

1998 AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WESTOVER VILLA

Whereas the Declaration of Covenants, Conditions and Restrictions for Westover Villa, a townhome community, was recorded in Vol. 9358, Page 780, Real Property Records of Travis County, Texas, and amended by that First Amendment to the Declaration of Covenants, Conditions and Restrictions for Westover Villa Townhouse Council, Inc., recorded in Volume 10985, Page 671, Real Property Records of Travis County, Texas; and

Whereas the Westover Villa Townhouse Council, Inc. (the "Association") desires to amend the insurance requirements of the Declaration; and

Whereas the procedures for amending the Declaration outlined in Article X, Section 10.3(a) of the Declaration have been met.

The Association hereby amends the Declaration as follows:

Article IV, Section 4.12 entitled "Insurance Requirements" is deleted (along with all subparagraphs of Section 4.12) in its entirety.

In its place, a new Section 4.12 is hereby created to read in its entirety:

"4.12. Insurance Requirements.

(a) Fire and extended coverage.

(i) The Association shall obtain and maintain at all times insurance of the type and kind required by this Declaration, including such other risks, of a similar or dissimilar nature, as are or shall customarily be covered with respect to townhome Property, similar in construction, design and use, issued by responsible insurance companies authorized to do business in the State of Texas. The insurance shall be carried in blanket policy form naming the Association as trustee for the Owners and for the benefit of the mortgagees as the insureds. In addition, each policy or policies shall identify the interest of each Townhome Owner and shall provide for a standard, noncontributory mortgage clause in favor of the respective First Mortgagees. Losses payable shall be in favor of the Association (or an insurance trustee) as a trustee for each Unit Owner and each Unit Owner's mortgagee. The Owner's association or insurance trustee is required to hold any proceeds of insurance in trust for Unit Owners and first mortgage holders as their interests may appear of record. Further, the policy shall insure against loss or damage by fire, vandalism, malicious mischief, and such other hazards as are covered under standard, if possible, extended coverage provisions for the full insurable replacement cost of the Common Areas, the structural components of the Townhomes (including interior walls, paint, cabinetry, fixtures, lighting, plumbing, flooring, and built-in appliances--but not including furniture, non-built in appliances, and non-customary surface finishes), and against such other hazards and for such amounts as the Board may deem advisable. If an Owner has non-customary built-ins, finishes, or other interior improvements, that Owner shall either obtain a separate insurance policy for such improvements or self-insure. Flood insurance is not necessary because none of the Townhomes or improvements is in a Special Flood Hazard Area or in the 100-year flood plain according to FEMA maps.

(ii) By resolution of a majority of the Board, the Association may obtain and maintain insurance covering the Townhomes. Each Owner irrevocably designates the Association, as attorney in fact, to administer and distribute such proceeds as is elsewhere provided in this Declaration. Such insurance policy shall also provide that it cannot be canceled or substantially modified by either the insured or the insurance company until after 10 days prior written notice to the Association or its insurance agent. The Board of Directors shall, upon request of any First Mortgagee, furnish a certified copy of each blanket policy and a separate certificate identifying the interest of the Mortgagee.

(iii) All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire

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policy, but the insurance under such policy, as to the interests of all other insured Owners not guilty of any act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

(iv) The Association, in order to preserve the integrity of the Property, shall be deemed to have an "insurable interest" in each Townhome and the property referenced in subparagraph (a)(i) above and may insure such property. Any insurance obtained by the Association or a Townhome Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Townhome Owners, Association and their respective servants, agents or guests.

(v) All Unit Owners affected by a peril (including but not limited to fire, flood, broken pipes, etc.) shall self-insure for the first \$1,000 of loss, or their pro rata share among affected Owners of the Association's insurance deductible, whichever is less. Such self-insurance amount may be changed at an annual or special meeting by vote of Owners holding a majority voting interest.

(b) *Liability insurance.* The Association shall maintain a policy of comprehensive public liability insurance and property damage insurance against claims for personal injury or death, or property damage suffered by the public, or any Owner or occupant, family, agent, employee, or invitee of an Owner or occupant, occurring in, or about the Common Areas. The insurance shall afford protection to such limits and extent as the Association deems desirable; provided that the policy limit shall not be less than an amount approved at the Association annual membership meeting covering all claims for personal injury and/or property damage arising out of a single occurrence. In no event shall the liability policy amount be less than \$1,000,000. Such liability and property damage insurance policy shall also contain a cross-liability endorsement wherein the rights of a named insured under the policy or policies shall not prejudice his, her, or their action or actions against another named insured. Such insurance policy shall also provide that it cannot be canceled or substantially modified by either the insured or the insurance company until after 10 days prior written notice to the Association or its insurance agent, to the extent allowed by law. This liability coverage does not insure the individual Townhome Owner for liability or damages arising out of the use of his individual Townhome as distinguished from the Common Areas of the Property.

(c) *Fidelity bond and D&O (Directors and Officers) insurance.* The Association shall maintain or cause to be maintained an adequate blanket fidelity bond covering all persons handling or responsible for funds of or administered by the Association and that such bond shall be of a kind and in an amount the Association deems necessary for the protection of the Owners. The Association shall have the right, but not the obligation, to purchase directors and officers insurance with Association funds.

(d) *Townhome Owners insurance.* The insurance required in 4.12(a) does not insure the personal property, clothing, furniture, and furnishings of the Townhome Owner. Each Townhome Owner may, at the Owner's option and expense, obtain such other insurance as the Owner deems necessary to insure such personal property. An Owner of a Townhome may obtain at his cost and expense such additional insurance as may be necessary to insure his Townhome and the fixtures, improvements, and contents.

(e) *Coverage not limited.* Nothing in this Declaration shall in any way limit the insurance coverage of the Property."

Executed this 18th day of August, 1998.

WESTOVER VILLA TOWN HOUSE COUNCIL, INC.

By: 

Title: PRESIDENT

Printed Name: SIDNEY D. RICH

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STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on the 18th day of August, 1998 by
Sidney D. Rich, as President
of Westover Villa Town House Council, Inc.

Sharon Reeves
Notary Public for the State of Texas
Printed name of notary Sharon Reeves
My commission expires 5-23-00

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After recording, please return to:
Niemann & Niemann, L.L.P.
Attn: Connie N. Heyer
1122 Colorado Street, Ste. 313
Austin, Texas 78701

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on
the date and at the time stamped herein by me, and
was duly RECORDED, in the Volume and Page of the
General Records of Travis County, Texas, as

AUG 26 1998



FILED

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DANA DEBEAUVOIR
COUNTY CLERK
TRAVIS COUNTY, TEXAS

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

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RECEIPT#: A00129812 TRANS#: A0084 DEPT: REGULAR RECORD \$13.00
CASHIER: MONED FILE DATE: 8/25/98 TRNS DATE: 8/25/98
PAID BY: CHECK# 14198