

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WINDCREST TOWNHOMES

THE STATE OF TEXAS)
COUNTY OF GILLESPIE)

THIS DECLARATION, made on the date hereinafter set forth by UNIVERSITY SAVINGS ASSOCIATION, a Texas savings and loan association, of Harris County, Texas, acting herein by and through its duly authorized officers, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of that certain property known as WINDCREST TOWNHOMES, located in the County of Gillespie, State of Texas, being that portion of certain residential subdivision known as WINDCREST, a Planned Development, in Gillespie County, Texas, described in the plat recorded in Volume 1, Page 71 of the Plat Records of Gillespie County, Texas, and that portion of such Planned Development designated as "Common Area B-1" containing .626 acre described in the plat recorded in Volume 1, Page 72 of the Plat Records of Gillespie County, Texas; and

WHEREAS, it is deemed to be in the best interests of Declarant and any other persons who may purchase property in WINDCREST TOWNHOMES that there be established and maintained a uniform plan for the improvement and development of WINDCREST TOWNHOMES as a highly restricted and modern townhouse subdivision of the highest quality.

NOW, THEREFORE, Declarant hereby declares that all of the properties described hereinabove shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to WINDCREST TOWNHOMES ASSOCIATION, INC., a Texas Non-Profit Corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Building Plot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property described in the plat recorded in Volume 1, Page 71 of the Plat Records of Gillespie County, Texas, and that portion of WINDCREST, a Planned Development, designated as "Common Area B-1" containing .626 acre described in the plat recorded in Volume 1, Page 72 of the Plat Records of Gillespie County, Texas.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first Building Plot to an Owner other than Declarant shall refer to those areas of land (designated "Common Area") within the Properties as shown upon the plat recorded in Volume 1, Pages 71 and 72 of the Plat Records of Gillespie County, Texas, together with all improvements situated thereon, except the individual Building Plots or Lots hereinbelow described, subject, however, to the easements,

limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the recorded subdivision map.

Section 5. “Building Plot” or “Lot” shall mean and refer to each of the individual tracts of land or re-subdivision of same, into which the Properties, excepting the Common Area, shall be divided for the location of townhouses thereon for individual use and ownership, as shown on the plat recorded in Volume 1, Page 71 of the Plat Records of Gillespie County, Texas.

Section 6. “Declarant” shall mean and refer to UNIVERSITY SAVINGS ASSOCIATION, its successors and assigns if such successors and assigns should acquire more than one undeveloped Building Plot from the Declarant for the purpose of development.

ARTICLE II PROPERTY RIGHTS

Section 1. Owner’s Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Building Plot, subject to the following provisions:

- (a) The right of the Association to make, publish and enforce reasonable Rules and Regulations for the use of the Common Area and any facilities situated thereon;
- (b) the right of the Association to suspend the right to use of the facilities owned or operated by the Association by the Owner for any period during which any assessment against his Building Plot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations;
- (c) the right of the Association to grant or dedicate any part of the TOWNHOMES and WINDCREST PATIO HOMES, and payable to either Common Area to any public agency, authority, or utility for any service to the Properties or any part thereof;
- (d) the right of the Association to limit the number of guests of Owners using any portion of the Common Area and any facilities located thereon;
- (e) the right of the Association, in accordance with its Articles of Incorporation or By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property. The rights of any such mortgagee in such properties shall be subordinate to the rights of the Owners hereunder;
- (f) the right of the Association to contract for exclusive services such as water, sanitary sewage and trash collection to each Building Plot; and
- (g) the right of the Association to charge reasonable fees for the use of any recreational facilities situated on the Common Area.

Section 2. Delegations of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Delegation of Owner’s Use of Common Area. Regarding an Owner’s delegation of his rights of enjoyment to the Common Areas and facilities as provided for in Article II, Section 2 of this Declaration, no such delegation shall work a severance of the rights of enjoyment of the Common Areas and facilities from the ownership of a Building Plot and any such delegation by any owner shall automatically terminate upon conveyance of legal title to such Building Plot by said owner.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Every owner of a Building Plot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Building Plot which is subject to assessment.

Section 2. Voting Rights. Members shall be entitled to one (1) vote for each Building Plot owned. When more than one person holds an interest in any Building Plot, all such persons shall be members. The vote for such Building Plot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Building Plot.

ARTICLE IV COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation or Assessments. The Declarant, for each Building Plot owned within the properties, hereby covenants, and each Owner of any Building Plot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as herein after provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be secured by a continuing Vendor's Lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties; the improvement, operation, administration, management, preservation and maintenance of the Common Area and any part thereof; the payment of all expenses and obligations lawfully incurred by the Association in connection with the Common Area or services for all Building Plots. It being understood that the judgment of the Board of Directors of the Association in establishing annual assessments, special assessments and other charges and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Building Plot to an Owner, the maximum annual assessment shall be FIVE HUNDRED FORTY AND NO/100 (\$540.00) DOLLARS for each Building Plot, which shall be due and payable as provided hereinafter.

(a) From and after January 1 of the year immediately following the conveyance of the first Building Plot to an Owner, the maximum annual assessment may be increased each year not more than 15% (such percentage increase may be cumulative from year to year) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1st of the year immediately following the conveyance of the first Building Plot to an Owner, the maximum annual assessment may be increased above 15% by the vote of written assent of at least 51% of the members.

The Board of Directors shall fix the annual assessment at an amount not in excess of the maximum annual assessment permitted under this provision, unless the same has been approved by the vote of the owners of at least fifty percent (50%) of the residential units.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that

year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of a majority of each class of members.

Section 5. Notice and Quorum For Any Action Authorized Under Sections 3 and 4. Any action authorized under Sections 3 or 4 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite majority of each class of members, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than 30 days from the date of such meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for all building plots as follows:

- (a) Building plots owned by an owner which have not been improved by a permanent residence - fifty percent (50%); and
- (b) Building plots with a completed residence- one hundred percent (100%).

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Building Plots on the date (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Building Plot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Building Plot have been paid .

Section 8. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Building Plot. Interest, costs and reasonable attorneys' fees incurred in any such action shall be added to the amount of such assessment or charge. Each such Owner, by his acceptance of a deed to a Building Plot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all Building Plot owners. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Building Plot.

Section 9. Subordination of the Lien to Mortgages. The Vendor's Lien securing payment of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages granted or created by the Owner of any Building Plot to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such Building Plot . Sale or transfer of any Building Plot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Building Plot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments .

Section 11. Insurance.

(a) The Board of Directors of the Association shall obtain and continue in effect blanket property insurance to insure the buildings and structures in the Common Areas and the Association against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions, and said insurance may include coverage against vandalism.

(b) The Board of Directors of the Association shall obtain comprehensive public liability insurance in such limits as it shall deem desirable, insuring the Association, its Board of Directors, agents and employees, and each Owner, from and against liability in connection with the Common Areas.

(c) Each owner shall obtain and purchase at his own expense and cost a condominium insurance policy covering the contents of his own residence and improvements thereto not covered by the insurance obtained by the association as set forth in sub-paragraph (d) of this Section. Such insurance shall include coverage for any decorations, furnishings and personal property therein and for his personal property stored elsewhere and for his personal liability not covered by liability insurance for all owners obtained as a part of the common expense.

(d) The Board of Directors of the Association, or its duly authorized agent, shall obtain and provide insurance for all cluster townhouses against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard. Such coverage shall include permanently installed machinery and equipment, fixtures, improvements and alterations that are a part of the building or structure and appliances such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping. All such insurance coverage shall be written in the name of the Association as Trustee for the townhouse owner. Premiums for insurance obtained by the Board of Directors on individual townhouses shall not be part of common expense but shall be an expense of the specific townhouse or townhouses covered and a debt owed by the Owner and shall be collectible by any lawful procedure permitted by the laws of the State of Texas. In addition, if said debt is not paid within thirty (30) days after notice of such debt, such amount shall automatically become a lien upon such Owner's building plot and townhouse and shall continue to be a lien until fully paid. This lien shall be subordinate to the lien of any purchase money and/or improvement mortgages and shall be enforceable in the same manner as any lien created by failure to pay the maintenance assessments. In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, the Board of Directors, shall, with concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal government agency, with the proviso agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly, the Board of Directors shall levy a special assessment against all owners of the damaged townhouses in such proportions as the Board of Directors deems fair and equitable in the light of the damage sustained by such townhouses to make up any deficiency, except that the special assessment shall be levied against all townhouse owners, as established by Article IV, Section 1 above, to make up any deficiency for repair or rebuilding of the Common Area not a physical part of a

townhouse unit. In the event that such insurance proceeds exceed the cost of the respective mortgagees and owners of the damaged townhouses in such proportions as the Board of Directors deems fair and equitable in the light of the damage sustained by such townhouses.

(e) Owners of individual townhomes shall not have the option to obtain separate hazard insurance on their townhomes standing, shall be accompanied by drawings and specifications prepared by an architect duly registered in the State of Texas and further said architect shall be responsible for on-site supervision of each project from commencement through completion, with all architectural costs to be borne by the person or entity making the request for Board of Directors' approval.

(f) All costs, charges and premiums for all insurance that the Board of Directors authorized as provided herein, except on the individual townhouses, shall be a common expense of all Owners and be a part of the maintenance assessment.

Section 12. Taxes. Each Owner shall directly render for taxation his own Building Plot and improvements and property thereon, and shall at his own cost and expense directly pay all taxes, levied or assessed against or upon his Building Plot and improvements and property thereon. The Association shall render for taxation and as part of the common expenses of all Owners shall pay all taxes levied or assessed against or upon the Common Area and the improvements and property appertaining thereto.

Section 13. Utility Bills.

(a) **Obligation of the Owners.** Each Owner shall have his separate electric and water meter and shall directly pay at his own cost and expense for all electricity, water, sanitary sewer service, telephone service, cable television and other utilities used or consumed by him on his Lot.

(b) **Obligation of the Association.** The Association shall pay as a common expense of all Owners, for all water, electricity and other utilities used in connection with the enjoyment and operation of the Common Area or any part thereof.

ARTICLE V ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, heights, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association as recommended by the Architectural Committee composed of three (3) or more representatives appointed by the Board.

Section 2. All requests for approval of new construction, additions to existing townhomes or exterior alterations to existing townhomes, whether cluster or free-standing.

Section 3. The Architectural Committee shall not recommend approval of any construction project, neither new construction nor addition, without first reviewing the drawings and specifications as provided by an architect licensed in the State of Texas and assuring the Board of Directors that the project will meet reasonable standards for high quality, low maintenance construction.

Section 4. In the event said Board fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI MAINTENANCE AND REPAIRS

Section 1. Definition. In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Building Plot which is subject to assessment hereunder as follows: paint, repair, replace (but not in the event of fire, or other casualty loss normally covered by insurance on the premises) and care for roofs, gutters and downspouts, (if any), exterior building surfaces, fences, trees, shrubs, grass, walks, water distribution system owned by the Association, and other exterior improvements. Such exterior maintenance shall not include: glass surfaces, enclosed patio areas (if any), windows and doors and their fixtures of hardware, landscaping installed by Owner (if any), exterior light fixtures operated from a residence, and air conditioning equipment, circuit breakers and switch panels, sewer, gas and electric power service lines.

Section 2. Owner's Maintenance. The Owner shall maintain and keep in repair the following equipment and lines located outside the residence: air conditioning compressor condenser, including pipes and electrical lines connecting same to the residence, sanitary sewer line connecting the residence to the sanitary sewer collection system, electric circuit breakers, any portion of natural gas, and/ or telephone service lines located on the Building Plot but not maintained by the gas and/or telephone companies; provided, however, that any lines, pipes, wires, conduits or systems running through a residence which serve one or more other residences and which are not maintained by any utility company, shall be operated, repaired and maintained by the Association, and shall not be disturbed or relocated by an Owner without the written consent and approval of Declarant or the Association.

An Owner shall do no act nor any work that will impair the structural soundness or integrity of another residence or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other residences or their Owners.

Section 3. Neglect of Owner. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family or guests, invitees, employees or agents, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Building Plot is subject .

Section 4. Authority of Association. In the event an Owner is responsible for certain exterior maintenance as set forth in the Rules and Regulations of the Association and such Owner shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by at least two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Building Plot and to repair, maintain and restore the Building Plot and any improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Building Plot is subject. The Association, the architectural control committee, and their agents/ representatives shall not be subject to any liability for trespass, other tort or damages in connection with or arising from exercise of this remedy.

ARTICLE VII PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Building Plots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. If a wall which is intended as a party wall is situated entirely or partly on one townhouse building plot instead of on the dividing line between townhouse building plots, due to error in construction, such wall shall nevertheless be deemed to be on the dividing line and shall constitute a party wall for the purposes of this Article. Reciprocal easements shall exist upon and in favor of the adjoining townhouse building plots for the maintenance, repair and reconstruction of party walls.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against the elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. Should any party refuse to choose an arbitrator within ten (10) days after written request therefor, the Board of Directors of the Association shall select an arbitrator for the refusing party.

ARTICLE VIII RE-SUBDIVIDING OF BUILDING PLOTS

Any Building Plot or part hereof may be re-subdivided or consolidated with any adjoining Building Plot or Building Plots or parts thereof to constitute a single Building Plot on which a residence may be constructed, provided that the same shall be approved by the Board of Directors. Each building plot or part thereof so re-subdivided or consolidated shall be subject to the uniform rate of assessment as set forth in Article IV Section 6 as though no re-subdivision or consolidation had occurred.

ARTICLE IX USE RESTRICTIONS

The Building Plots and the Common Area shall be occupied and used as follows:

Section 1. Residential Use. No Owner shall occupy or use his Building Plot or building thereon, or permit the same or any part thereof to be occupied or used for any purpose other than as a private single family residence for the Owner, his family, guests and tenants of not less than 1,186 square feet of floor area, measured through the exterior walls of the building. All Building Plots or buildings thereon shall be occupied by a single family and shall be used for residential purposes only. "Single Family" shall mean and refer to: (i) a group related by blood, adoption (including foster children), or marriage, which may include only parents, their children, their dependent brothers or sisters, their parents, and/or their grandparents; or (ii) no more than two (2) unrelated partners living together as a family unit and their children (including foster children), their dependent brothers and sisters, their parents, and/or their grandparents. "Residential" purposes does not include and shall be construed to exclude any business, commercial or industrial activities. In addition, "Residential" purposes hereby expressly excludes: apartment houses, boarding houses, bed & breakfasts, Airbnb, vacation rentals by owner (VRBO), HomeLink, HomeExchange, Intervac, Love Home Swap, CasaHop or any similar companies advertising and/ or offering short-term rentals, or weekend or special event rentals. The exclusions noted herein above shall supersede any other provision to the contrary in this Declaration.

No Building Plot shall otherwise be used or occupied for any business, commercial, trade or professional purposes either apart from or in connection with the use thereof as a residence. "Business" purposes hereby expressly includes: apartment houses, boarding houses, bed & breakfasts, Airbnb, vacation rentals by owner (VRBO), HomeLink, HomeExchange, Intervac, Love Home Swap, CasaHop or any similar companies advertising and/or offering short-term rentals, or weekend or special event rentals. Nothing in this paragraph shall be construed to permit any activity or use prohibited in the preceding paragraph or expand upon the definition of "Residential" purposes.

Section 2. Obstruction of Common Area. There shall be no obstruction of the Common Area. Nothing shall be stored in the Common Area without the prior written consent of the Board of Directors.

Section 3. Insurance. Nothing shall be done or kept in the Common Area which will increase the rate of insurance on the Common Area, without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in the Common Area which will result in the cancellation of insurance on any part of the Common Area, or which would be in violation of any law. No waste will be committed in the Common Area.

Section 4. Nuisances. No noxious or offensive activity shall be carried on upon any Building Plot, or the Common Area, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the other Owners. No repair work, dismantling or assembling of motor vehicles or any other machinery or equipment shall be permitted in any street, driveway or yard adjacent to a street, or in the Common Area. No vehicle shall be parked on streets or driveways so as to obstruct ingress and egress by the Owners of Building Plots, their families, guests and invitees except for the reasonable needs of emergency, construction, or service vehicles for a time limited to as briefly as possible. For a period not to exceed forty-eight (48) hours, family, guests and invitees of Owners of Building Building Plots may park their vehicles in the guest parking areas.

Guest parking areas are not intended for use by the Owners of Building Plots for parking or storing boats, trailers, camping units, or any personal vehicles and the Architectural Control Committee may insure the proper use of said areas in such legal manner as it deems necessary.

Section 5. Temporary Structures. No structures of a temporary character, trailer, basement, tent, shack, barn, servants quarters or other out buildings shall be used on any Building Plot at any time as a residence either temporarily or permanently; nor shall any used residence or other used structure be moved onto any Building Plot. During the construction and sales period of the initial dwelling units the builder may erect and maintain such structures as is customary in connection with such construction and sale of such property, including, but without limitation, a business office, storage areas, construction yards, signs, model units and sales offices.

Section 6. Signs. No advertisement, poster or sign of any kind shall be displayed to public view on any Building Plot or Building, except that one sign of not more than five (5) square feet in area advertising the merits of the property for sale or rent may be displayed on such Building Plot. During the construction and initial sales period of the dwelling units the builder may use other signs and displays to advertise the merits of the property for sale or rent.

Section 7. Oil and Mining Operations. No gas or oil drilling, gas or oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Building Plot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Building Plot.

Section 8. Livestock and Poultry. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Building Plot, except that dogs, cats or other household pets, not to exceed a total of two (2)

pets, may be kept provided that they shall not become a nuisance and are not kept, bred, or maintained for any commercial purposes.

Section 9. Garbage and Refuse Disposal. No Building Plot shall be used or maintained as dumping ground for rubbish. Trash, garbage or other waste shall be kept screened by adequate planting or fencing so as to conceal them from public view. There is reserved in favor of the Association the determination of the method of garbage disposal, that is, whether it shall be through public authority or through private garbage disposal contractor(s). All equipment for the storage or disposal of such materials shall be kept in clean and sanitary condition.

Section 10. Sewage and Water. No sewage treatment system nor water well shall be permitted on any Building Plot.

Section 11. Use of Common Area. Except in enclosed areas on a Building Plot, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Properties except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Association's Board of Directors or their designated architectural committee. Except for the right of ingress and egress and the right and easement of enjoyment as defined herein, the Owners are hereby prohibited and restricted from using any of the Properties outside the interior property lines of each Building Plot, except as may be allowed by the Association's Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all Owners of the Properties, and any additions thereto, and is necessary for the protection of said Owners. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the Common Area and the exteriors and roofs of the residences, including but not limited to, parking areas and walks, shall be taken by the Board of Directors or by its duly delegated representatives.

Section 12. Outside Antennas. Without prior written approval of the Board of Directors, no exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Properties, nor upon any structure situated upon the Properties other than an aerial for a master antenna system, should any such master system or systems be utilized and require any such exterior antenna.

Section 13. [THIS SECTION INTENTIONALLY LEFT BLANK]

Section 14. Annoyance. No activity shall be carried on upon any Building Plot or the Common Area which might reasonably be considered as giving annoyance to neighbors of ordinary sensibilities and which might be calculated to reduce the desirability of the Properties as a residential neighborhood, even though such activity be in the nature of a hobby and not carried on for profit. The Board of Directors of the Association shall have the sole and exclusive discretion to determine what constitutes an annoyance .

Section 15. Unsightly Objects. Each Owner shall keep clean and in good condition and repair the windows and interiors of his residence and shall not permit garments, rugs, laundry or other unsightly items to extend from or be placed outside of his residence, including but not limited to over windows or on patios and balconies. No aluminum foil or similar reflective material shall be used or placed over doors or windows. All draperies or curtains shall be fully lined with an off-white fabric of sufficient thickness to provide exterior harmony with surrounding residences. No Owner or other occupant of any residence shall make any alteration, modification or improvement, nor add any awnings, patio covers or other devices to any residences except with the written consent of the Association. No unsightly objects which might reasonably be considered to give annoyance to neighbors of ordinary sensibilities shall be placed or allowed to remain in any yard or on any patio or balcony. The Association shall have the sole and exclusive discretion to determine what constitutes an unsightly object.

ARTICLE X EASEMENTS

Section 1. Construction. Each Building Plot and the Property included in the Common Area shall be subject to an easement for encroachments created by construction, settling and overhangs. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event bonded, as it may deem appropriate;

- (g) cause the Common Area to be maintained;
- (h) cause the exterior of the dwellings to be maintained; and
- (i) cause the commission of a reserve fund study by a qualified professional for guidance in the preparation of the 1998 budget and budgets thereafter and for the commission of subsequent Reserve Fund Studies at least every four (4) years thereafter for guidance in the subsequent budgets.

The Association may charge a reasonable fee to assemble, copy and deliver the information required herein, and may charge a reasonable fee to prepare and deliver an update of a resale certificate.

Section 2. Utility, Emergency and Association. There is hereby created a blanket and perpetual easement upon, across, over, under and above all of the Properties for ingress, egress, installations, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones and electricity, and a master television antenna system, if any such system is installed. By virtue of this easement, it shall be expressly permissible for the providing electric and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said residences. An easement is further granted to all police, fire protection, ambulance, garbage and trash collector pick-up vehicles and all similar persons to enter upon the Common Area in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or cross over the Common Area and any Building Plot to perform the duties of maintenance and repair of the residence or Common Area provided for herein. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties except as initially programmed and approved by the Declarant or thereafter approved by Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant or the Association shall have the right to grant such easement without conflicting with the terms hereof. The easements provided for in this Article shall in no way affect any other recorded easement on said premises.

Section 3. Use of Easements. Easements for underground utility services may be crossed by driveways and walkways provided the Declarant makes prior arrangements with the utility furnishing service. Such easements for underground services shall be kept clear of all other improvements, including building, patios, or other pavings, other than crossing walkways or driveways, and neither Declarant nor any utility Company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees, or servants, to shrubbery, trees, flowers, or other improvements of the Owner located on the land covered by said easements.

Section 4. Changes and Additions to Easements. The Declarant reserves the right to make minor changes and additions to the above easements, as to any Building Plots owned by it, for the purpose of efficiently and economically installing and operating above mentioned utilities.

ARTICLE XI LEASES & RESERVE FUND

Section 1. Leases. The residence constructed on a Building Plot shall only be rented or leased for Single Family Residential purposes (as defined in Article IX, Section 1). The term of such rental or lease agreement shall only be for a period of no less than six (6) months. An Owner shall not permit more than two (2) rental or lease agreements in any one (1) year period for a particular Building Plot. All rental or lease agreements shall be in writing. Owners shall ensure that any such lease or rental agreement shall expressly state that the lease agreement is subject in all respects to the Declaration, Bylaws, Articles of Incorporation, rules and regulations, and any amendment thereto or other document of record governing the Association. Lease or rental agreements shall further provide that any failure by the lessee/renter to comply with the terms of the Declaration, Bylaws, Articles of Incorporation, rules and regulations, and any amendment thereto or other document of record governing the Association, shall constitute a breach of the agreement. The Owner shall provide to each renter/lessee copies of the Declaration, Bylaws, Articles of Incorporation, rules and regulations, and any other document of record governing the Association. Notice of any rental or lease, together with such additional information as may be required by the Board of Directors, shall be remitted to the Association by the Owner on or before the expiration of ten (10) days after the effective date of the rental or lease agreement. Pursuant to Section 209.016 of the Texas Property Code (as may be amended), an Owner may redact or otherwise make unreadable or indecipherable any sensitive personal information in the lease/rental agreement. All rental or lease agreements shall be for the entire residence. Individual rooms within the residence shall not be rented or leased separately.

Section 2. Management Agreements. Any management agreement entered into by the Association will be terminable by the Association for cause upon not more than thirty (30) days' written notice, and the term of such management agreement will not exceed the period of one (1) year, renewable by agreement of the parties to such agreement for successive one (1) year periods.

Section 3. Reserve Fund. The Association shall establish an adequate reserve fund for the payment of all expenses and obligations lawfully incurred by the Association in connection with the Common Area or services for all Building Plots and shall fund the same by regular monthly payments.

ARTICLE XII GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Duration. The rights, use easements and privileges of the Owners in and to the Common Area as provided for herein shall be deemed to be covenants running with the land and shall be of perpetual duration. All other provisions, restrictions, covenants and conditions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended, modified or terminated so long as the amendment, modification or extinguishment has been approved by at least sixty-seven percent (67%) of the by the Owners of the Building Plots. For the amendment, modification or termination to be effective, an instrument must be recorded in the Official Public Records of Real Property of Gillespie County, Texas.

Section 4. Rights of Mortgagees, Trustees or Lienholders. No violations of any of these restrictions, covenants or conditions, shall affect or impair the rights of any Mortgagee, Trustee or Lienholder under any mortgage or deed of trust, or the rights of any assignee of any Mortgagee, Trustee or Lienholder under any such mortgage or deed of trust.

Section 5. Dedications. The plat of WINDCREST, recorded in Volume 1, Page 71 of the Plat Records of Gillespie County, Texas, dedicates for public use as such, subject to the limitations set forth therein, certain streets shown thereon, and such plat, establishes certain dedications, limitations, reservations and restrictions applicable to the Properties. Easements affecting the Properties are hereby reserved as shown on the recorded plat referred to for the installation, operation and maintenance of utilities and drainage facilities. All dedications, limitations, restrictions and reservations shown on said plat are incorporated herein and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant, conveying said property or any part thereof.

Section 6. Recreational Facilities. The Properties are subject to that certain Reciprocal Use Agreement filed for record in the Deed Records of Gillespie County, Texas, in Volume 140, Pages 489-494. Said Reciprocal Use Agreement governs the use of the swimming pool, community building, tennis courts and other recreational facilities constructed, or to be constructed, upon Common Areas "B-1" and "C" in WINDCREST, a Planned Development, for the use and benefit and enjoyment of all owners of residential units located, or to be located, on the Properties, and by the owners of all residential units located, or to be located, on the adjacent subdivision known as WINDCREST PATIO HOMES. Said Reciprocal Use Agreement apportions and assesses all expenses of operation and maintenance of said recreational facilities among the owners of residential units located on the Properties and the said adjacent subdivision. Reference is made to said Reciprocal Use Agreement for a more particular description of the rights and obligations contained therein, and said Reciprocal Use Agreement is hereby incorporated herein by reference for all purposes.

Section 7. Condemnation. If part or all of the common area shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board of Directors shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation issues affecting such common area. The Owners may by vote of 75%, or more, of the total voting power hereunder, agree to distribute the proceeds of any condemnation or taking by eminent domain to each Owner and his Mortgagee, if any, as their interest may appear. In the event that the Owners shall not so agree, such proceeds shall be added to the funds of the Association, and the Association shall decide on whether or not to replace or restore, as far as possible, the common area so taken or damaged.

The Association shall give timely notice of the existence of such proceedings to all Owners and their Mortgagees, if any. The expense of participation in such proceedings shall be a common expense chargeable to the Owners.

**AMENDED BY-LAWS OF
WINDCREST TOWNHOMES ASSOCIATION, INC.**

ARTICLE I NAME AND LOCATION

The name of the corporation is WINDCREST TOWNHOMES ASSOCIATION,

INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 400 Summit Circle, Fredericksburg, Texas, but meetings of members and directors may be held at such places within the State of Texas, County of Gillespie, as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

Section 1. "Association" shall mean and refer to WINDCREST TOWNHOMES ASSOCIATION, INC., a Texas Non-Profit Corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Building Plot" shall mean and refer to each of the individual tracts of land or resubdivision of same into which the property, excepting the Common Area, has been divided for the construction of townhouses thereon for individual use and ownership.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Building Plot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to UNIVERSITY SAVINGS ASSOCIATION, its successors and assigns.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the Office of the County Clerk of Gillespie County, Texas.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III MEMBERS AND ORGANIZATION

Section 1. Members. There shall be two classes of membership in the Association as provided in the Declaration and Articles of Incorporation, until such time as the Class B membership has ceased and been converted to Class A.

Section 2. Annual Meetings. The annual meeting of the members shall be held on the 1st Monday of December in each year, beginning with the year 2013 at the hour of 5:30 o'clock, P.M., and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 5:30 o'clock, PM. If the day of the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 3. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the membership.

Section 4. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 but not more than 30 days before 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. In lieu of such written notice, the secretary or person authorized to call a meeting, may give the required notice by electronic mail to each member entitled to vote thereat provided such member(s) has furnished an electronic mailing address to the secretary of the

association. All notices shall specify the place, day and hour of the meeting, and, in the case of a special meeting , the purpose of the meeting.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1//10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting , the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting , until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his building plot.

ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who shall be members of the Association. The number of directors may be changed by amendment of the By Laws of the Association. The members of the initial board of directors, or their successors, shall serve until December 1, 1982.

Section 2. Term of Office. At the first annual meeting the members shall elect two directors for a term of one year, two directors for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect directors as their terms are completed for terms of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. Except to the extent certain actions are required to be taken at an open and noticed meeting pursuant to Section 209.0051 of the Tex. Prop. Code (as may be amended), the directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members of the Association. The requirement that nominations shall be made from among members of the Association, in the preceding sentence, shall control over any provision to the contrary whether in these Bylaws, the Declaration, and/or the Articles of Incorporation.

Section 2. Election. Election to the Board of Directors shall be by secret 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.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, at such place and hour as may be fixed from time to time by resolution of the Board. Notice for such meetings will be provided in accordance with the requirements of Chapter 209 of the Tex. Prop. Code. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII 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 Area and facilities, 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 any facilities owned or operated by the Association by a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (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 By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and employ a manager, independent contractors, 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 which such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Building Plot at least thirty (30) days in advance of each annual assessment period; and
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

- (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;
- (d) issue, or to cause an appropriate officer or agent to issue, to an owner, an owner's agent, or a title insurance company acting on behalf of an owner, within ten (10) days after the receipt of written request for same, the following:
 - (1) a current copy of the restrictions applying to the properties;
 - (2) a current copy of the By-Laws of the Association; and
 - (3) a resale certificate that complies with Texas Property Code Section 207.003(b) and any successor or amendment thereof.
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association; cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained;
- (h) cause the exterior of the dwellings to be maintained; and
- (i) cause the commission of a reserve fund study by a qualified professional for guidance in the preparation of the 1998 budget and budgets thereafter and for the commission of subsequent Reserve Fund Studies at least every four (4) years thereafter for guidance in the subsequent budgets.

The Association may charge a reasonable fee to assemble, copy and deliver the information required herein, and may charge a reasonable fee to prepare and deliver an update of a resale certificate.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of who shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meeting of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes, except as may be otherwise approved by the Board of Directors.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall 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; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an audit of the books of the to be made by a public accountant when so directed by a majority vote by the Board of Directors of the Association or by a vote of the members holding a majority of the membership votes of the Association, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X 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, the Articles of Incorporation and the By-Laws 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.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association 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 bear interest from the date of delinquency at the rate of ten (10%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, 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 non-use of the Common Area or abandonment of his Building Plot.

ARTICLE XII COPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: WINDCREST TOWNHOMES ASSOCIATION, INC.

ARTICLE XIII AMENDMENTS

The By-Laws of this Association are herby adopted by the initial Board of Directors and until December 1, 1982, shall be amended or altered by a majority of the members of the initial Board of Directors, or their successors, and thereafter by a vote of the members holding a majority of the membership votes of this Association.

ARTICLE XIV MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st Day of December of every year, except that the first fiscal year shall begin on the day of incorporation.