

Item: **PARK PETERSON CONDOMINIUMS**

(Category: RESTRICTIONS)

Volume 1, Page 163, Condominium Records of Kerr County, Texas, BUT OMITTING ANY COVENANT OR RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

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Item: **PARK PETERSON CONDOMINIUMS**

(Category: Subdivisions)

- a. Easement notarized on August 22, 1927 to Texas Power and Light Company, recorded in Volume 47, Page 560, Deed Records of Kerr County, Texas.
- b. Easement dated February 7, 1947 to L.C.R.A., recorded in Volume 81, Page 425, Deed Records of Kerr County, Texas.
- c. Easement as reserved in Deed dated October 31, 1947, recorded in Volume 83, Page 184, Deed Records of Kerr County, Texas.
- d. Easement dated July 28, 1947 to L.C.R.A., recorded in Volume 1, Page 8, Easement records of Kerr County, Texas.
- e. Easement dated December 31, 1975 to Joe H. Meurer and wife, Lorraine Meurer, recorded in Volume 8, Page 689, Easement Records of Kerr County, Texas.
- f. Sewer Easement dated June 1, 1977 to the City of Kerrville, recorded in Volume 9, Page 352, Easement Records of Kerr County, Texas.
- g. Terms, covenants, conditions, provisions, running with the land, and binding forever any person having at any time an interest or estate in a unit, according to the Declaration And Master Deed of Park Peterson Condominiums recorded in Volume 1, Page 163, Condominium Records of Kerr County, Texas, including, but not limited to provisions for maintenance charges and homeowners association fees due, and all future assessments and charges of Park Peterson Unit Owners Association.
- h. Any visible and/or apparent roadways or easements over or across the subject property.
- i. Rights of Parties in Possession. (AS PER OWNER POLICY ONLY)

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DECLARATION AND MASTER DEED  
OF PARK PETERSON CONDOMINIUMS

This Declaration and Master Deed is made and executed this 8th day of March, 1984, by JOHN W. MILLER, SR., of Kerrville, Kerr County, Texas (hereinafter referred to as "Developer"), pursuant to the provisions of the Texas Condominium Act, Article 1301a of the Texas Revised Civil Statutes (hereinafter referred to as the "Act"), for the purpose of submitting the hereinafter described real property and the improvements located thereon to a condominium regime.

W I T N E S S E T H:

WHEREAS, Developer is the owner of certain real property situated in the County of Kerr, State of Texas, which real property is more fully described as follows, to-wit:

All that certain tract or parcel of land, lying and being situated in the County of Kerr, State of Texas, being all of Lot Seven (7), of the G. N. Free Subdivision, according to the plat of said subdivision of record in Volume 1, Page 88-89, of the Plat Records of Kerr County, Texas, to which plat and its record reference is here made for all purposes; LESS, a five foot (5') easement for utilities and lines along the backside of the above-described property.

WHEREAS, the buildings and improvements as shown on Exhibit "B", located on the land are generally described as follows:

1. Buildings "A, B, C, D, E, F, and G", as shown on the plat are of brick, rock, and wood construction on concrete slab foundations and contain residential apartments, one laundry room for all apartment owners, and one storage space for storing equipment for the maintenance of the property.

2. One covered parking space for each apartment, which also houses an enclosed storage space for each apartment.

WHEREAS, the location and number of each apartment is shown on Exhibit "B" and the floor plan and square footage of each apartment is more fully shown in Exhibit "C".

WHEREAS, the location of each assigned covered parking space and enclosed storage is more fully shown in Exhibit "D".

WHEREAS, Developer desires by recording this Declaration and Master Deed together with the condominium by-laws attached hereto as Exhibit A, the condominium subdivision plan attached hereto as Exhibit B, the floor plan of the apartments and covered parking and storage attached hereto as Exhibit "C", and the location of the assigned covered parking and enclosed storage space attached hereto as Exhibit "D" (all of which are hereby incorporated by reference and made a part hereof), to establish a condominium project known as Park Peterson Condominiums under the provisions of the Act.

NOW THEREFORE, Developer does upon the recording hereof, establish Park Peterson Condominiums as a condominium project under the Act and does declare that Park Peterson Condominiums shall, after such establishment, be held conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in any other manner utilized, subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration and Master Deed and Exhibits "A, B, C, and D" hereto, all of which shall be deemed to run with all or any portion of Park Peterson Condominiums and shall be a burden and a benefit to Developer, John W. Miller, Sr. and any person acquiring or owning any interest in Park Peterson Condominiums, their grantees, heirs, executors,

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administrators, successors and assigns. In furtherance of the establishment of this condominium project, it is provided as follows:

1. Unless the context otherwise specifies, or requires, the following words and phrases when used herein shall have the following meanings:

A. "Unit" shall mean and refer to an enclosed space consisting of one or more rooms occupying all or part of one or more floors in a building in the Condominium Project having direct access to a thoroughfare, as such space may be further described and delimited in Paragraph 4 hereof.

B. "Condominium" shall mean and refer to the separate ownership of a Unit, together with an undivided ownership interest in the limited and general common elements as set forth and defined herein.

C. "Condominium Project" shall mean and refer to Park Peterson Condominiums as a condominium project established in conformance with the provisions of the Act.

D. "Owner" shall mean and refer to a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who or which is the record owner of fee simple title to one or more Units in the Condominium Project.

E. "Association" shall mean and refer to the Park Peterson Unit Owners Association, its successors and assigns, a non-profit association of which all Owners shall be members, which association shall administer the operation and management of the Condominium Project.

F. "Common Elements" shall mean and refer to both the general and limited common elements as described in Paragraph 3 hereof.

2. The major improvements of the Condominium Project consist of two residential buildings, one of which houses a laundry and storage room and thirteen two-car covered carports, each of which contains two storage rooms. The Condominium Project and the foregoing improvements are described by building letter and unit number, on the condominium subdivision plan attached hereto as Exhibit B. The individual apartments and covered carports and storage rooms are described by floor plan

and approximate square footage in Exhibit "C" attached hereto. The individual units, more particularly described in Paragraph 4 hereof, are to be used for residential purposes, and each unit has its own entrance from and exit to a thoroughfare. Each Owner of a Unit within the Condominium Project shall have an exclusive right to his Unit and shall have the right to share with other Owners the Common Elements as hereinafter set forth.

3. The general and limited common elements of the Condominium Project are as follows:

A. The general common elements consist of:

(i) The land in the Condominium Project as more particularly described above;

(ii) The foundations, bearing walls and columns (including any windows, doors and chimneys therein), roofs, attics, ceilings and floors, halls, or thoroughfares such as stairways, entrances, exits, or communication ways and any other portion of the building located on the land described above not included within any Unit.

(iii) The premises and facilities, if any, used for the common storage, maintenance or repair of the Condominium Project.

(iv) Unassigned parking spaces which are so marked on the condominium subdivision plan attached hereto as Exhibit D.

(v) All other elements desirable or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Project.

B. The limited common elements, being those common elements reserved for the use of specified Units to the exclusion of others, consist of:

(i) Parking spaces and storage spaces assigned and designated with a storage number corresponding with the number of the unit to which they are assigned, as indicated and marked on the condominium subdivision plan attached hereto as Exhibit "D".

(ii) Compartments or installations of central services, if any, such as power, light, plumbing, reservoirs, water tanks and pumps, incinerators, and all similar devices and installations;

Each Owner shall bear the cost of maintenance, repair and replacement of the following items within or serving such Owner's Unit; interior surfaces of all perimeter and interior walls, ceiling and floors (including carpeting, tile, wall paper, paint or other covering); garbage disposals, ranges, refrigerators, dishwashers, washing machines, dryers, light fixtures, and any and all other appliances of any nature whatsoever; heating, ventilating and air conditioning equipment serving such Unit (although such equipment may be located in part outside such Unit); interior and exterior doors, including all hardware thereon; window panes and light bulbs; plumbing and other fixtures of any nature whatsoever; "built-in" features; and decorative features; and, any furniture and furnishing.

Each Owner shall indemnify and hold the Association, other Unit Owners, and mortgagees harmless from any and all Mechanic's and Materialman's Liens that might be filed against said Owner's property.

Each Owner shall bear the cost of electricity separately metered to his Unit, telephone and/or cable television installation and service and any other utility charge billed directly by a utility company furnishing such service to an Owner or Unit.

The cost of gas, water, electricity (to the extent not separately metered) and any other utility service (except as provided for above) shall be expenses of administration of the Condominium Project to be assessed in accordance with the condominium by-laws attached hereto as Exhibit A.

The cost of maintenance, repair and replacement of both general and limited common elements (except to the extent such costs are borne by each Owner as set forth above) shall be an

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expense of administration of the Condominium By-laws attached hereto as Exhibit A.

Each Owner and the Association shall have the following easements to, through and over the general and limited common elements to the extent necessary for such Owner's maintenance, repair and replacement:

(i) to paint, remove and replace any finish on the interior surface of any general or limited common element appurtenant to his Unit;

(ii) to install, repair, maintain, remove and/or replace any plumbing, heating, cooling, ventilating, lighting, cooking or other fixtures or equipment which are a part of his Unit or which would become a part thereof when installed in any bearing wall, floor, ceiling or roof; provided, however, such installation, repair, maintenance, removal and/or replacement shall not impair the structural integrity of the building in which his Unit is located, nor shall it adversely affect any adjacent Unit, nor shall it alter the external appearance of the building in which his Unit is located (unless the Association consents thereto);

(iii) to drive and remove nails, screws, bolts and the like into and from bearing walls, floors, ceiling and roof; provided, however, such action shall not impair the structural integrity of the building in which his Unit is located, nor shall it adversely affect any adjacent Unit, nor shall it alter the external appearance of the building in which his Unit is located (unless the Association consents thereto).

Subject to the provisions contained herein, no Owner shall use his Unit or the general or limited common elements in any manner inconsistent with the purpose of the Condominium Project, or in any manner so as to interfere with or impair the rights of another Owner in the use and enjoyment of his Unit or the general or limited common elements.

Public utilities (or private companies) furnishing services to the Condominium project for common use such as water, electricity, gas and telephone shall have access to the general and limited common elements and each Unit as may be necessary or desirable for the installation, repair or maintenance of such

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services, and any costs incurred in opening and repairing any wall of the Condominium Project to install, repair or maintain such services (except as otherwise provided herein) shall be an expense of the administration of the Condominium Project to be assessed in accordance with the Condominium by-laws attached hereto as Exhibit A.

4. In the condominium subdivision plan attached hereto as Exhibit B, the residential buildings in the Condominium Project are lettered "A, B, C, D, E, F, and G" and the Units located therein are numbered by Unit number as set forth below. In determining dimensions and area, each enclosed space in a Unit shall be measured from interior finished, unpainted surfaces of the perimeter walls.

Each Unit shall consist of the following portions of the building in which it is located:

- (i) the interior surface of each perimeter wall;
- (ii) the interior surface of the perimeter ceiling;
- (iii) the upper surface of the floor;
- (iv) the interior surface (including all glass or glass substitute) of the windows and doors set in bearing walls;
- (v) the air space enclosed within the area described and delimited in (i) and (iv) above;
- (vi) any and all walls, ceilings, floors, partitions and dividers wholly within such air space (but excluding any pipes, ducts, wires, cables, conduits, bearing beams or supports contained within such walls, ceilings, floors, partitions and dividers or within such air space);
- (vii) all plumbing, heating, ventilating, air conditioning, lighting, cooking, and other fixtures and equipment (exclusive of pipes, ducts, wires, cables or conduits) located wholly or partly within such air space.

It is expressly stipulated, and each and every purchaser of a Condominium Unit, his heirs, executors, administrators.



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assigns, successors and grantees hereby agree, that the square footage, size and dimensions of each Unit as set out and shown in this Declaration or in the said survey plats attached as Exhibits hereto, are approximate and are shown for descriptive purposes only, and that the Developer does not warrant, represent or guarantee that any unit actually contains the area, square footage or dimensions shown by the plat thereof. Each purchaser and owner of a condominium unit or interest therein has had full opportunity and is under a duty to inspect and examine the unit purchased by him prior to the purchase thereof, and agrees that the unit is purchased as actually and physically existing. Each purchaser of a condominium unit hereby expressly waives any claim or demand which he may have against the Developer on account of any difference, shortage or discrepancy between the unit as actually and physically existing and as it is shown on the respective plat thereof, which is attached as an Exhibit hereto. It is specifically agreed that in interpreting deeds, mortgages, deeds of trust and other instruments for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the units or of any unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be the boundaries, regardless of settling, rising, or lateral movement of the building and regardless of variances between the boundaries shown on the plat and those of the building.

The percentages of value assigned to each Unit in the Condominium Project are set forth below and are arbitrary figures based upon the approximate size of each unit in relation to the others (excluding patios, balconies and/or storage rooms, if any), but nevertheless shall be determinative of the

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proportionate share of each respective Owner in the proceeds and expenses of administration and the value of such Owner's vote at meetings of the Association. The total value of the Condominium Project is 100%.

Set forth below are:

A. The letter of the building and each unit number as it appears on the condominium subdivision plan attached hereto as Exhibit B; and

B. The percentage of value assigned to each such Unit.

<u>BUILDING AND UNIT NUMBER</u>	<u>PERCENTAGE OF VALUE ASSIGNED</u>
BUILDING A	
Unit 101	3.756%
102	3.756%
201	3.756%
202	3.756%
BUILDING B	
Unit 103	3.756%
104	3.756%
203	3.756%
204	3.756%
BUILDING C	
Unit 105	3.756%
Unit 106	3.756%
Unit 205	3.756%
Unit 206	3.756%
BUILDING D	
Unit 107	4.93%
Unit 207	4.93%
BUILDING E	
Unit 108	3.756%
Unit 109	3.756%
Unit 208	3.756%
Unit 209	3.756%
BUILDING F	
Unit 110	3.756%
Unit 111	3.756%
Unit 210	3.756%
Unit 211	3.756%
BUILDING G	
Unit 112	3.756%
Unit 113	3.756%
Unit 212	3.756%
Unit 213	3.756%

5. So long as Developer owns one or more Units in the Condominium Project, Developer shall be subject as an Owner to the provisions of this Declaration and Master Deed and Exhibits "A, B, C and D" attached hereto.

6. Any first mortgagee who obtains title to a Condominium Unit pursuant to the remedies provided in its mortgage or upon foreclosure of its lien on a Unit, or upon acceptance of a deed (or other transfer or assignment) in lieu of foreclosure thereon, shall not be liable for or required to pay any unpaid assessments owing on said Unit (including, without limitation, any assessment for maintenance as provided in any restrictive covenant, if any, of record affecting the property covered hereby) which may have accrued prior to the time such mortgage acquired title and the assessment lien created or claimed under the provisions of Article II, Exhibit A of this Declaration and Master Deed shall be automatically extinguished when a mortgagee acquires title under these circumstances. In the event any such Unit is subject to any such assessment, said charge shall be the sole liability of the prior Owner of such Unit and such prior Owner (or the Association in the event of nonperformance by such prior Owner) shall hold harmless any such first mortgagee for any and all liability therefor. Any assessment lien created or claimed under the provisions of Article II, Exhibit A of this Declaration and Master Deed shall be subject and subordinate to the rights of any first mortgagee of any duly recorded first mortgage upon one or more Units made in good faith and for value. No lien created under the provisions of said Article II, Exhibit A shall in any way defeat, invalidate or impair the rights of any first mortgagee under any such duly recorded first mortgage unless such mortgagee shall expressly subordinate its interest, in writing, to such lien.

No amendment to this Declaration and Master Deed shall effect the rights of the mortgagee of any such mortgage which is made in good faith and for value, provided that any such mortgage

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is recorded prior to the recordation of such amendment, unless such mortgagees shall either join in the execution of such amendment or shall approve said amendment in writing as a part of said amendment.

Notwithstanding anything contained in this Declaration and Master Deed to the contrary, the Association may, upon the affirmative vote of the Owners otherwise entitled to vote and holding in aggregate at least fifty-one percent (51%) interest in the percentage of value assigned to all units in the Condominium Project, execute a subordination agreement or agreements to extend the benefits of the two preceding paragraphs to mortgages and mortgagees not otherwise entitled thereto.

No breach of any provision of this Declaration and Master Deed shall impair or invalidate any lien of any duly recorded mortgage made in good faith and for value encumbering one or more units; provided, however, that all the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes contained in this Declaration and Master Deed shall be binding upon and effective against any person who acquires title to any beneficial interest in any Unit by way of foreclosure, or otherwise, except as otherwise expressly provided for herein.

7. If the Condominium Project is totally or partially damaged or destroyed or totally or partially taken by eminent domain, the repair, reconstruction or disposition thereof shall be in accordance with the condominium by-laws attached hereto as Exhibit A; provided, however, no provision contained herein, in the Condominium By-laws or any other constituent document of the Condominium Project shall give an Owner, or any other party, priority over any rights of first mortgagees of Condominium Units

pursuant to their mortgage with respect to the distribution of proceeds of insurance or condemnation awards for losses to or taking of a Condominium Unit and/or Common Elements, or any portions thereof.

8. In the event that any portion of a Unit or a general or limited common element changes boundaries and thereby encroaches upon another Unit or such common element due to the shifting, settling or moving of a building or buildings in the Condominium Project, such changed boundaries shall be deemed to constitute the boundaries of the Units and the general or limited common elements so affected in accordance with Section 9 of the Act.

9. The regime established for the Condominium Project hereby shall not be (nor sought to be):

(a) vacated, waived, revoked, abandoned or terminated,

(b) nor shall the percentage of value (and pro rata interests or obligations resulting therefrom) originally assigned to nor the dimensions of any Unit be changed for any purposes, specifically including but not limited to, the purposes of:

(i) levying assessments or charges or allocating the distribution of hazard insurance proceeds or condemnation awards or

(ii) determining the pro rate share of ownership of the Common Elements,

(c) nor shall the Condominium Units be partitioned or subdivided,

(d) nor shall the Common Elements be (nor sought to be) abandoned, partitioned, subdivided, encumbered, sold or transferred,

(e) nor shall hazard insurance proceeds for losses to any property comprising a part of the Condominium Project be used for other than the repair, replacement or reconstruction of such

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property of the Condominium Project, except as provided by the Act in case of substantial loss to the Units and/or Common Elements of the Condominium Project,

(f) nor shall any other provision of this Declaration and Master Deed be amended (with the express exception of the provisions of the condominium by-laws attached hereto as Exhibit A, which may be amended in accordance therewith) unless at least seventy-five percent (75%) of the Owners and of the mortgagees of all the first mortgages covering Units agree to such vacation, waiver, revocation, abandonment, termination, partition, subdivision, encumbrance, sale, transfer or amendment by an instrument to effect duly recorded in the Condominium Records of Kerr County, Texas; provided, however, that any such consent to amend by Owners shall be given at a meeting of the Owners. Additionally unanimity shall be required to the extent set forth in the Act. No amendment shall in any way operate to discriminate against any Owner or group or class of Owners or against any Unit or any group or class of Units without the prior written consent of the Owner(s) or Units(s) to be affected thereby, nor shall any amendment make any change in the repair or reconstruction in the event of casualty or damage without the prior written consent of all record holders of first mortgages to be affected thereby.

10. All present and future Owners, tenants, visitors, servants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration and Master Deed, the Unit Deed, By-laws and rules and regulations of the Association, as they may be amended from time to time, and the items affecting the title to the property set forth on Exhibit B

attached hereto. The acceptance of the Unit Deed or the entering into occupancy of a Unit Deed or the agreement that:

(i) This Declaration and Master Deed, the Unit Deed, By-laws and rules and regulations of the Association, as they may be amended from time to time, and the items affecting title to the property ratified by each such Owner, tenant, visitor, servant or occupant, and all of such provisions shall be deemed to be covenants running with the land to bind any person having at any time any interest or estate in such Unit, as though such provisions were cited and stipulated in each and every Unit Deed, and

(ii) violations of this Declaration and Master Deed, the Unit Deed, By-laws or rules and regulations of the Association by any person shall be deemed to be a substantial violation of the duties of the Owner.

11. The invalidity of any provision of this Declaration and Master Deed shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and Master Deed and, in such event, all the provisions of this Declaration and Master Deed shall continue in full force and effect as if such invalid provision had never been included herein.

12. No provision contained in this Declaration and Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

IN WITNESS WHEREOF, Developer has caused this Declaration and Master Deed to be executed the day and year first written above.

FILED FOR RECORD

at 4:10 o'clock P.M.

MAR 8 1984

PATRICIA DYE

Clerk County Court, East County, Texas  
By Patricia Dye Deputy

John W. Miller, Sr.  
JOHN W. MILLER, SR.

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THE STATE OF TEXAS     §  
COUNTY OF KERR         §

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BEFORE ME, the undersigned authority, on this day personally appeared JOHN W. MILLER, SR., joint venturer of Park Peterson Condonimiums, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of join venturer.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 8th day of  
March     1984.



Stacy L. Kreiling  
Notary Public in and for Kerr  
County, Texas.

My Commission Expires:

8-26-87

STACY L. KREILING  
NOTARY PUBLIC, STATE OF TEXAS  
MY COMMISSION EXPIRES 8-26-87



EXHIBIT A  
TO DECLARATION AND MASTER DEED  
CONDOMINIUM BY-LAWS  
OF  
PARK PETERSON CONDOMINIUMS

ARTICLE 1  
CONDOMINIUM ASSOCIATION

Section 1. Park Peterson Condominiums shall be administered by a non-profit corporation incorporated under and subject to the laws of the State of Texas including specifically, but without limitation, the provisions of Article 1396 1.01 et seq., under the name of "Park Peterson Unit Owners Association" (herein referred to as the "Association"). The Association shall be responsible for the management, maintenance, operation and administration of the Condominium Project, the Common Elements and easements appurtenant thereto in accordance with the Declaration and Master Deed, these Condominium By-laws, the Articles of Incorporation, ByLaws and duly adopted rules and regulations of the Association and the laws of the State of Texas.

Section 2. The Association shall provide for independent professional management of the Condominium Project. Such independent management may jointly manage the Condominium Project and other property. In such event, the Association shall not be required to bear in excess of its pro rata share (based on the ratio that the number of Units in the Condominium Project bears to the number of total units of whatever type so jointly managed) of such independent management expense. Any agreement for independent professional management of the Condominium Project,

or any other contract providing for services by the Developer sponsor or builder, shall provide that any such contract may be terminated by either party without cause or payment of a termination fee on ninety (90) days' or less written notice and the term of any such contract shall not exceed three (3) years.

Section 3. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

A. Each Owner shall be a member of the Association and no other person or entity shall be entitled to membership. No Owner shall be required to pay any consideration whatsoever solely for his membership in the Association.

B. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium Project.

C. Each Owner shall be entitled to a vote, the value of which shall equal the total of the percentages of value assigned to the Units owned by such Owner as set forth in this Declaration and Master Deed.

D. No Owner, other than Developer, shall be entitled to vote at any meeting of the Association until such Owner has presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of each Owner may only be cast by such Owner or by a written proxy executed by such Owner in favor of his or her spouse, another Owner or his duly authorized representative. If title to a Unit shall be in the name of two or more persons as Owners, any one of such persons may vote as the Owner of the Unit at any meeting of the Association and such vote shall be binding on such other persons who are not present at such meeting until written notice to the contrary has been received by the Association in which case the unanimous action of all such persons (in person or by proxy) shall be required to cast their vote as Owners. If two or more of such persons are present at any meeting of the Association then unanimous actions shall also be required to cast their vote as Owners.

E. There shall be an annual meeting of the members of the Association, and other meetings may be provided for in the by-laws of the Association. Notice of date, hour, place and subject matter of all meetings, as provided in the by-laws of the Association, shall be given to each Owner by mailing the same to such Owner or to the individual representative designated by such Owner not less than ten (10) days nor more than fifty (50) days before the date of such meeting at the address given by such

Owner to the Association records. If any Owner shall fail to give an address to the Association for the mailing of notices, all notices shall be sent to the Unit of such Owner, and such Owner shall be deemed to have been given notice of any such meeting irrespective of the actual receipt of the same.

F. Except as otherwise required by statute, or these by-laws, the presence in person or by proxy, of sixty percent (60%) of the percentage of values of the Owners qualified to vote shall constitute a quorum for holding any meeting of the members of the Association. If, however, such quorum shall not be present or represented at any meeting of the Owners entitled to vote thereat, the Owners present in person or represented by proxy, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented by proxy at such meeting held in lieu of the adjourned meeting(s), any business may be transacted at such meeting as was originally set forth in the notice calling the original meeting.

G. At any meeting of the members of the Association, votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association.

H. When a quorum is present at any meeting of the Association, the vote of fifty-one percent (51%) or more of the percentage of values of those Owners qualified to vote and present in person or by proxy at such meeting shall decide any question properly brought before such meeting, unless the question is one upon which by express provision of any statute, the Declaration and Master Deed, these by-laws, the Articles of Incorporation of the Association, or the Association by-laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The Owners present in person or by proxy at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough Owners to leave less than a quorum.

I. At all meetings of the Owners cumulative voting shall not be permitted.

Section 4. The Association shall keep or cause to be kept detailed books of account and records showing all expenditures and receipts of the administration of the Condominium Project which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Owners. Such books shall be open for inspection by the Owners and their mortgagees during reasonable

working hours on weekdays and shall be audited annually by independent auditors outside of the Association. The cost of such audit shall be an expense of administration of the Condominium Project.

Section 5. All costs incurred by the Association, including but not limited to any costs incurred in satisfaction of any liability arising within, caused by or in connection with the Association's operation, maintenance or use of the Condominium Project, shall be Association expenses. All sums received by the Association, including but not limited to all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association, shall be Association receipts.

Section 6. Each member of the Board of Directors of the Association must be a member of the Association maintaining permanent residence in the Condominium Project, with the exception of the first Board of Directors (and any replacement directors selected by Developer prior to the first meeting of the Association) designated in the Articles of Incorporation of the Association.

Section 7. The first meeting of the members of the Association shall be held within ninety (90) days after conveyance by Developer of more than eighty percent (80%) in number of the Units in the Condominium Project. Until the first meeting of members, the affairs of the Association shall be managed by the first Board of Directors named in the Articles of Incorporation of the Association, or their replacements.

## ARTICLE II

### ASSESSMENTS

Section 1. The Association shall be assessed as the person

or entity in possession of any tangible personal property of the Condominium Project owned or possessed in common by the Owners, and personal property taxes based thereon shall be treated as expenses of administration of the Condominium Project.

Section 2.

A. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, maintenance and repair of the Condominium Project, including reasonable allowance for contingencies and reserves. Such reserves shall include without limitation an adequate reserve fund for the maintenance, repair and replacement of those common elements that must be replaced on a periodic basis and shall be payable in regular installments rather than by special assessments. The assessment for such year shall be established by the adoption of such annual budget by the Board of Directors of the Association. Copies of such budget shall be delivered to each Owner, although the delivery (or failure to effect such delivery) of a copy of the budget to each Owner shall not affect the liability of any Owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of said Board of Directors, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium Project in any fiscal year, then the Board of Directors shall have the authority at any time and from time to time to levy such additional assessment or assessments as it shall deem to be necessary for that purpose.

B. Special Assessments, (being assessments other than those described in Subsection A above), may be made by the Board of Directors of the Association at any time, and from time to time, to meet other needs or requirements of the Association and the Condominium Project including, but not limited to, assessments for costs described in Section 5 of Article I hereof and capital improvements. However, any such special assessment shall not be levied without the prior approval of at least fifty-one percent (51%) of the percentage of values of all of the Owners.

C. Assessments levied by the Association against each Owner pursuant to Subsection A and/or Subsection B above which are expended on capital expenditures, or which are set aside in a reserve for future repairs or improvements within the Condominium Project (whether or not such repairs or improvements would otherwise be considered capital in nature, pursuant to Section 263 of the Internal Revenue Code of 1954, as amended), shall be treated as capital contributions by such Owner to the Association and shall be shown on the books of the Association as such.

The provisions of this Subsection C may be amended by a majority of the Board of Directors of the Association if, in the sole discretion of said Board of Directors, such action is necessary to conform to any change in the Internal Revenue Code

of 1954, as amended, or any Treasury Regulation or Ruling promulgated thereunder. Notwithstanding anything contained in this Declaration and Master Deed to the contrary, any amendment to this Subsection C duly authorized by the Board of Directors of the Association shall not require the consent of any Owner or mortgagee.

Section 3. All assessments levied against the Owners to cover expenses of the Association and the Condominium Project shall be apportioned among and paid by the Owners in accordance with the respective percentage of value assigned to each Unit owned by such Owner according to this Declaration and Master Deed without increase or decrease for the existence of any rights with respect to the use of limited common elements appurtenant to such Unit. All electric utilities serving individual Units shall be separately metered and shall be the expense of each individual Unit Owner. Water consumption shall not be separately metered for each Unit but shall be metered by one master meter for all units. Accordingly, the cost of water shall be a common expense of the Association. Electric utilities serving the general common elements shall be a common expense of the Association. Assessments shall be due and payable at such times as the Association shall determine, commencing upon the date of delivery of a deed to a Unit from Developer to a subsequent Owner. Prior to such conveyance Developer shall bear all assessments levied against Units owned by Developer in accordance with the aggregate percentage of value assigned thereto. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before five (5) days after the date of any such assessment. Assessments in default may incur a late charge in amounts determined from time to time by the Board of Directors from the due date until paid. Each Owner shall be, and remain, personally liable for the payment of all

assessments which may be levied against such Owner by the Association in accordance with these by-laws, and any unpaid assessments with accrued late charges thereon owed with respect to a Unit may, at the option of the Association, be collected out of the sale proceeds of such Unit in accordance with Section 18 of the Act. Developer hereby reserves and assigns to the Association, without recourse, a vendor's lien against each Unit to secure the payment of any regular or special assessment which may be levied pursuant to the terms hereof, which liens may be enforced by appropriate judicial proceedings and the expenses incurred in connection therewith, including, without limitation, interest, costs and reasonable attorney's fees, shall be the liability of and chargeable to the Owner in default. Any such lien shall be and is subordinate and inferior only to the following: (i) assessments, liens and charges in favor of the state and any political subdivision thereof for taxes past due and unpaid on such Unit; and (ii) amounts due under any mortgage instruments duly recorded. Any first mortgagee, who obtains title to a Condominium Unit pursuant to the remedies provided in its mortgage as upon foreclosure of its lien on a Unit, or upon acceptance of a deed (or other transfer or assignment) in lieu of foreclosure thereon, shall not be liable for or required to pay any unpaid assessments owing on said Unit which may have accrued prior to the time such mortgagee acquired title. Notice of any such unpaid assessment, regular or special, and of the Association's intention of claiming a lien against the Unit affected thereby may be recorded by the Association in the Condominium Records of Kerr County, Texas.

Section 4. No Owner may exempt himself from liability for his contribution toward the expenses of the Association and the Condominium Project by waiver of the use or enjoyment of any of the Common Elements or by the abandonment, sale or other disposition of his Unit.

Section 5. The Association may, in addition to its rights under Section 3 hereof and Section 18 of the Act, enforce collection of delinquent assessments by suit at law for money judgment, and the expenses incurred in collecting unpaid assessments including interest, costs and attorney's fees shall be chargeable to the Owner in default. The Association may also discontinue the furnishing of any utilities or other services to an Owner in default of his obligations to the Association or to any other Owners as set forth herein upon seven (7) days written notice to such Owner of its intent to do so. An Owner in default of his obligations to the Association or to any other Owner as set forth herein shall not be entitled to vote at any meeting of the Association so long as such default is in existence.

#### ARTICLE III

##### OWNER ACTION

Without limiting the other legal rights of any Owner or the Association, legal action may be brought by the Association in its sole discretion on behalf of two (2) or more Owners as their respective interests may appear with respect to any cause of action relating to the Common Elements of more than one (1) Unit.

#### ARTICLE IV

##### INSURANCE

Section 1. The Association shall carry a master policy of fire and extended coverage, vandalism and malicious mischief and



liability insurance (hereinafter referred to as the "Master Policy"), with respect to the Condominium Project and the Association's administration thereof in accordance with the following provisions:

A. The Master Policy shall be purchased by the Association for the benefit of the Association, the Owners and their mortgagees as their interests may appear (subject to the provisions of these by-laws, the Declaration and Master Deed and the Act), and provision shall be made for the issuance of appropriate mortgagee endorsements to the mortgagees of the Owners. The Owners shall obtain insurance coverage upon their personal property and any items referred to in Section Three (3) of the Declaration at their own expense. In addition, none of the insurance to be obtained hereunder by the Association shall prejudice the right of any Owner to insure his Unit for his own account and for his own benefit. The Association and the Owners shall use their best efforts to see that all property and liability insurance carried by an Owner or the Association shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Owners or the Association and the respective tenants, servants, agents, and guests of the Owners or the Association, as the case may be.

B. All buildings, improvements, personal property and other Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement (with appropriate endorsements to cover fixtures, installations or additions comprising a part of each building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of individual Units initially installed (or replacements thereof in accordance with the original plans and specifications for the Condominium Project) including specifically, but without limitation, the interior walls of each Unit), in an amount equal to the full insurable replacement value thereof, as determined annually by the Board of Directors of the Association. The Association may, in its sole discretion, elect to carry insurance to cover such other perils as from time to time shall be customarily covered with respect to buildings and improvements similar in construction, location and use. The Association shall use its best efforts to see that the liability insurance carried by the Association shall cover the common elements and shall contain, if available, crossliability endorsements or appropriate provisions for the benefit of the Owners, individually and as a group, the members of the Board of Directors, and the management company, if any, insuring each insured against liability to each other insured as well as third parties. The Association shall also carry fidelity coverage against dishonest acts on the part of the members of the Board of Directors, Owners, the management company, if any, and any other persons (including volunteers, with an appropriate endorsement, if required) handling funds belonging to or administered by the Association. Such fidelity coverage shall be in an amount as determined from time to time by the Board of Directors.

C. The Master Policy shall provide for notice to the Association and Mortgagees in the event of cancellation of said policy.

D. All premiums upon insurance purchased by the Association pursuant to these by-laws shall be included in the Association's budget in accordance with Subsection 2A, Article II hereof, except that the amount of increase over such premiums occasioned by the use, misuse, occupancy or abandonment of a Unit or the Common Elements by an Owner shall be assessed only against such Owner.

E. Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association, the Owners and their mortgagees (subject to the provisions of these by-laws, the Declaration and Master Deed and the Act) as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium Project shall be required as provided in Article V of these by-laws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction under the Declaration and Master Deed and these by-laws shall be applied to such repair or reconstruction.

F. Each Owner, by ownership of a Unit in the Condominium Project shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of the Policy. Without limiting the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefor, to collect proceeds and to distribute the same to the Association, the Owners and their mortgagees (subject to the provisions of these by-laws, the Declaration and Master Deed and the Act) as their interests may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such Owner and the Condominium Project as shall be necessary or convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Association in regard to such matters. The Association shall not be responsible for procurement or maintenance of any insurance covering the contents or the interior of any Unit nor the liability of any Owner for occurrences therein not caused by or connected with the Association's operation, maintenance or use of the Condominium Project.

G. Notwithstanding anything contained herein to the contrary, no provision contained herein or in the Declaration shall give an owner, or any other party, priority over any first mortgagee with respect to distribution of proceeds of insurance.

#### ARTICLE V

##### RECONSTRUCTION OR REPAIR

Section 1. If less than two-thirds (2/3rds) of the buildings in the Condominium Project (as determined by the vote or

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written consent of the majority of the percentage of value assigned to the Owners in the exercise of their sole discretion) shall be damaged by fire or any other casualty or disaster, then the buildings in the Condominium Project shall be rebuilt or repaired. If two-thirds (2/3rds) or more of the buildings in the Condominium Project (as determined by the vote or written consent of a majority of the percentage of value assigned to such Owners in the exercise of their sole discretion) shall be damaged by fire or other casualty, then reconstruction shall not occur without the unanimous consent of all Owners. In the event that such Owners fail to unanimously agree to reconstruct the Condominium Project, the land (more particularly described on Exhibit B of this Declaration and Master Deed) shall be sold and such sale proceeds along with any insurance proceeds shall be distributed to each Owner and his mortgagee, as their interests may appear, in accordance with each Owner's percentage of value in the Condominium Project.

Section 2. Any reconstruction or repair of the buildings in the Condominium Project or any Unit located therein shall be substantially in accordance with the Declaration and Master Deed and the original plans and specifications for the buildings in the Condominium Project unless the Owners and their mortgagees shall unanimously decide otherwise.

Section 3. Each Owner shall be responsible for the reconstruction, repair or replacement of the interior of his Unit, including but not limited to, floor coverings, wall coverings, window shades, draperies, furniture, furnishings, decorative light fixtures, and all appliances located therein irrespective of whether or not such appliances are "built-in" to the Unit and

other items of personal property belonging to such Owner. No Owner shall be responsible for the reconstruction repair or replacement of interior walls, fixtures, installations or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of any Owner's Unit as initially installed (or replacements thereof, to the extent they are in accordance with the original plans and specifications of the Condominium Project or are insurable by the Association) to the extent the same are covered by insurance maintained by the Association. Each Owner shall also be responsible for the costs not otherwise covered by insurance carried by the Association of any reconstruction, repair or replacement of any portion of the Condominium Project necessitated by his negligence or misuse, or the negligence or misuse by his family, tenants, guests, agents, servants, employees or contractors. In the event damage to all or any part of the interior of an Owner's Unit is covered by insurance held by the Association for the benefit of such Owner, then such Owner shall begin reconstruction or repair of such damage upon receipt of the insurance proceeds or any portion thereof from the Association, subject to the rights of the Association to supervise, approve or disapprove such reconstruction or repair during the course thereof. In the event damage to all or any part of the interior of an Owner's Unit is not covered by insurance held by the Association for the benefit of such Owner, then such Owner shall begin reconstruction or repair of his Unit within sixty (60) days after the date of such damage, subject to the right of the Association to supervise, approve or disapprove such reconstruction or repair during the course thereof.

Section 4. Immediately after the occurrence of a casualty which causes damage to any part of the Condominium Project which is subject to a mortgage, the Association shall notify the mortgagee or mortgagees affected by said damage; and as soon as possible after the occurrence of a casualty which causes damage to any part of the Condominium Project for which the Association has insurance coverage (hereinafter referred to as the "Casualty") the Association shall obtain reliable and detailed cost estimates of the following:

A. The cost of restoring all damage caused by the Casualty to the general and limited common elements (hereinafter referred to as the "Common Element Costs"); and

B. The cost of restoring that part of the damage caused by the Casualty to each Unit which is or would be covered by insurance held by the Association without regard to the policy limits of such insurance (hereinafter referred to as the "Unit Costs").

All insurance proceeds available to the Association with respect to the Casualty shall first be applied to the payment of the actual Common Element Costs and the balance thereof, if any, shall thereafter be applied to the payment of the actual Unit Costs. However, if such insurance proceeds are not sufficient to cover such estimated costs, then an assessment shall be made against the Owners by the Association in the following manner:

A. All Owners shall be assessed on the basis of their percentage of value in the Condominium Project for the payment of the estimated Common Element Costs not otherwise paid for by insurance held by the Association.

B. Owner of a damaged Unit shall be assessed an amount equal to the difference between the estimated Unit Cost applicable solely to his Unit less a sum calculated by multiplying the amount, if any, of the remaining insurance proceeds held by the Association with respect to the Casualty by a fraction, the numerator of which is the estimated Unit Cost applicable solely to his Unit and the denominator of which is the total of all of the estimated Unit Costs.

If actual costs exceed such estimated costs, then an additional assessment shall be made against the Owners by the Association.

ciation in the above manner based upon actual costs.

Section 5. In the event of any taking, in whole or in part, of any Unit in the Condominium Project by eminent domain, or private purchase in lieu thereof, the Owner of such Unit and his mortgagee shall be entitled to receive the award for such taking, and, after acceptance thereof, if such Owner shall abandon his Unit by virtue of such taking, with the written consent of his first mortgagee, he and his mortgagee shall be divested of all interest in the Condominium Project. If any repair or rebuilding of the remaining portions of the Condominium Project is required as a result of such taking, a majority of the percentage of value assigned to the remaining Owners shall determine by vote or written consent whether to rebuild or repair the Condominium Project or to make such other action as such remaining Owners deem appropriate. If no repair or rebuilding shall be required, or shall be undertaken, then the remaining portion of the Condominium Project shall be resurveyed and the Declaration and Master Deed and Exhibit B shall be amended to reflect such taking and to proportionately readjust the percentages of value assigned to the remaining Owners based upon a continuing value of the Condominium Project of one hundred percent (100%). Notwithstanding anything contained herein to the contrary, no provision herein or in the Declaration shall give any Owner, or any other person, priority over any first mortgagee with respect to distributions of proceeds of condemnation awards.

#### ARTICLE VI

#### RESTRICTIONS

Section 1. No Unit in the Condominium Project shall be used for other than single-family residence purposes and the Common

Elements shall be used only for purposes consistent with the use of single-family residences.

Section 2. No Owner shall make structural alterations or modifications to his Unit or to any of the Common Elements, including the erection of antenna, aerials, awnings, the placement of any reflective or other material in the windows of the Unit (other than uniform draperies approved by the Board of Directors) or other exterior attachments without the prior written approval of the Association. The Association shall not approve any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or appearance of the Condominium Project.

Section 3. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements nor shall anything be done which may be or become an annoyance or a nuisance to the Owners. No Owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium Project. No Owner shall store any dangerous explosive or inflammable liquids or other materials either in his Unit or upon the Common Elements.

Section 4. No signs or other advertising devices which are visible from the exterior of any Unit or upon the Common Elements shall be displayed, including "For Sale" signs, without written permission from the Association.

Section 5. No animals shall be kept except household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No

savage or dangerous animal shall be kept. No pet shall weigh more than twenty-five (25) pounds nor shall more than one household pet be kept without the prior written permission of the Board of Directors of the Association. No pets may be permitted to run loose upon the Common Elements, and any Owner who causes any animal to be brought or kept upon the premises of the Condominium Project shall indemnify and hold harmless the Association for any loss, damage, cost or liability which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefor. Notwithstanding the generality of the foregoing, after (i) repeated violations of this provision, (ii) ten (10) days prior written notice to the Owner of such pet(s), and (iii) an opportunity for such Owner to have a hearing before the Board of Directors, such pet(s) may be taken from such Owner and given to the Society for the Prevention of Cruelty to Animals, of Kerr County, Texas.

Section 6. The Common Elements shall not be used for storage of supplies, personal property, trash or refuse of any kind (except common trash receptacles, storage buildings or other similar structures which may from time to time be placed upon the Common Elements at the discretion of the Board of Directors of the Association), nor shall the Common Elements be used in any way for the drying, shaking or airing of clothing or other items. Stairs, entrances, sidewalks, yards, driveways and parking areas shall not be obstructed in any way nor shall unauthorized persons or pets play therein or thereon or use such areas for other than their intended purposes. In general, no activities shall be conducted nor condition maintained by any Owner either in his



Unit or upon the Common Elements which despoils the appearance of the Condominium Project.

Section 7. Each Owner shall maintain his Unit and any limited Common Elements appurtenant thereto in clean, safe and sanitary condition. Each Owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, telephone, water, gas, plumbing, power or other utility systems throughout the Condominium Project and each Owner shall be responsible for his negligence or misuses of any of the Common Elements or of his own facilities resulting in damage to the Common Elements.

Section 8. Nondiscriminatory regulations concerning the use of the Condominium Project shall be promulgated by the initial Board of Directors of the Association prior to the first annual meeting of the Association and such regulations, and subsequent regulations duly adopted from time to time by the Board of Directors, shall be binding on all members of the Association unless duly amended by at least sixty percent (60%) of the percentage of value assigned to the Owners (and in the event any such amendment would cause or result in any discrimination against any Owner or class of Owners or any Unit or class of Units, then any such amendment shall require the written consent of all Unit Owners adversely affected thereby prior to its effectiveness).

Section 9. The Association or its agents shall have access to each Unit from time to time during reasonable working hours, upon notice to its Owner, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agents shall also have access to each Unit at

all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Unit. If requested by the Association, each Owner shall furnish to the Board of Directors of the Association a duplicate key to the entrance door to his Unit and shall furnish a new duplicate key upon any change of locks thereto.

Section 10. Notwithstanding the foregoing provisions, Developer may from time to time lease Units for single-family residence purposes upon such terms and conditions as Developer may see fit.

Section 11. Vehicles not in operating condition shall not be parked upon the premises of the Condominium Project (except in an assigned parking space). The Board of Directors may, if it deems it appropriate, prohibit recreational vehicles or boats and trailers from being parked on the premises. No parking space shall be converted for living, recreational or business purposes, nor shall anything be stored in any parking space so as to prevent the parking of a vehicle therein.

Section 12. Except for the provisions of Section 4, 6 and 8 hereof, none of the restrictions contained in this Article VI shall apply to commercial activities or signs or billboards, if any, of Developer during the sales period of the Condominium Project or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and by-laws as the same may be amended from time to time, including without limitation, the power of the Association to own a Unit for the use and enjoyment of the resident manager of the Condominium Project.

ARTICLE VII

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MORTGAGES

Section 1. Any Owner who mortgages his interest in a Unit shall, within ten (10) days after the execution of such mortgage, give notice to the Association in writing of the name and address of his mortgagee and the amount secured by said mortgage, and the Association shall maintain such information in a book entitled "Mortgagees of Units". Said written notice (together with any written notice with respect thereto executed by any Mortgagee) shall be separately maintained by the Association or by a person designated by the Association. Such Owner shall, in the same manner, notify the Association as to the release or discharge of any such mortgage.

Section 2. The Association shall, at the request of any mortgagee of any Unit, report to such mortgagee any unpaid assessments due from the Owner of such Unit to the Association and any other default by any Owner in the performance of such Owner's obligations hereunder or under any documents constituting a part of the Condominium documents.

Section 3. The Association shall notify each mortgagee appearing in the book described in Section 1 of this Article VII of the name of each company insuring the Condominium Project under the Master Policy and the amounts of the coverages thereunder.

Section 4. The Association shall notify each mortgagee appearing in the book described in Section 1 of this Article VII of any default by any Owner owning a Condominium Unit covered by the mortgage of such mortgagee in the performance of such Owner's obligations hereunder and any other default by any Owner in the

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performance of such Owner's obligations hereunder or under any documents constituting a part of the Condominium documents, which is not cured within sixty (60) days from the date of such default.

Section 5. If necessary in order to satisfy FHLMC Conventional whole loan requirements, the Association shall give FHLMC notice (c/o the applicable Servicer at such Servicer's address) in writing of any loss to, or taking of, the Common Elements of the Condominium Project if such loss or taking exceeds \$10,000.00 or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.

#### ARTICLE VIII

##### TAXATION

Section 1. Each Unit and each Unit's applicable percentage of the Common Elements shall be assigned and taxed for all purposes as a separate and distinct parcel of real estate entirely independent of the building of which such Unit is a part, and independent of the Condominium Project or Common Elements thereof, and each Owner shall be solely responsible for the payment of all taxes, municipal claims, charges and assessments of any nature whatsoever assessed against such Unit and each Unit's applicable percentage of the Common Elements. Such payment shall be made prior to the due date of such taxes, municipal claims, charges and assessments.

#### ARTICLE IX

##### AMENDMENT

Section 1. These by-laws (as opposed to the Declaration and Master Deed of which they are a part) may be amended by the members of the Association from time to time at a duly called

meeting of the Association by approval of a vote of at least sixty-seven percent (67%) of the percentage of values assigned to the Owners entitled to vote unless otherwise provided herein, or in the Act. Any such amendment may be evidenced by an instrument in writing signed and acknowledged by the president and secretary of the Association certifying that such amendment has been approved by the vote or written consent of a majority of the percentage of values assigned to the Owners in the Condominium Project, and such amendment shall be effective upon its recordation in the Condominium Records of Kerr County, Texas. The procedure for proposing amendments hereto shall be the same as provided for proposing amendments to the by-laws of the Association. Notwithstanding anything contained herein to the contrary, if any proposed amendment to these by-laws would have the effect of altering or modifying any of the protections afforded first mortgagees pursuant to the regulations promulgated by the Federal Home Loan Mortgage Corporation, then and in such event any such proposed amendment must first be approved by the first mortgagees of a majority of the Units before it shall be effective.

Section 2. No amendment hereof shall in any way operate a discriminate against any Owner or group or class of Owners or against any Unit or group or class of Units without the prior written consent of the Owner(s) to be affected thereby, nor shall any amendment make any change in the provisions herein, if any, relating to insurance, and/or repair or reconstruction in the event of casualty or damage without the prior written consent of all record holders of first mortgages to be affected thereby.

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ARTICLE X

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DEFAULT

Section 1. Failure to comply with the Declaration and Master Deed, these by-laws, the Articles of Incorporation or by-laws or duly adopted rules and regulations of the Association shall constitute an event of default and shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages and injunctive relief, or any combination thereof.

Section 2. In any proceeding arising because of an alleged default by an Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding including without limitation reasonable attorney's fees.

ARTICLE XI

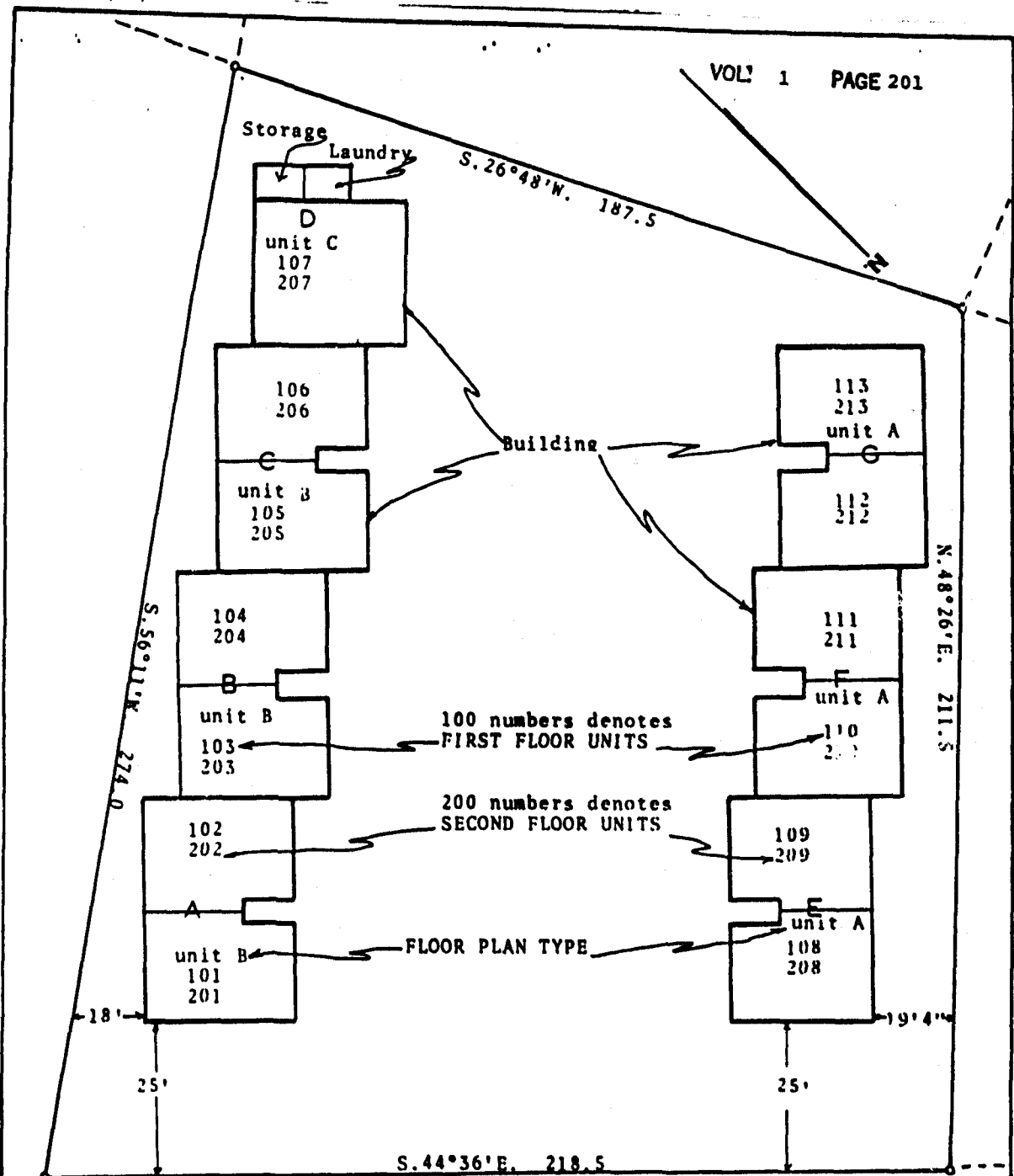
RIGHT OF FIRST REFUSAL

Section 1. There shall be no "right of first refusal" in favor of anyone or any entity with respect to any Unit in the Condominium Project. Notwithstanding anything contained herein to the contrary, any amendment subsequent to the date hereof which may provide for a right of first refusal shall provide that any first mortgagee who obtains title to any Condominium Unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or other transfer or assignment) in lieu of foreclosure shall be exempt from any "right of first refusal" contained in any of the Condominium constituent documents. No such amendment shall affect the rights of any holder of a first mortgage against any Condominium Unit which is made in good faith and for value provided that such mortgage is recorded prior to the recordation of such amendment, unless such mortgagee

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shall either join in the execution of such amendment or shall  
approve said amendment in writing as a part of said amendment.

John W. Miller, Sr.  
JOHN W. MILLER, SR.

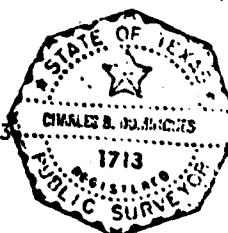


PETERSON DRIVE (50 feet wide)

Plats Prepared by Domingues & Associates Inc., Charles B. Domingues, President, Registered Public Surveyor No. 1713 and Louis Domingues, Vice President, Registered Professional Engineer No. 1633, Registered Public Surveyor No. 222, and a Licensed State Land Surveyor.

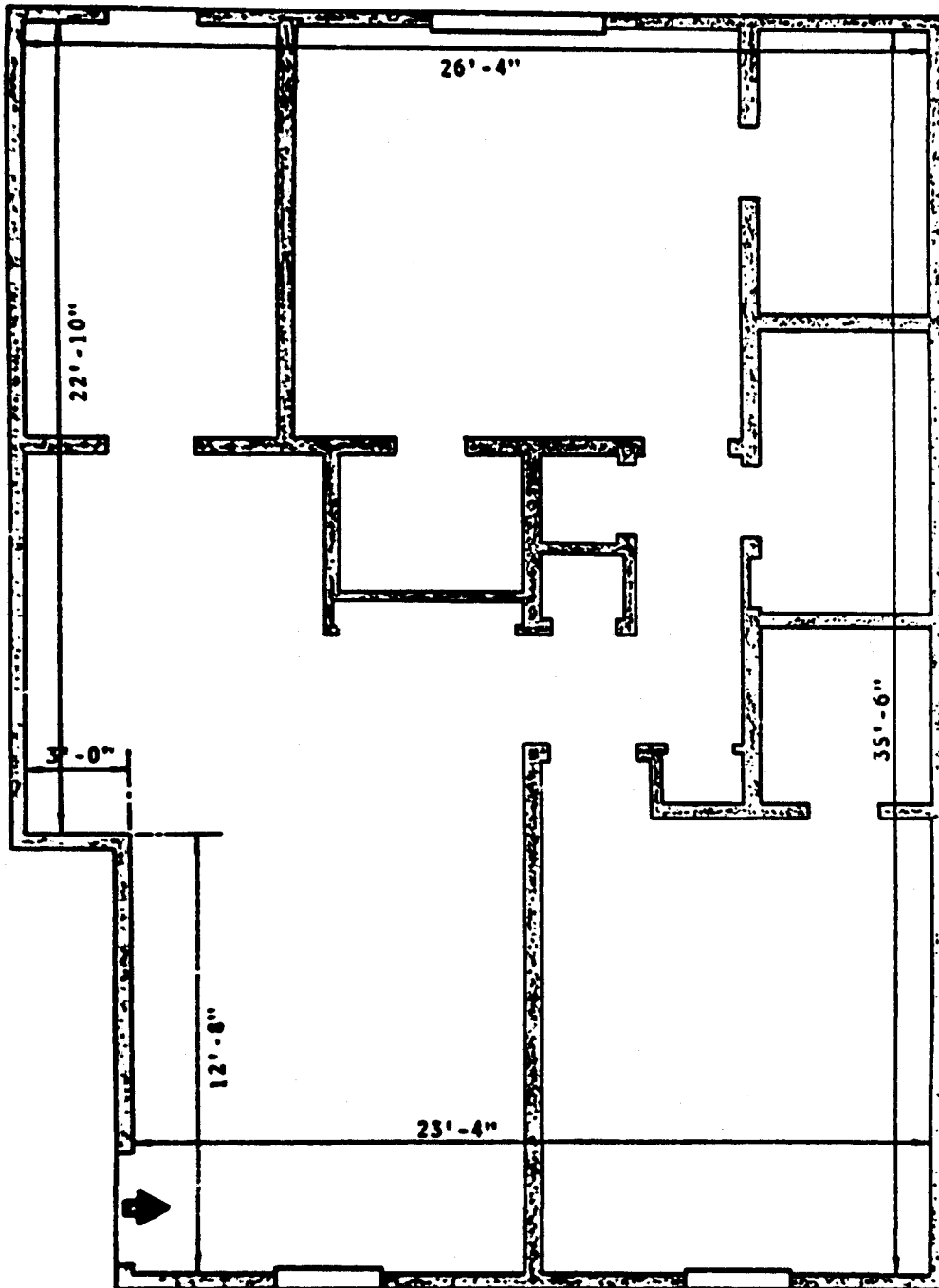
*Charles B. Domingues*

Charles B. Domingues  
Registered Public Surveyor No. 1713  
609 Sidney Baker Street  
Kerrville, Texas 78028



LOT NO. 7  
G.N. FREE ADDITION  
KERRVILLE, TEXAS  
KERR COUNTY  
SCALE 1" = 30 FEET  
NOVEMBER 18, 1983





FLOOR PLAN

UNIT "A"

900 SQUARE FEET

TYPICAL OF

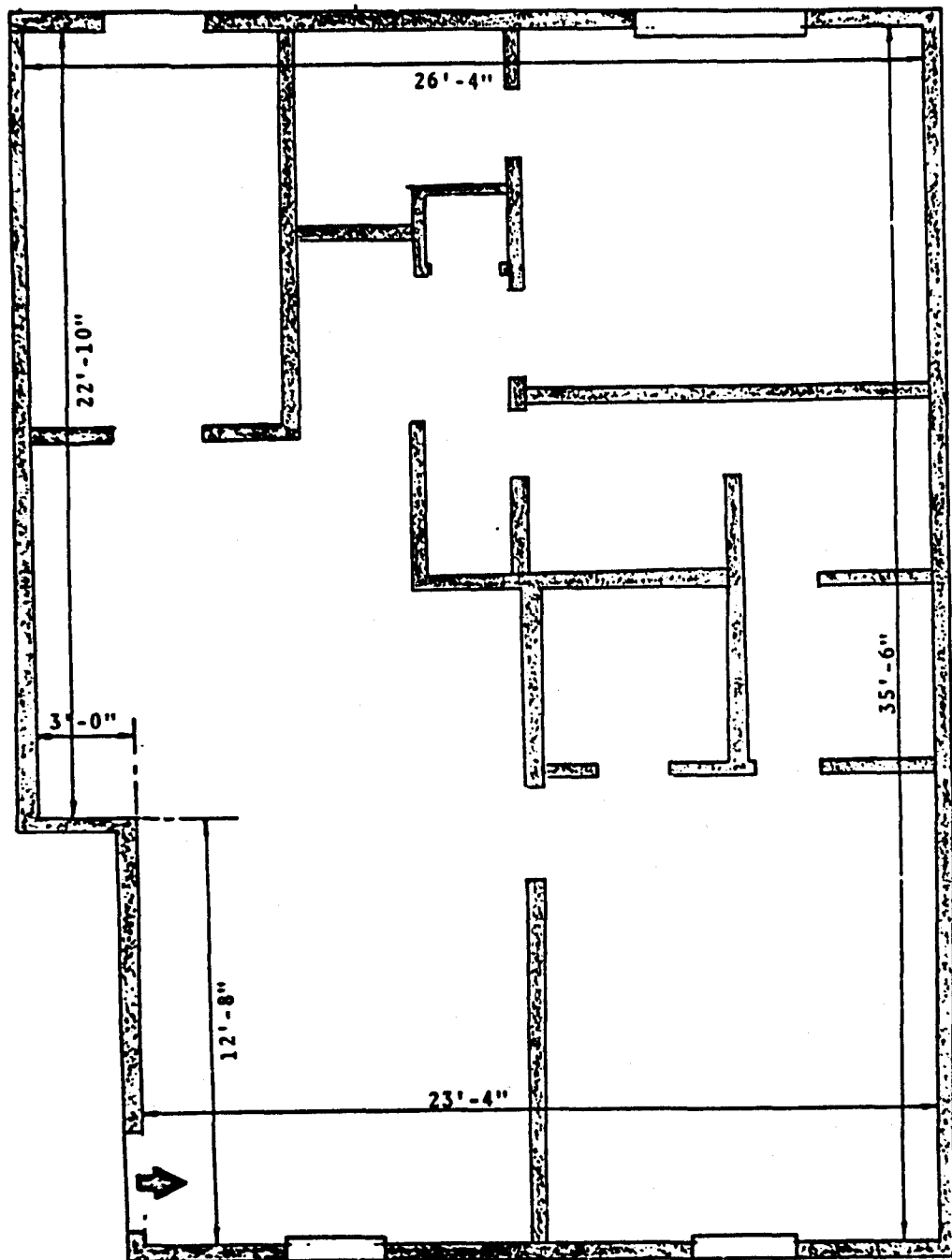
FIRST FLOOR AND SECOND FLOOR

SCALE: 1/4"=1'-0"

EXHIBIT "C"

INSIDE WALL TO INSIDE WALL DIMENSIONS SHOWN

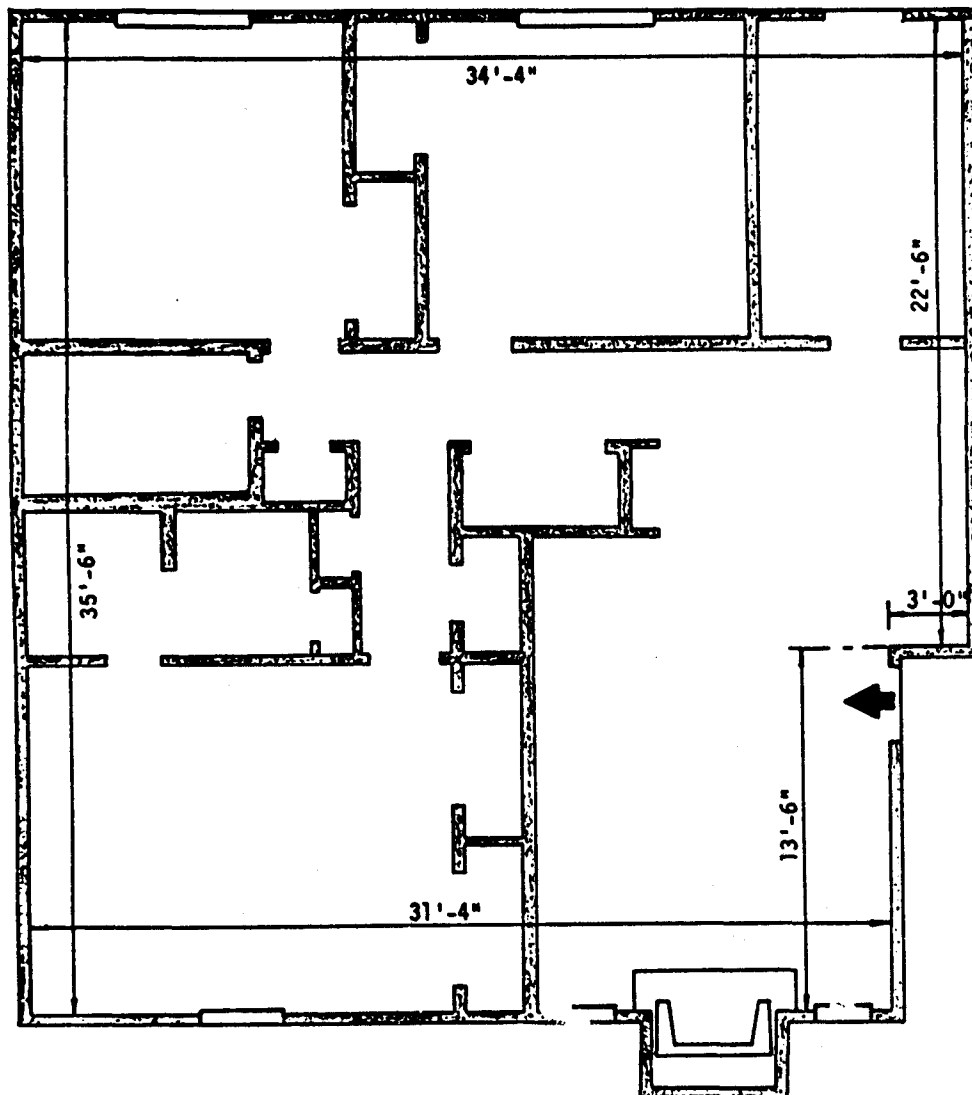
Sheet 1 of 4



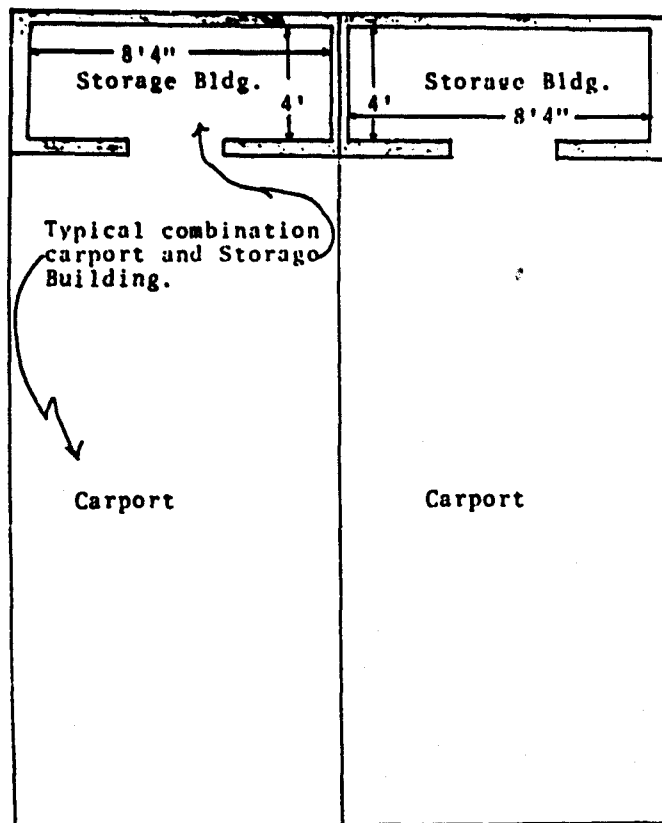
FLOOR PLAN  
UNIT "B"  
900 SQUARE FEET  
TYPICAL OF  
FIRST FLOOR AND SECOND FLOOR  
SCALE: 1/4"=1'-0"

EXHIBIT "C"

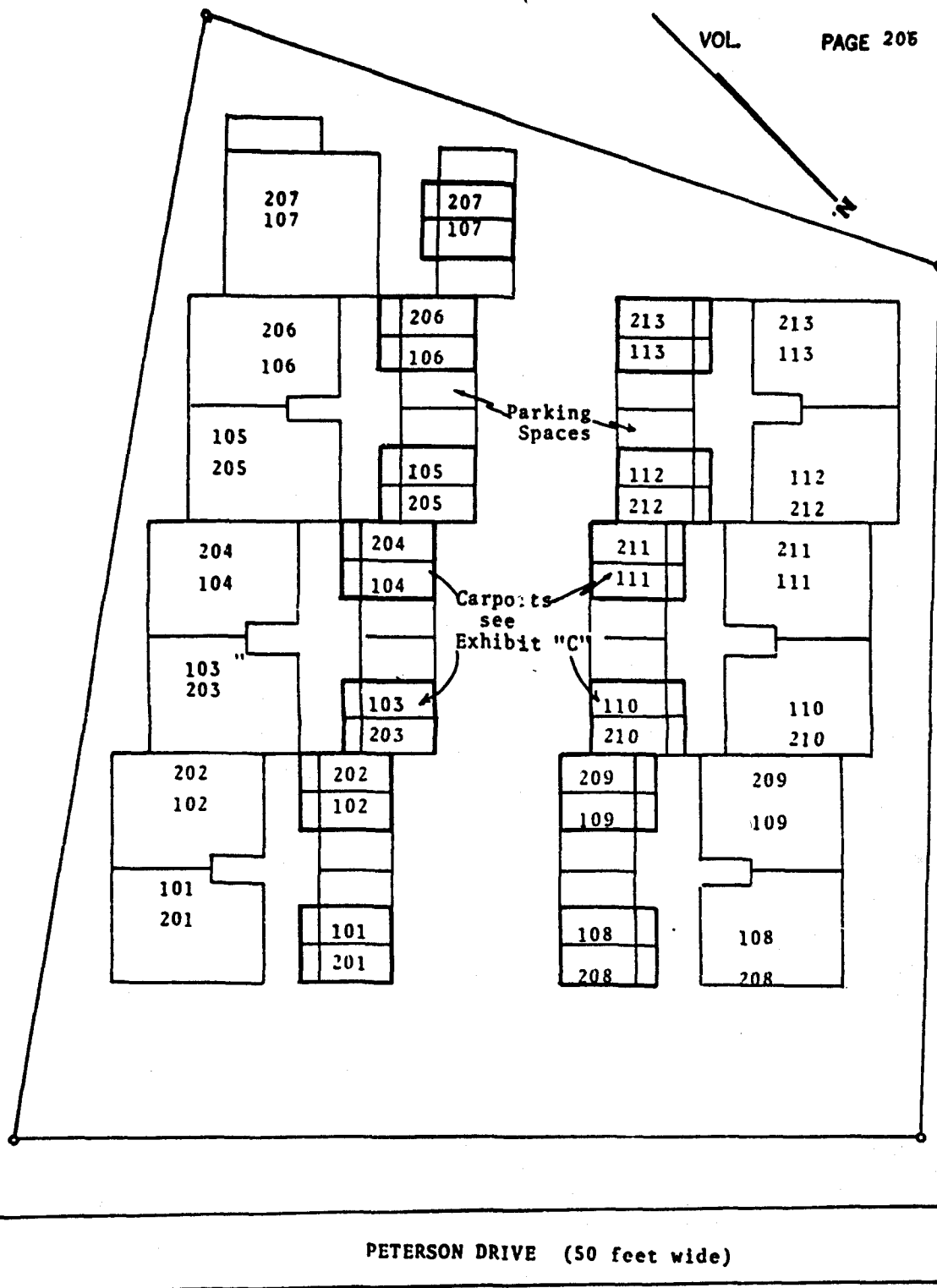
INSIDE WALL to INSIDE WALL DIMENSIONS SHOWN Sheet 2 of 4



FLOOR PLAN  
UNIT "C"  
1180 SQUARE FEET  
TYPICAL OF  
FIRST FLOOR AND SECOND FLOOR  
SCALE: 3/16"=1'-0"



TYPICAL CARPORT



1845

VOL 1 PAGE 207

DECLARATION AND MASTER DEED  
OF PARK PETERSON CONDOMINIUMS

*John W. Miller, Jr.*

*20*

*The Public*

FILED FOR RECORD

at *4:10* o'clock *P.* M

MAR 8 1984

PATRICIA DYE

Clerk County Court, Kerr County, Texas

By *Lois Hudson* Deputy

Return to: ✓  
PROHL & LESLIE

ATTORNEYS AT LAW  
829-S MAIN  
KERRVILLE, TEXAS 78026

Filed for record March 8, 1984 at 4:10 o'clock P M  
Recorded March 12, 1984  
PATRICIA DYE, Clerk By *Mary C. Hanson* Deputy