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WESTOVER VILLA INSURANCE RULES AND REGULATIONS

Whereas the Declaration of Covenants, Conditions and Restrictions for Westover Villa, a townhome community, was recorded in Vol. 9358 Page 780 of the Real Property Records of Travis County, Texas, and amended by the 1998 Amendment to the Declaration recorded in Vol. 13255 page 553 of the Real Property Records of Travis County Texas, the 2001 Amendment recorded in Document #2002007209, and the 2003 amendment recorded in Document #2003202985 (together with any other amendments, the "Declaration"); and whereas the Bylaws of the Westover Villas Townhouse Council, Inc. authorize the Board of Directors to take action appropriate to the governance of the Association, and the Board has adopted the following resolution as a rule to supplement the previously-recorded rules (Westover Villas Violation Procedure, recorded in Document # 2002143987 of the Official Public Records of Travis County, Texas), the following rule is hereby adopted.

The Board of Directors adopts this policy subject to the Insurance Requirements in Article IV, Section 12 of the Declaration: (1) to clarify the responsibilities of the Association and its members related to repairs to the interior walls and ceilings of the Unit caused by water penetrating through the roof or exterior walls; (2) to minimize the costs associated with those repairs; and (3) to avoid additional water damage to the Unit.

In an emergency situation, upon discovery of water damage to the interior of the unit an owner shall take immediate action necessary to prevent further damage to the unit. The owner may select a contractor to make any necessary emergency repairs, and the owner must notify the Association manager within 24 hours after the discovery of water damage. Subject to the unit owner's duty (per Declaration Section 4.12(a)(v)) to fund the first one-thousand dollars of loss, or the owner's pro-rata share among affected owners of the Association's insurance deductible, whichever is less, the Association shall reimburse an owner for the cost incurred in making emergency repairs. However, the Association, per the Declaration, is not responsible for any amount related to non-customary built-ins, finishes, or other interior improvements. Owners are required to obtain a separate insurance policy for such improvements or self-insure all such improvements. An emergency is an unforeseen combination of circumstances or the resulting state that calls for immediate action.

In a non-emergency, the owner must provide written notice to the Association's manager within 72 hours after the owner becomes aware of the damage to the unit. The Association's manager shall select a contractor to make necessary repairs to the unit (except for non-customary built-ins, finishes, or other interior improvements, and personal property of the owner). The owner shall reimburse the Association for the first \$1,000 of expense, or the owner's pro-rata share among affected owners of the Association's insurance deductible, whichever is less. In non-emergency situations, the Association will not reimburse the owner for any costs incurred unless the owner complies with the 72 hour notice requirement in this rule and receives the Association manager's prior consent to select a contractor.

Adopted and effective July 8, 2005.

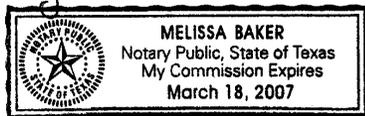
Westover Villa Townhouse Council, Inc.

By: Shelli Kozberg
Title: President

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 8 day of July, 2005, by Shelli Kozberg in the capacity stated above.



[Signature]
Notary Public, State of Texas

After recording, please return to:
Westover Villa Townhouse Council
P.O. Box 92649
Austin, Texas 78709

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