



STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

**DECLARATION OF PROTECTIVE
COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS OF
MILLSGATE**

W-I-T-N-E-S-S-E-T-H

WHEREAS, Developer is the owner of certain lots of land in Spartanburg County, South Carolina, located off of Blalock Rd Boiling Springs, South Carolina 29316 and more particularly shown and described upon a plat entitled "**MILLSGATE**" prepared by HUSKEY LAND SURVEYING dated ___ September 25, 2018 ___ and recorded in **Plat Book** ___ 175 PG 345-345 ___ in the Office of the Register of Deeds for Spartanburg County. For a more complete and particular description, reference is hereby made to the above referred to plan and record thereof, and

WHEREAS, **MILLSGATE** will be a residential community and the Developer desires to provide for the preservation of values and amenities of said community and, to these ends, desires to subject all of the lots in **MILLSGATE** as shown on the above plat to be within Protective Covenants, Conditions, Restrictions & Easements, (herein referred to as covenants and/or restrictions) for the benefit of each and every owner in **MILLSGATE**.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual benefits and advantages to the Developer and to future property owners of lots shown on the above plat, Developer does hereby impose upon **MILLSGATE** the following covenants, conditions, restrictions and easements, which shall bind the Developer, its successors and assigns, and all future owners of said lots, their respective heirs and assigns:

1. DEFINITIONS: The following words when used herein (unless the contest shall require a different meaning) shall have the following meanings:
 - A. "**MILLSGATE**" shall mean and refer to all of the lots and property shown upon the plat of **MILLSGATE** referred to above and upon any subsequent plat "**MILLSGATE**" prepared for the Developer and recorded in the Office of the Register of Deeds for Spartanburg County.
 - B. "Developer" shall mean and refer to **MILLSGATE LLC**.
 - C. "Lot" shall mean and refer to any numbered parcel of land shown upon a plat of **MILLSGATE**, prepared for the developer and recorded in the Office of the Register of Deeds for Spartanburg County.
 - D. "Owner" shall mean and refer to the recorded owner, whether one or more persons or entities, of fee simple title to a lot situated within **MILLSGATE**, but not withstanding any applicable theory of mortgage law, shall not mean or refer to the mortgages unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding or deed in lieu of foreclosure.
 - E. "Member" shall mean and refer to every person or legal entity that holds membership in the Association by and through ownership of a Lot.

2. **SINGLE FAMILY RESIDENTIAL USE:** No lot shall be used except for private, single family residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling, not to exceed 2 stories in height not including basements.
3. **SUBDIVISION OF LOTS:** Developer or any subsequent owner of a lot, with prior written consent of Developer or its nominee, may sell or convey a portion of any lot to the owner of an adjoining lot, provided that any such sale of a portion of a lot does not result in the creation of another lot or a greater number of lots than that shown on said plat and does not violate any other provisions hereof. No lot may be subdivided to create an additional lot. In any such sale of a portion of a lot, the portion shall merge into and become part of the adjoining lot, and the terms and conditions herein shall apply to the lot and portion of a lot as though they were originally platted as one lot. Notwithstanding any provision herein, Developer reserves the right to re-subdivide any portion of the property for the purpose of adjusting property lines or consolidating lots provided, however no such changes shall create any greater number of lots than that shown on the plat of **MILLSGATE**.
4. **MINIMUM HEATED AREAS:** No dwelling shall be erected on any lot having less than two (2) bathrooms and no less than 1000 square feet of heated floor area, provided that the plan includes a two car attached garage. If the plans do not include an attached garage, then the dwelling shall contain a minimum of 1200 square feet of heated floor area. If the dwelling has a second story, the first floor must have no less than 800 square feet of heated floor area. The floor area required by this article shall not include basements, porches, verandahs, breezeways, terraces, garages or hobby-type storage buildings.
5. **BUILDING SETBACK LINES:** No building or portion of a building, including stoops, verandahs, steps and porches shall be located on a lot nearer the front property line or nearer the side street property line of the lot than the setback line(s) shown for such lot on the plat of **MILLSGATE** referred to in the deed from Developer. Nonetheless, Developer reserves the right and privilege, upon showing of special, unique or unusual circumstances, to give a waiver to any setback restrictions on a lot, but such waiver must be given in writing to be valid. Developer reserves the right to deny a waiver for any reason deemed appropriate in its sole discretion.
6. **APPROVAL OF BUILDING PLANS – SPECIAL CONDITIONS:**
 - A. No building or structure, whether it be the dwelling house, garage, hobby-type building or driveway shall be erected, placed or altered on any lot until the building plans, elevations, locations, specifications and driveway have been approved in writing by Developer or its nominee. If such shall not be approved or disapproved within thirty (15) days after being submitted, then such approval shall not be required, provided, however, the design and location of the proposed construction shall conform to the specific building requirements stated herein and otherwise be in harmony with the existing structures in the subdivision. Any proposed hobby-type/storage building must be built as a permanent structure and be designed in harmony with the main dwelling. The exterior color and foundations are to match existing main dwelling with a minimum square footage of 50sq ft. Metal buildings are not allowed. Disapproval of plans, elevations, location or specifications may be based purely upon aesthetic reasons at the sole discretion of the Developer or its nominee.
 - B. The completion of improvements upon a lot shall include the landscaping of the yard, including grassing or sodding of the yard and the planting of shrubs and/or decorative plants or bushes along the front elevation of the dwelling.
 - C. No garage shall open to a street unless said garage is enclosed with a door(s).
7. **Easements:** Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material

shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easement, or which may retard the flow of water through drainage channels in the easements. The easements area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible. Developer reserves the right to create and impose additional easements or rights of way over any unsold lots for street, drainage and utility installation purposes by the recording of appropriate instruments and such shall not be construed to invalidate any of these covenants.

8. **TRAILERS AND MOBILE HOMES PROHIBITED:** Trailers and mobile homes, including typical double wide mobile homes are absolutely prohibited. Manufactured homes or other factory-built homes are not allowed. Furthermore, no residence or building may be moved from another location and placed or allowed to remain on any lot. Developer retains sole discretion and authority as to such approval or disapproval. Developer is exempt from this provision with respect to paragraph 31.
 9. **REQUIREMENTS FOR DRIVEWAYS:** All driveways shall be constructed of concrete and shall be maintained by the owner of a lot in a good state of repair and suitable appearance.
 10. Where driveways from a lot intersect with the public street, said driveway will abut the existing "rolled" curb, thereby keeping the "rolled" curb intact and undamaged. If during construction or otherwise, the curb or pavement adjacent to a construction site is broken, removed or otherwise damaged, the owner of the lot upon which such construction/work is being done shall bear the cost of replacing or repairing such damage to the satisfaction of the Developer.
 11. **DEVELOPER'S DISCLAIMER:** DEVELOPER AND ITS SUCCESSORS AND ASSIGNS, ITS AGENTS, CONSULTANTS AND EMPLOYEES, HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESSED OR IMPLIED OF GOOD WORKMANSHIP, DESIGN, HABITABILITY, QUALITY, FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OR ANY REPRESENTATION CONCERNING SAME, AND NO WARRANTIES OR ANY KIND SHALL ARISE AS A RESULT OF ANY PLANS, SPECIFICATIONS, STANDARDS OR APPROVALS MADE OR APPROVED BY DEVELOPERS OR ITS NOMINEES AND DEVELOPER SHALL NOT BE LIABLE TO ANY OWNER OR ANY OTHER PERSON ON ACCOUNT OF ANY CLAIM, LIABILITY, DAMAGE OR EXPENSE SUFFERED OR INCURRED BY OR THE SUBJECT MATTER OF ANY REVIEW, ACCEPTANCE, INSPECTION, PERMISSION, CONSENT OR REQUIRED APPROVAL WHICH MUST BE OBTAINED FROM THE DEVELOPER, WHETHER GRANTED OR DENIED. FURTHERMORE, DEVELOPER EXPRESSLY DISCLAIMS SUITABILITY OF A LOT FOR RESIDENTIAL CONSTRUCTION AND ALL FUTURE OWNERS SHALL BE RESPONSIBLE FOR DETERMINING THE SUITABILITY OF A LOT FOR CONSTRUCTION.
- DEVELOPER'S RIGHTS:** Developer reserves the right to change, amend, or release any of the foregoing or following restrictions as the same may apply to a particular lot without the necessity of requiring the consent or approval of any other property owner within the subdivision or any other interested party.
12. **GENERAL EASEMENTS:** Developer reserves an easement five (5) feet inside each side and twenty (20) feet at rear lot line of each lot for the installation, maintenance and repair of utilities, and storm draining facilities. Furthermore, certain lots shall be subject to an additional easement for drainage purposes as will be shown upon a duly recorded plat of MILLSGATE. All utility service lines, including cable television, telephone, electric or other utility from existing streets shall be installed underground to any dwelling or other structure located upon a lot.
 13. **SEWAGE:** Sewage disposal shall be by SEWER taps provided and connected with the approval of Spartanburg Sanitary Sewer and/or appropriate county officials.

14. **FENCING:** No fencing shall be erected to extend beyond the rear corner of the residence to the front of the lot. Black coated wire fencing, wooden fencing and metal fencing are allowed, provided they do not exceed six (6) feet in height. No fence post shall be erected upon any lot until it shall be first determined by the owner thereof that the same shall not interfere, damage or obstruct the installation of any utility. On corner lots, no fence shall be erected to extend beyond any building or setback line shown on the plat herein above referred to on the street side of such house. No fencing shall be erected until site plans, elevations, specifications are submitted and approved.
15. **BUSINESS ACTIVITIES PROHIBITED:** No commercial operations, business operations, manufacture or production shall be permitted upon any lot. The selling, showing or marketing from a lot of any kind of goods, products or apparel is expressly prohibited. The provisions of this item shall not be construed to prohibit the making of handcrafted items for occasional off premises sale.
16. **NUISANCES AND OFFENSIVE ACTIVITIES:** No nuisance or other noxious, offensive, unsightly or unsanitary activity or condition shall be conducted upon any lot or allowed to exist on any lot or the adjoining street or streets.
17. **PARKING OF BOATS AND RECREATIONAL VEHICLE:** Street parking is not permitted. No camping trailer, boat, boat trailer or other similar recreational vehicle or other device or equipment shall be permitted to stand on the front portion (from any front corner of the home to the street) of any lot. No inoperable motor vehicle, wrecked vehicle or motor vehicle not currently licensed shall be parked in the street right-of-way or be kept on any lot in the subdivision unless stored in an enclosed garage. Also, no buses, trucks or trailers other than pick-up trucks not to exceed three-quarter (3/4) ton in size, shall be parked on a lot of in the street right-of-way, except for loading or unloading. Furthermore, no portion of a lot shall be used for the operation of any motorized vehicles such as motorcycles, mini-bikes, go-carts, four wheelers or similar vehicles.
18. **SWING SETS:** Swing sets, sand boxes, gym sets and any other such similar devices or structures primarily for children's use and enjoyment must be located on the rear portion of a lot. Basketball goals are allowed on driveway areas or in the rear portion of any lot. No additional concrete or asphalt pad may be poured for ANY recreational use from any back corner of the home to the front property line.
19. **POOLS:** No above ground pools of any design may be constructed or placed on any lot. In ground pools are acceptable provided they are located on the rear portion of the lot, staying within all other guidelines and setback requirements herein stated. Any in ground pool MUST be enclosed with a fence (with locking gate) that complies with paragraph 14.
20. **NO TEMPORARY RESIDENCES:** No garage or hobby-type/storage building shall be used at any time as a residence, either temporarily or permanently, nor shall any structure of a temporary character be used as a residence.
21. **ANIMALS:** No domestic fowl, cows, hogs, mules, wild animals or any other farm animals shall be kept on any lot at any time. However, animals usually considered household pets such as cats and dogs may be kept on a lot, provided such pets shall be kept reasonably confined and provided further that the owner thereof shall be responsible for the control and conduct of such household pets so that they are not an annoyance, hindrance or nuisance to others.
22. **TRASH RECEPTACLES:** All receptacles for trash or garbage must be kept within a fence or enclosed area and hidden from view and the view of adjoining property. All receptacles must be removed from view within 24 hours of servicing.
23. **CLOTHESLINE:** Clotheslines and poles are not permitted.

24. **SCREENING OF YARD EQUIPMENT:** Lawnmowers or other lawn maintenance equipment shall be kept in a screened or an enclosed area so as not to be visible from any street or adjoining property.
25. **TELEVISION ANTENNA AND SATELLITE DISHES:** A standard roof-mounted or chimney-mounted television antenna or an 18" (or smaller) satellite dish is permissible, but no other type of antenna, satellite dish or similar device for the transmission of signals of any kind shall be erected or allowed to remain on any lot without the express written permission of the Developer or its nominee.
26. **COMPLETION OF IMPROVEMENTS:** All houses and other structures related thereto must be completed within One (1) year after the commencement of construction, except where such completion is impossible due to strikes, fires, national emergency or other natural calamity.
27. **COVENANT OF GOOD APPEARANCE AND REPAIR:** Each lot owner shall maintain the exterior of all improvements in good appearance and repair in order to assure that no condition exists which would diminish the good appearance of the property. Every owner of a vacant or unimproved lot shall keep such lot free of debris and unsightly underbrush, weeds or other unsightly vegetation. In the event that an owner shall fail to maintain a lot in a good state of repair and appearance, the Developer, or their agents or employee, shall have the right to maintain same and charge the cost thereof to the owner. No work shall be done without due and proper notice to the owner and allowance of at least thirty (30) days to correct specified deficiencies.
28. **SIGNS:** No signboards or other of any kind shall be displayed on any lot except a single "For Sale" and a builder sign, or a single "For Rent" sign. No sign shall be more than thirty inches (30) by thirty inches (30) in size, provided, however, the Developer shall have the right to use additional signs for the development of the property. The Landscape easement area shall be exempt from this provision, due to the fact that the subdivision identification signs shall be located thereon.
29. **MAINTENANCE OF STREET RIGHT-OF-WAY:** The owner of a lot shall be responsible for the planting and maintaining of the area from the property line(s) to the edge of the pavement curb of the street or streets upon which said lot abuts.
30. **FUEL TANK:** All fuel tanks or containers shall be buried underground or enclosed in a structure in a manner consistent with normal safety precautions and in accordance with the rule and regulations of appropriate governing bodies or agencies or the South Carolina Department of Health and Environment Control, whichever the case may be. Any structure to be constructed for this purpose must be of acceptable appearance and approved by the Developer in accordance with its building approval procedure as above set forth.
31. **MAIL RECEPTACLES:** Mailboxes are not allowed as USPS will only provide delivery to cluster boxes provided by developer.
32. **TEMPORARY SALES OFFICE:** The Developer shall have the right to place or erect temporary sales offices on any lot in the development for the purpose of marketing lots.
33. **TERMS OF ENFORCEMENT AND AMENDMENTS:** These Covenants, conditions, easements and restrictions shall be binding upon the Developer, its successors and assigns, upon all future owners, their respective heirs, successors and assigns, and all parties under them, until December 31, 2039, at which time the terms hereof shall be automatically extended for successive periods of ten (10) years thereafter, unless the then Owners owning at least three-fourths (3/4) of the lots in **MILLSGATE** agree in writing to terminate or change same. The terms and conditions of this instrument may be amended or changed only upon written agreement of the then Owners owning at least three-fourths (3/4) of the lots in **MILLSGATE**. Notwithstanding anything herein to the contrary, the Developer, its successors and assigns, reserve the right to waive, modify or change, in writing, any of the terms hereof with respect to the

application thereof to a lot based upon special, unique or unusual circumstances, but no such waive, modification or change shall substantially affect the overall plan of development.

EFFECT OF COVENANTS AND ENFORCEMENT:

- A. Effect of Provisions of These Covenants: Each owner, tenant and guest, their successors, heirs and assigns, and all others who take an interest in land or realty within **MILLSGATE** do promise, covenant and undertake to comply with each provision of these covenants, which provisions:
1. Shall be considered and deemed to be incorporated in each deed or other instrument by which any right, title or interest in any lot within **MILLSGATE**, is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument;
 2. Shall, by virtue of acceptance of any right, title or interest in any lot by an owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such owner to, with and for the benefit of the Developer, and all other owners, their respective heirs, successors and assigns;
 3. Shall be deemed a real covenant by the Developer for itself, its successors and assigns and also an equitable servitude, running in each case, both as to burdens and benefits, with and upon the title to each lot within **MILLSGATE**.
- B. Who May Enforce: The benefits and burdens of these covenants run with the land at law and in equity, and the Developer, their respective successors and assigns, and any owner, his heirs, successors, legal representatives, personal representative and assigns shall have the right to proceed against any party in violation of these covenants and to compel a compliance to the terms hereof and to prevent the violation or breach in any event.
- C. Against Whom May The Covenants Be Enforced: The obligation and benefits prescribed by this instrument shall run with the property and shall be enforceable against any owner, his heirs, successors and assigns, or any other person whose activities bear a relation to the property, including guests and tenants when the aforesaid persons or entities engage in activities (including omissions and failures to act) which constitute violations or attempts to violate, contravene or circumvent the terms thereof.
- D. Enforcement Remedies: In addition to the other enforcement rights mentioned herein, in the event that any structure is erected, constructed, reconstructed, altered, repaired, converted or maintained, or any structure of land use is in violation of these covenants, the Developer, its successors and assigns, or any owner may institute appropriate legal proceedings or actions at law or in equity, including but not limited to, actions: (1) to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance or use; (2) to restrain, correct or abate such violation, or breach of these covenants; (3) to prevent the occupancy of any dwelling or land; (4) to prevent any act, conduct, business, or use which is in breach of these covenants; or (5) to compel any affirmative act which, pursuant to these covenants, "shall" be performed. Any action in equity hereunder for the enforcement hereof, shall not be barred on the grounds that there may also exist an adequate remedy at law. The prevailing party in any action to enforce these restrictions shall also be entitled to reasonable attorney fees against the other party.

34. **MISCELLANEOUS:**

- A. No Waiver: Failure to enforce any provision or provisions of this instrument for any period of time by the Developer, or any owner, shall not be deemed a waiver of estoppel of the right to enforce same at any time thereafter.

- B. Captions: The captions and headings in this instrument are for convenience only and shall not be considered as controlling in construing the provisions hereof.
- C. Gender, Tense, Number and Applicability of Definitions: When necessary for proper construction, the masculine form of any word used herein shall include feminine or neuter genre, and the singular, the plural and vice versa, and words used in the present tense shall include the future tense.
- D. Savings Clause: If any provision or provisions of this instrument are found to be ineffective or unenforceable for any reason in the final judgement of any court having jurisdiction of the subject matter hereof, the remaining provisions hereof shall remain fully enforceable and binding upon the owners, their respective heirs, successors or assigns.

35. **HOMEOWNERS ASSOCIATION AND VOTING RIGHTS**

MEMBERSHIP. It is mandatory that every person or entity who is an Owner of any Lot shall be a Member of this Association. Membership shall be mandatory to and may not be separated from ownership of any Lot.

A Homeowners Association shall be established by the Developer for the purpose of enforcing the within covenants at the option of the Developer. Assessments to support purpose of the Association may be imposed upon the Lot owners by vote of its Members. The Association shall have two (2) classes of voting membership as follows:

CLASS A. Class A Members shall be those owners defined in paragraph (E) with exception of the Developer. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership by Paragraph 1. When more than one person holds such interest or in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

CLASS B. Class B Members shall be the Developer and shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of either one of the following events, whichever occurs earlier:

- A. When total votes outstanding Class A Membership equals or exceeds the total votes outstanding in Class B Membership, or
- B. January 1, 2035

Homeowners Association Dues shall be waived for the Developer until the Lots are sold. Homeowners Association Dues shall be waived for the Builders until the constructed dwelling is transferred to the Homeowner.

36. **ASSESSMENTS:**

A. **CREATION OF LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS.** Each and every owner of any Lot or Lots within the Association, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, shall be personally obligated to pay to the Association:

- 1. Annual Assessments or charges;

- 2. Special Assessments for capital improvements, such assessments to be fixed, established and collected from time to time for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement, provided that any such assessment shall have the consent of the Owners of two-thirds (2/3) of the Lots in **MILLSGATE**; and
- 3. Association collection fees, attorney's fees and court costs incurred in collecting the Assessments, or in enforcing or attempting to enforce the Declaration, By-Laws, and the Architectural Guidelines and Regulations established or amended by the Developer or the Board of Directors, when empowered.

B. ANNUAL AND SPECIAL ASSESSMENTS, together with such interest thereon, and other costs of collection, including the Association's collection fees, attorney's fees and court costs shall be a charge on the land and shall be a continuing lien upon the Lot or Lots against which such Assessments are levied. Owners of any Lot shall share in the obligation of any other Owner of that Lot and shall be jointly and severally liable for any Assessments, the costs of collection, attorney's fees and court costs attributable to that Lot.

C. EFFECT OF NONPAYMENT OF ASSESSMENT, REMEDIES OF THE ASSOCIATION: Assessments shall constitute a lien against the Lots. The Association may bring an action at law against the delinquent Owner to foreclose the lien against the Lot in the same manner as a foreclosure of a mortgage, and interest, costs and attorney's fees of such action or foreclosure shall be added to the amount of the assessment due and owing. No Owner may waive or otherwise escape liability for assessments provided for herein by not using the Common Areas or by abandoning Owner's Lot.

D. SUBORDINATION OF THE LIEN TO THE MORTGAGES. The liens provided herein shall be subordinate to the lien of any mortgage on a Lot or any mortgage of the Developer. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure shall extinguish the lien of such assessments against such Lot as to payments which became due prior to such sale or transfer pursuant to mortgage foreclosure. No sale or transfer shall relieve the purchase of such Lot from liability for any assessments thereafter becoming due.

37. RULES AND REGULATIONS:

The use of any Lot or Common Area shall be subject to the Regulations promulgated from time to time by the Developer or the Board of Directors, when empowered. The Developer may, from time to time adopt, amend, change, modify or eliminate any Regulation and may waive any violation of the Regulations, at its sole discretion, without notice to the Owners. So long as the Developer owns a Lot in the Association, Developer may: delegate, temporarily or for the period that these rights are reserved to the Developer, the rights set out herein; amend the Regulations of the Association; veto any modification to the Regulations proposed or implemented by the Association; override any attempt by the Association to enforce or implement the Regulations; and require the Association to enforce and implement any provisions of the Regulations. These Regulations may be enforced by the imposition of fines as provided for in Paragraph 38 herein in addition to any other right or remedy available under the Declaration, By-Laws, Architectural Guidelines, as well as remedies provided in law and in equity.

38. ASSESSMENT FOR NONCOMPLIANCE:

In the event of a violation or breach of the Declaration, By-Laws, Architectural Guidelines, and/or Rules and Regulations for the Association, the Developer or Board of Directors, when empowered, shall have the right to levy fines. Said fines shall constitute a lien on the property as provided in Paragraph 36, A. It is expressly agreed that the Developer or Board of Directors, when empowered, shall have the right to

levy and assess fines for violation of the Declaration, By-Laws, Architectural Guidelines, and Regulations covering the use of any Lot or Common Area.

39. **ANNEXATION:**

Subject to the approval of the owner thereof, the Developer may annex real property other than that described in the Plat entitled "MILLSGATE" recorded in Plat Book ___175___, Page ___345___ in the Office of the Register of Deeds for Spartanburg County. Annexation shall be accomplished by filing of record in the public records in Spartanburg County a Subsequent Amendment describing the property being annexed.

IN WITNESS WHEREOF, the undersigned has set his hand and seal this 27th day of February 2019.

Debra P Dube
Witness (Notary)

[Signature]
Witness

By M L G Gate, LLC
OWNER: MILLSGATE, LLC

MEMBERS:
[Signature] - member
[Signature] - member

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

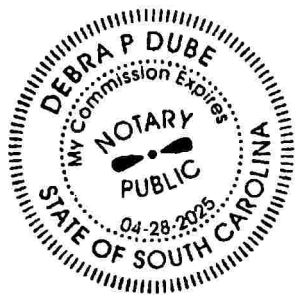
PROBATE

Personally appeared before me, the undersigned, witness who on oath states that he/she saw the above named MILLSGATE, LLC, Developer sign, seal and as his act and deed, deliver the within written Protective Covenants, Conditions, Restrictions and Easements of MILLSGATE, and he/she with the other witness subscribed above, witnessed the execution thereof. The subscribing witness is not a party to or beneficiary of the transaction.

[Signature]
Witness

Sworn to and Subscribed
Before me this 27th day of February 2019

Debra P Dube
Notary Public for South Carolina
My Commission Expires 4/28/25



- (c) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (d) Declare the office of a Director to be vacant in the event (i) such Director is absent from three (3) cumulative meetings of any Regular and/or Special Meeting of the Board of Directors and/or of the Members throughout the duration of said Director's term, so long as the meetings were duly noticed, as further defined respectively in Article V, Section V.4 and Article VII, Section VII.5 or (ii) that such Director may be removed, as further defined in Article VI, Section VI.5.
- (e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties;
- (f) Employ attorneys to represent the Association when deemed necessary;
- (g) Levy Assessments and to collect from the Members all Costs of Collection, including but not limited to court costs and reasonable attorney fees, for all infractions of the Association's Regulations, any rules established by a third party or the Developer for an area under a Cost Sharing Agreement or an agreement related to the Area of Common Responsibility, the Architectural Guidelines and Architectural Control Authority's approvals, the Declaration, Articles of Incorporation of the Association and/or these Bylaws;
- (h) Grant easements for the installation and maintenance of sewer or water lines and other utilities or drainage facilities upon, over, under, and across the Common Area without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Subdivision;
- (i) Do anything necessary or desirable, including, but not limited to, establishing any rules or regulations which the Association deems necessary to carry out the purposes of the Association as set forth herein or as permitted by law; and
- (j) To enforce the provisions of the Declaration and any additional or supplementary declaration and any rules or regulations made hereunder or thereunder and to enjoin and/or, at its discretion, seek damages or other relief for violation of such provisions or rules and/or by Special Individual Assessments against any Owner for violation of such provisions, rules, or regulations pursuant to the provisions of the Declaration.

ARTICLE IV
DUTIES OF THE BOARD OF DIRECTORS

It is the intention of the Board of Directors to lead and protect the community's financial wellbeing. With these intentions, it shall be the duty of the board of directors to:

- (a) Cause to be kept a record of all its acts and corporate affairs.
- (b) Supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed;
- (c) Annually fix the amount of the Assessments by majority vote of the Board of Directors;

- (d) Send written notice of each assessment to every Owner subject thereto before its due date; and 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;
- (e) 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.);
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) Cause the Common Areas to be maintained;
- (h) Annex additional residential property and Common Area into the Community; provided that any such annexation shall have been approved by the affirmative vote of the holders of not less than a majority of the votes of the Members present or represented at a duly called meeting at which a quorum is present;
- (i) Make, by decision of the Board of Directors, and subject to applicable law, any election of a fiscal year for the Association, as the Board of Directors shall determine from time to time;
- (j) Have and exercise any and all powers, rights, and privileges which a corporation organized under the South Carolina Nonprofit Corporation Act (S.C. Code Annotated §§ 33-31-101, et seq.) (the "Act") may now or hereafter have or exercise, including the right to enter into agreements with other associations and entities for the improvement, modification, management, maintenance, repair and replacement of the property and the Improvements thereon or of such associations or entities;
- (k) Maintain liability and hazard insurance on the Property to be procured by the Association, in amounts established by the Board of Directors in its sole discretion with insurance companies licensed to do business in South Carolina, and to enter into co- insurance or other cost sharing arrangements with other individuals or entities within or related to the Property, the Area of Common Responsibility or areas included in a Cost Sharing Agreement and;
- (l) Participate in Cost Sharing Agreements and other agreements related to the Area of Common Responsibility with other nonprofit corporations, individuals or entities, which agreements may be created, amended approved, executed or terminated by the Board of Directors.

ARTICLE V
MEMBERSHIP, MEETINGS OF MEMBERS AND VOTING

Section V.1 Membership. The Members of the Association, hereinafter referred to as "Members", shall at all times be limited to the Declarant (as defined in the Declaration), any Approved Builder, and Owners of Lots in the Subdivision.

Section V.2 Annual Meetings. The purpose of the Annual Meetings includes, but is not limited to, the election of the Board of Directors and to provide open discussion of community needs and plans. The first Annual Meeting of the Members shall be held on such date as determined by the Board of Directors. Each

subsequent Annual Meeting of the Members may be held on the same day of the same month of each year thereafter or on such other date and time as determined by the Board of Directors. If the Board of Directors fails to hold an Annual Meeting over the period of 18 consecutive months, a Special Meeting of the Members may be called and such meeting shall be considered an annual meeting. A meeting shall not constitute an Annual Meeting unless proper notice of meetings of the members is given, as defined in Section V.4, official minutes are taken and any resolutions are retained in the corporate files.

Section V.3 Special Meetings of the Members. Special meetings of the Members may be called at any time by the President or by the majority of the Board of Directors, or upon written request of the Members who are entitled to vote one-sixteenth (1/16) of all of the votes appurtenant to the Lots.

Section V.4 Notice of Meetings of the Members. Written notice of each meeting of the Members shall be given by mailing a copy of such notice by first class mail, postage prepaid, not less than thirty (30) days before the date of such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section V.5 Classes of Lots and Voting Rights. The voting rights of the Membership shall be appurtenant to the ownership of Lots. There shall be two classes of Lots with respect to voting rights:

- (a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Class A Lot.
- (b) Class B Lots. Class B Lots shall be all Lots owned by Declarant or an Approved Builder which have not been conveyed to purchasers who are not affiliated with an Approved Builder or Declarant. Declarant and an Approved Builder shall be entitled to three (3) votes for each Class B Lot which each party owns.

Section V.6 Relinquishment of Control. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (i) the date on which the last Lot in the Subdivision is transferred by deed to an entity or individual other than the Declarant or an Approved Builder;
- (ii) when Declarant and any Approved Builder elect by notice to Association in writing to convert their Class B membership to Class A membership.

Section V.7 Quorum. The presence at an Annual or Special Meeting, whether in person or by proxy, of Members entitled to cast 11.25% of the total votes of the Members of the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If a quorum is not present or represented at, specifically, any duly called and noticed Annual Meeting of the Members, the Members present at the Annual Meeting may, by majority vote, adjourn the meeting without further notice to a new date, time and place and the quorum requirement at such new meeting shall be reduced to 8.75% of the total votes of the Members of the Association. Nothing herein shall prohibit any such new Annual Meeting to be held at a later time on the same date and in the same place as the originally noticed meeting. No such subsequent Annual Meeting shall be held more than sixty

(60) days following the preceding meeting.

Section V.8 Proxies. Votes of the Members may be cast in person or by proxy. All appointments of proxies shall be by written appointment form, signed either personally or by an attorney-in-fact and filed with the Secretary of the Association prior to the vote being taken. All proxies shall be dated within eleven months prior to the Meeting and filed with the Secretary. Every proxy shall be revocable by (i) appearing at the Meeting and voting in person, (ii) filing a valid substitute proxy or cancellation of proxy with the Secretary prior to the call to order of the Meeting, (iii) conveyance by the Member of his Lot, or by (iv) receipt by the Secretary, or other officer or agent authorized to accept proxies, of factual notice of the death of the Member prior to the proxy casting a vote.

Section V.9 Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Members are present at any meeting of the Members, no notice shall be required and any business may be transacted at such meeting.

Section V.10 Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if: (i) a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book; or (ii) such action is approved by written ballot as authorized by the South Carolina Code of Laws, 1976, as amended.

Section V.11 Failure to Hold Meetings. The failure to hold an annual or regular meeting of the Members at a time stated in or fixed in accordance with these Bylaws does not affect the validity of a corporate action.

Section V.12 Voting Requirements. Unless otherwise required in these Bylaws, the Declaration, the Articles of Incorporation, the Act or other applicable law, the affirmative vote of the holders of a majority of the votes of the Members present or represented at a duly called meeting at which a quorum is present or represented, which affirmative vote also constitutes a majority of the required quorum, is the act of the Members.

Section V.13 Action by Written or Electronic Ballot.

- (a) Any action that may be taken at any annual, regular or special meeting of Members may be taken without a meeting if the Association delivers a written or electronic ballot to every Member entitled to vote on the matter.
- (b) A written or electronic ballot shall (i) set forth each proposed action; and
- (c) provide an opportunity to vote for or against each proposed action;
- (d) Approval by written or electronic ballot pursuant to this section is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot;
- (e) All solicitations for votes by written or electronic ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary

to approve each matter other than election of Directors; and (iii) specify the time by which a ballot must be received by the corporation in order to be counted.

Section VI.4 Action by Written Consent. Any action required or permitted to be approved by the Members may be taken without a meeting if the action is approved by Members holding at least fifty percent (50%) of the votes of all Members of the Association. The action must be evidenced by one or more written consents describing the action taken, signed by those Members representing at least fifty percent (50%) of the votes of all Members of the Association, and delivered to the Association for inclusion in the minutes or filing with the corporate records. Written notice of Member approval pursuant to this section must be given to all Members who have not signed the written consent. If written notice is required, Member approval pursuant to this section is effective ten (10) days after the written notice is given.

ARTICLE VI BOARD OF DIRECTORS

Section VI.1 Directors. The directors of the Association shall be a President, Vice-President, Secretary, and Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

Section VI.2 Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting.

Section VI.3 Election. Directors shall be elected at the annual meeting of the Members by written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. A board position vote that results in a tie shall be cause for an additional vote of only the position that received a tie vote.

Section VI.4 Term of Office. The term of all directors elected by the Members shall expire at the next annual meeting of Members; provided, however, the directors shall continue to serve until their successors are elected and qualified or until their earlier resignation, removal from office, incapacity as defined in South Carolina Code of Laws Title 62 "South Carolina Probate Code", or death.

Section VI.5 Removal. After the Class B Membership shall cease, any Director may be removed from the Board of Directors, with or without cause, by majority vote in a Special Meeting of the Members of the Association where a quorum is present or by majority vote in a Meeting or Special Meeting of the Board of Directors where a quorum is present. Any officer may resign at any time by giving written notice to the Board of Directors, the Treasurer, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors, if a succession plan is not further defined in the By-laws, and shall serve for the unexpired term of his predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the Board of Directors.

Section VI.6 Multiple Offices. One individual may simultaneously hold more than one office, however; the President shall not also serve as the Vice-President.

Section VI.7 Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties, so long as pre-authorization was given by majority vote in a duly noticed

meeting of the Directors where quorum was present and such pre-authorization was indicated in the minutes.

Section VI.8 Salaries of Employees and Agents. Except as provided elsewhere in these Bylaws, the Board of Directors may set the salaries of all employees and agents of the Association, if any.

Section VI.9 Duties. The duties of the officers are as follows:

President

The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise and control the management of the Association in the following respects:

- (a) Oversee all vendor contracts;
- (b) Serve as the principal point of contact for the Board of Directors when interfacing with a contracted Management Company or prospective Management Companies, unless otherwise delegated by the President;
- (c) See that orders and resolutions of the Board of Directors are carried out;
- (d) Shall sign all leases, mortgages, deeds, legal forms and other written instruments;
- (e) Shall co-sign with the Treasurer all checks and promissory notes that fall outside of the routine scope of any contracted Management Company;
- (f) Be responsible for coordinating the annual meetings of the Members.
- (g) Absorb the duties of any vacant office and delegate them as necessary.

Vice-President

The Vice-President shall act in the place and stead of the President in the event of his or her request, incapacitation as defined in South Carolina Code of Laws Title 62 "South Carolina Probate Code", or death and shall exercise and discharge such other duties as may be required of him or her by the Board of Directors. Refusal of the President to act would not permit the Vice-President to act in the place and stead of the President.

Treasurer

The Treasurer shall:

- (a) Receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, unless otherwise delegated by the President to a contracted Management Company by the Board of Directors;
- (b) Co-sign with the President all checks and promissory notes of the Association that fall outside of the monthly and yearly contracts and bill payments paid by the contracted Management Company;
- (c) Keep proper books of account;

- (d) Cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year;
- (e) Prepare an annual budget and a statement of income and expenditures that may be presented to the membership at its regular annual meeting;
- (f) Deliver a copy of each to the Members in an annual letter, unless otherwise delegated by the President;
- (g) Serve as the Vice-President if a Vice-President is not specified in the corporate files.

Secretary

The Secretary shall:

- (a) Record the votes;
- (b) Keep the minutes of all meetings and proceedings of the Board of Directors and of the Members;
- (c) Keep the corporate seal of the Association (provided that the Association chooses to have such a seal, pursuant to Article XII of these Bylaws) and affix it on all papers requiring said seal;
- (d) Serve notice of meetings of the Board of Directors and of the Members, unless otherwise delegated by the President to a contracted management company;
- (e) Keep appropriate current records showing the members of the Association together with their addresses, unless otherwise delegated by the President to a contracted management company;
- (f) Perform such other duties as required by the Board of Directors;
- (g) Serve as the Vice-President if a Vice-President is not specified in the corporate files and the Treasurer is unavailable, as stated by written notice of the Treasurer.

ARTICLE VII
MEETINGS OF DIRECTORS

Section VII.1 Regular Meetings of the Board of Directors. Meetings of the Board of Directors may be held on a regular basis as often as the Board of Directors see fit by audio phone, in-person, or by video teleconference, on such days and at such place and hour as may or may not be fixed from time to time by resolution of the Board of Directors. Resolutions and any other transactions of business may take place in Regular Meetings of the Board of Directors. Minutes must be taken.

Section VII.2 Special Meetings of the Board of Directors. Special meeting of the Board of Directors may be held as often as the Board of Directors see fit by audio phone, in-person, or by video teleconference; however, no more than two (2) Special Meetings held within seven (7) days can be counted towards the three (3) absences referenced in the cumulative absence rule identified in Article III (d). Resolutions and any other transactions of business may take place in Special Meetings of the Board of Directors. Minutes must be taken.

Section VII.3 Quorum at Regular Meetings of the Board of Directors. A majority of the number of

Directors shall constitute a quorum for the transaction of business conducted in a Regular Meeting by the Board of Directors, so long as the conditions of proper notice are met, as described in Section VII.5. Every act or decision authorized by a majority of the Directors present at a duly held meeting at which a quorum is present and the aforementioned standards are met shall be regarded as an act of the Board of Directors.

Section VII.4 **Quorum at Special Meetings of the Board of Directors.** A majority of the number of Directors shall constitute a quorum for the transaction of business by the Board of Directors conducted in a Special Meeting, so long as the conditions of proper notice are met, as described in the next section.

Section VII.5 **Notice of Meetings of the Board of Directors.** Regular Meetings and Special Meetings of the Board of Directors shall be called by (i) verbal announcement at the close of a prior meeting and recorded in the minutes or (ii) at least one Director via written notice sent to all Directors not less than one (1) hour before the time of such meeting. Written notice shall be email and/or text message for the purposes of this Article.

ARTICLE VIII
COMMITTEES AND ARCHITECTURAL CONTROL AUTHORITY

The Board of Directors by majority vote may, without approval of the Owners/Members, their mortgagees, and the Association, appoint and remove the members of any Architectural Control Authority for the community. In addition, the Board of Directors may, without approval of the Owners/Members, their mortgagees, and the Association, appoint and remove the members of any other committees as deemed appropriate in carrying out its purpose. Members of committees, as such, shall not receive any salary or compensation for their services; provided, however, that a committee member may serve the Association in another capacity and receive compensation therefor.

ARTICLE IX
BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration (along with any amendments thereto or Supplemental Declaration(s) recorded on or after the date of these Bylaws), the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost. The Association may charge reasonable fees for the time and cost incurred in providing the records for inspection or copies of the books and records. In lieu of inspection and at the option of the Association, it may provide copies of the requested books and records to the Member either electronically or by paper copies, at the Member's cost.

ARTICLE X
FUNDS AND BONDS

Section XI **Payments and Depositories.** All monies collected by the Association shall be treated as the separate property of the Association and such monies may be applied by the said Association to the payment of any of the expenses of operating and managing the Association, or to the proper undertaking of all acts and duties imposed upon it by virtue of these Bylaws, the Articles of Incorporation of the Association and the Declaration. As Assessments are paid to the Association by any Owner of a Lot, the same may be commingled with the Assessments paid to the Association by the other Owners of Lots. All funds and other assets of the Association, and any increments thereto or profits derived therefrom, or from the leasing or

use of the Common Areas, Areas of Common Responsibility or areas included in a Cost Sharing Agreement shall be held for the benefit of the Members of the Association.

The depository of the Association shall be such bank or other federally insured depository institution as shall be designated from time to time by the Board of Directors and in which the funds of the Association shall be deposited. Withdrawal of funds from such accounts shall only be by checks signed by such persons as are authorized by the Board of Directors.

In the event the Board of Directors uses funds collected and held in the Association's reserve account(s), the Board of Directors shall have the option, in its sole discretion and without notice to the Members, to replenish (in whole or in part) or not to replenish said reserve account(s).

Section X.2 **Bonds.** At the discretion of the Board of Directors, fidelity bonds may be required on all members of the Board of Directors, the officers of the Association and any other persons, employees or entities handling or responsible for the funds of the Association. The amounts of such bonds shall be determined by the Board of Directors. Unless verification that the bonds have been provided by such person or entity is obtained by or provided for the Board of Directors, the premiums for these bonds shall be paid by the Association as a common expense.

ARTICLE XI
ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay Assessments to the Association, as defined in the Declaration. Any Assessments which are not paid when due shall be delinquent. Any Assessment not paid within thirty (30) days after the due date, as set forth in the Declaration, shall be subject to a \$25 late fee and shall bear interest from the due date at the rate of fifteen percent (15%) per annum and the Association may bring an action at law or in equity against the Member personally obligated to pay the same or foreclose the lien against the Lot subject to the Assessment in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages, and interest, costs, and reasonable attorneys' fees for representation of the Association in such an action or foreclosure shall be added to the amount of such Assessment. The late charges, costs of collection, and reasonable attorneys' fees related to any such action shall be added to the amount of such assessment, all in accordance with the provisions of the Declaration. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of the Subdivision (including but not limited to the Common Area(s)) or abandonment of his or her Lot nor shall damage to or destruction of any Improvements on any Lot by fire or other casualty result in any abatement or diminution of the Assessments.

ARTICLE XII
CORPORATE SEAL

The Association may, but is not required by law, to have a seal in circular form.

ARTICLE XIII
AMENDMENTS

Section XIII.1 **Amendment by Board of Directors or Members.** These Bylaws may be amended at a Regular Meeting or a Special Meeting of the Board of Directors or an Annual or Special Meeting of the Members, by a vote of at least two-thirds (2/3) of all votes present at a duly held meeting at which a quorum

is present in person or by proxy. An Amendment to the Bylaws must be signed by the President and one additional Officer.

Section XIII.2 **Conflict with Articles or Declaration.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Bylaws shall control. In the case of any conflict between these Bylaws and the South Carolina Nonprofit Act (the "Act"), the Act shall control.

ARTICLE XIV
FISCAL YEAR

The fiscal year of the Association shall be the calendar year and shall begin on the first day of January and end on the 31st day of December of every year, unless otherwise determined by the Board of Directors in the corporate files, except that the first fiscal year shall begin on the date of incorporation and end on the 31st day of December of the year of incorporation.

ARTICLE XV
INDEMNIFICATION OF DIRECTORS AND OFFICERS

To the extent permitted by law, the Association shall indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him or her in connection with the defense of or as a consequence of any threatened, pending, or completed action, suit, or proceeding (whether civil or criminal) in which he or she is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he or she shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty, or in relation to a proceeding by or for the right of the Association in which a director or officer was adjudged liable to the Association or in relation to a proceeding where a director or officer was adjudged liable on the basis that personal benefit was improperly received by that director or officer.

The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owner(s).

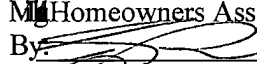
The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute.

The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust, or other enterprise.

Nothing contained in this Article or elsewhere in these Bylaws shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

I, Sara Ramirez, as President of the Association do hereby adopt and approve the foregoing Bylaws, this 10th day of November, 2023.

M Homeowners Ass
By: 
Sara Ramirez
President

