properties to be maintained or improved.

ARTICLE V

[MERGER AND CONSOLIDATION]

To the extent and in the manner provided by law, the Corporation may participate in mergers and consolidation with other non-profit associations organized for the same purpose, provided, however, that any such mergers or consolidation shall require approval by the vote of two-thirds (2/3) of the Type "A", "B", "C", or "D" memberships, if any, at a meeting duly called for such purpose.

Upon merger or consolidation of the Corporation 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 Corporation 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 shall change, without limitation, the maximum limits on assessments and dues of the Corporation, or any other matter substantially affecting the interest of Members of the Corporation.

ARTICLE VI

[BORROWING & INDEMNIFICATION]

[Section 1. **Borrowing by the Corporation.**] To the extent provided by law the Board of Directors of the Corporation shall have the power and authority to mortgage the property of the Corporation and to pledge the revenues of the Corporation as security for loans made to the Corporation, which loans shall be used by the Corporation in performing its authorized functions. Notwithstanding anything in the Covenants to the contrary, the Corporation shall not be allowed to reduce the limits of the Annual Assessment below that provided as the Maximum Annual Assessment in Article V, Section 3(a), at any time there are outstanding any amounts as repayments of any such loans.

Section 2. **Indemnification.** The officers, directors, and committee members, acting in such capacity, shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors 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 shall indemnify every officer, director and committee 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 an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which the indemnitee's personal liability is limited under this Section.

This right to indemnification shall not be exclusive of any other rights which any present or former officer, director, or committee member may have. The Association shall maintain general liability and directors and officers liability insurance to assist in funding this obligation, if such insurance is reasonably available.

ARTICLE VII

OFFICERS

Section 1. **Officers.** The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person except the offices of President and Secretary. The

President shall be a director of the Corporation. Other officers may be, but need not be, directors of the Corporation.

Section 2. **Election, Term of Office and Vacancies.** The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. **Removal.** Any officer may be removed by the Board of Directors whenever, in its judgment, the best interest of the Corporation will be served thereby.

Section 4. **Powers and Duties.** The officers of the Corporation shall each have powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors, except as otherwise determined by the Board of Directors. The President shall be chief executive officer of the Corporation.

Section 5. **Resignation.** Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall be necessary to make it effective.

ARTICLE VIII

COMMITTEES

Section 1. **Committees of Directors.** The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Corporation; provided, however, that no such committee shall have the authority of the Board of Directors as to the following matters: (a) the dissolution, merger or consolidation of the Corporation; the amendment of the Articles of Incorporation of the corporation; or the sale, lease or exchange of all or substantially all of the property of the Corporation; (b) the designation of any such committee or the filling of vacancies in the Board of Directors or in any such committee; (c) the amendment or repeal of these By-Laws or the adoption of new By-Laws; and (d) the amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.

Section 2. **Other Committees.** Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Corporation may be designated by a resolution adopted by a majority of directors present at a meeting of which a quorum is present. Such committees shall perform such duties and have such powers as may be provided in the resolution.

Section 3. **Rules.** Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE IX

CERTIFICATES OF MEMBERSHIP

The Board of Directors may provide for the issuance of certificates evidencing Membership in the Corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and shall bear the seal of the Corporation. All certificates evidencing Membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine. (as amended 12-18-1991)

ARTICLE X

[INSPECTION OF RECORDS]

The books, records and papers of the Corporation shall at all times be subject to inspection by any Member during responsible business hours. The Covenants, the Articles of Incorporation and the By-Laws of the Corporation shall be available for inspection and purchase by any Member at the principal office of the Corporation.

ARTICLE XI

PROXIES

Section 1. **[Voting Rights]**. Each Member entitled to vote may vote in person or by proxy at all meetings of the Corporation.

Section 2. **[Proxies]**. All proxies shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the secretary; provided, however, that proxy authorization shall not be required for any action which is subject to a referendum in accordance with the Covenants. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date and no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Any proxy shall automatically cease upon sale by the Member of his property interest.

ARTICLE XII

CONSTRUCTION

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

ARTICLE XIII

ASSESSMENTS

As more fully provided in the Covenants, each Member is obligated to pay to the Corporation Annual and Special Assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall, unless waived by the Board of Directors, be charged with a Delinquent Payment Fee of two per cent (2%) of the unpaid balance per month from the due date and each month thereafter so long as the assessment or any part thereof remains delinquent, and the Corporation may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and Delinquent Payment Fees, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Properties or abandonment of his property interest.

ARTICLE XIV

CORPORATE SEAL

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

ARTICLE XV

AMENDMENTS

These By-Laws may be altered, amended, or repealed and new By-Laws may be adopted, by the Board of Directors, or at a regular or special meeting of the Members by a vote of a majority of votes of the Corporation.

The foregoing BY-LAWS OF KIAWAH ISLAND COMMUNITY ASSOCIATION, INC., were originally recorded in the R.M.C. Office for Charleston County, South Carolina in Book M-114, page 407, and as herein above printed incorporates in the text thereof the amendments made by instrument recorded in Book R-210, page 759, and Book G413, page 010, of said R.M.C. Office.