

STATE OF TEXAS
COUNTY OF TRAVIS

AMENDMENT TO 2001 REVISED DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
STILLHOUSE CANYON CONDOMINIUMS
2010 [RESTRICTION]

This is an Amendment to the 2001 Revised Declaration of Covenants, Conditions, and Restrictions for the Stillhouse Canyon Condominiums ("Declaration") filed of record as document no. 2001096410 in the Official Public Records of Travis County, Texas. The Declaration and the Texas Uniform Condominium Act (TUCA), Chapter 82, Texas Property Code, provide for a method of amending the Declaration, and the requirements for amendment have been met. The Declaration is hereby amended as follows:

Summary of important provisions in this amendment:

*** THE ASSOCIATION MUST *INSURE* THE UNITS. OWNERS MUST *MAINTAIN AND REPAIR* THE UNITS. OWNERS SHOULD CONDUCT REPAIRS PROMPTLY TO AVOID DAMAGE TO ADJOINING UNITS FOR WHICH THEY MAY BE RESPONSIBLE.

OWNERS MUST ALSO INSURE THE CONTENTS AND PERSONAL PROPERTY OF THEIR UNITS, SUCH AS FURNITURE, CLOTHING, AND JEWELRY.

UNLESS A REPAIR NEED IS ASSOCIATED WITH AN INSURED LOSS AND IS ACTUALLY COVERED BY ASSOCIATION INSURANCE, OWNERS ARE RESPONSIBLE FOR ALL REPAIR AND MAINTENANCE OF THEIR OWN UNITS.

THE ASSOCIATION SHALL HAVE NO DUTY TO FILE AN INSURANCE CLAIM FOR ANY LOSS, INCLUDING THOSE LOSSES THAT DO NOT RISE TO THE LEVEL OF THE INSURANCE DEDUCTIBLE. THE BOARD WILL DETERMINE IN ITS SOLE DISCRETION WHETHER TO FILE A CLAIM. IF A CLAIM IS FILED, WHETHER AN EVENT IS AN INSURED LOSS IS GENERALLY DETERMINED BY THE INSURANCE COMPANY. IF ASSOCIATION INSURANCE DOES NOT PAY FOR THE REPAIR, THE OWNER IS GENERALLY RESPONSIBLE FOR THAT LOSS.***

*** OWNERS ARE RESPONSIBLE FOR, AND SHOULD OBTAIN INSURANCE FOR, ALL COSTS ASSOCIATED WITH THE ASSOCIATION'S INSURANCE DEDUCTIBLE FOR INSURED LOSSES AFFECTING AN OWNER'S UNIT. OWNERS ARE ADVISED TO INQUIRE WITH THE ASSOCIATION AS TO THE CURRENT DEDUCTIBLE ON ASSOCIATION POLICIES SO OWNERS CAN ADJUST THEIR INSURANCE COVERAGE ACCORDINGLY.

EVEN IF THE ASSOCIATION INSURANCE COVERS THE DAMAGE TO A UNIT (SUCH AS FROM A RUPTURED WATER PIPE OR HOT WATER HEATER), A UNIT OWNER MUST COVER THE OWNER'S SHARE OF THE ASSOCIATION'S POLICY DEDUCTIBLE EITHER FROM THE OWNER'S INSURANCE OR PERSONAL FUNDS.***

OWNERS ARE POTENTIALLY RESPONSIBLE FOR ALL DAMAGES RESULTING FROM NEGLIGENCE, OR THE WILLFUL OR NEGLIGENT ACTIONS OF THE OWNER, HIS FAMILY, GUESTS, TENANTS, OR INVITEES. IN OTHER WORDS, IF WILLFUL OR NEGLIGENT ACTIONS BY THE OWNER (OR THE OWNERS TENANTS, ETC.) CAUSE THE DAMAGE, THE OWNER CAN BE HELD RESPONSIBLE FOR ALL COSTS.

***IF A CLAIM IS FILED AND ACCEPTED UNDER THE ASSOCIATION'S POLICY, LOSSES AFFECTING A UNIT AND THE BETTERMENTS/IMPROVEMENTS TO THAT UNIT WILL BE COVERED BY THE ASSOCIATION INSURANCE TO THE EXTENT THAT THE REPAIR COST EXCEEDS THE ASSOCIATION'S DEDUCTIBLE.

IF REPAIR COSTS DO NOT EXCEED THE DEDUCTIBLE, THE OWNER IS GENERALLY RESPONSIBLE FOR THE REPAIR COSTS.

IF AN OWNER (OR PREDECESSOR OWNER) HAS UPGRADED HIS UNIT, THE UNIT OWNER MUST PROVIDE THE ASSOCIATION OR ITS INSURANCE CARRIER SUFFICIENT EVIDENCE OF BETTERMENTS OR IMPROVEMENTS. WITH REGARD TO UNIT BETTERMENTS AND IMPROVEMENTS UNDERTAKEN OVER TIME, OWNERS ARE ADVISED TO SAVE RECEIPTS, INVOICES, AND PHOTOS OR VIDEO EVIDENCE OF THE UNIT INTERIOR.***

***OWNERS MUST OBTAIN INSURANCE TO COVER: (1) THEIR PERSONAL PROPERTY (FURNITURE, CLOTHING, JEWELRY, ETC.), (2) THE INSURANCE DEDUCTIBLE FOR CLAIMS FILED ON THE ASSOCIATION INSURANCE POLICY, (3) ANY OTHER COVERAGE THE OWNER, IN CONSULTATION WITH HIS INSURANCE AGENT, DEEMS NECESSARY.

THE ASSOCIATION'S INSURANCE WILL COVER THE UNITS (AS THAT TERM IS
DEFINED), INCLUDING BETTERMENTS AND IMPROVEMENTS TO THE UNITS, AND
THE COMMON AND LIMITED COMMON AREAS OF THE PROPERTY ***

Article I Section 1.1, subsections (n) and (t), are amended to read as follows:

1.1

(n) "Limited Common Elements" mean and include those Common Elements which are reserved for the exclusive use of either an individual Owner of a Unit or a certain number (but less than all) of individual Owners of Units, which consist of the following:

(1) balconies, patio structures, enclosed courtyards, and sidewalks, driveways, and carports, adjoining or serving exclusively a single Unit or one or more but less than all adjoining Units;

(2) areas or parcels of land designated on the attached exhibits as a Limited Common Element with respect to a Unit, on which area or parcel will be installed or constructed the pads or slabs for the support of the air conditioning compressors appurtenant to and forming a part of such Unit; and

(3) a Unit's assigned exclusive parking space(s) according to the Map.

(t) "Unit" shall mean one of the enclosed spaces that consists of one or more rooms that has a direct exit to a Common Element that leads to a thoroughfare as shown on the Map.

Unit boundaries: The boundaries of each Unit shall be and are the surfaces (as further described below) of the perimeter walls, floors, ceilings, windows, window frames, doors, and door frames and trim; and the portions of the Building on the boundaries of such enclosed space and the airspace within those boundaries are part of such Unit, except for the Common Elements. The Unit surfaces originate with and include:

(i) Walls and ceiling: the sheetrock for the walls and ceiling (Unit walls include sheetrock, as well as paint and wallpaper);

(ii) Floor: carpet/tile (the finished surface above the sub-flooring);
and

(iii) Windows and doors: exterior surfaces of windows and doors, including glass, trim and framing.

The actual physical boundaries of said Unit shall be conclusively presumed to be its proper boundaries, regardless of settling, rising or lateral movement of the Building in which such Unit is located and regardless of variances between boundaries shown on the Map and the actual boundaries of such Building.

The individual ownership of each Unit shall further include the interior construction, partitions, appliances (including refrigerator), fixtures, and improvements that are intended to serve exclusively such Unit space, such as interior room walls, floor coverings or finish, wall covering or finish, closets, fireplaces and chimneys (including the firebox and the flue), cabinets, shelving, individual bathroom and kitchen fixtures, plumbing and appliances, and individual lighting and electrical fixtures. The individual ownership of each Unit shall further include the air conditioning system (including the compressor), together with all pipes, ducts, electrical wiring, conduits, and any other equipment connected thereto for the purpose of supporting such air conditioning system, together with such pad or slab.

The Unit shall further include all other utilities, pipes, wires, conduits, and other similar items servicing only that Unit, regardless of their location. For example, if pipes, wires, or other such items at any point services more than one unit, the Unit Owner is responsible for maintenance and repair from the point that such pipe, wire, etc. branches to serve solely that Unit. None of the land in the Project shall be separately owned, as all land in the Project shall constitute part of the "Common Elements" of the Project and shall be owned in common by the Owners of the Units in this Project.

Article III Section 3.7 is amended to read as follows:

3.7 OWNER MAINTENANCE. (a) An Owner shall maintain and keep in good repair the Owner's Unit, including the fixtures and equipment thereof, as defined in Section 1.1. Without limitation on the generality of the foregoing, an Owner shall maintain and keep in good repair (and replace, if so required): any security system, the air conditioning compressor, fans, ductwork, fireplaces and chimneys (including the firebox and flue), heating unit and cooling coils, wiring, exterior doors, windows, (and hardware, trim, and framing for exterior doors and

windows), and plumbing or other utility lines, utilized in and exclusively serving his Unit (regardless of whether the installation, fixture or equipment is located wholly or partially outside the designated boundaries of the unit). Any maintenance or repair to a Unit that may alter the exterior appearance of the Unit, including exterior door hardware and door color, must be pre-approved in writing by the Association.

The Association shall have no obligation to, but may elect in its sole discretion from time to time, to maintain, repair or replace, at Association expense, portions of the Unit. For example the Association may wish to provide maintenance, repair, or replacement of exterior door finish/paint, hardware, exterior window trim and surfaces, and other similar items, in addition to its other maintenance obligations.

If pipes, fixtures, conduits, wiring, or other such items serve more than one Unit, the repair and maintenance of the portion of such items in the area serving more than one Unit (not exclusively serving one Unit) shall be the responsibility of the Association.

In the event a claim is filed under and coverage granted by the Association's insurance for damage to a Unit, the affected Unit Owner(s) is/are responsible for any deductible under the Association's policy. If more than one Unit is affected, each Unit is responsible for the Owner's portion of the deductible as described below.

If such claim also includes a claim for damage to Common Area, the deductible liability shall be shared proportionately (as described below) between the Association and the affected Unit(s). This Owner liability is not and shall not be considered a regular or special assessment as those terms are defined in Section 5.3 and 5.6 hereof. Rather, it is a separate, individual liability of an owner solely related to his duties to maintain and repair his condo unit. Such liability is not based on the Owner's percentage interest in the common areas, and such funds not for the common benefit of all owners.

If Unit Owners and/or the Association are proportionately responsible according to this subsection (a), the proportion of responsibility of the Owner(s) and Association, as applicable, shall be the same proportion as the cost of repair to the respective Unit(s) or Common Areas. For example, if there is a \$10,000 deductible, and \$20,000 in damages to the Common Area, and \$2,000 in damage to a Unit, the Association's proportionate share of the deductible is

$(\$20,000/\$22,000 * \$10,000) = \$9,091$. The Unit Owner's proportionate share is $(\$2,000/\$22,000 * \$10,000) = \909.09 .

(b) An Owner shall be obligated to repair and replace promptly any broken or cracked windows, window frames, window trim, doors, door frames, door trim, or glass forming a boundary of such Unit, subject to the Association's right to control the exterior finish and color of the doors.

Pipe leaks in pipes which exclusively serve the Owner's Unit shall be repaired by the Owner. In the event a claim is filed under and coverage granted by the Association's insurance, the affected Unit Owner(s) is/are responsible for any deductible (if more than one Unit is affected, each Unit is responsible for the Owner's proportional share of the deductible, in the same manner as described in subsection (a) above). If such claim includes a claim for damage to a Common Area, the deductible liability shall be shared proportionately between the Association and the affected Unit(s) – in the same proportionate manner described in subsection (a) above. To the extent damage is not covered by Association insurance or Unit Owner's individual insurance, such Owner shall also be responsible for any damages and cost of repairs to other Units or Common Areas due to such leaks from an owner's unit.

Notwithstanding anything to the contrary contained in this section, an Owner when exercising his right and responsibility of repair, maintenance, replacement, or remodeling shall never alter in any manner whatsoever, the exterior appearance of his Condominium Unit without prior written approval from the Association.

The Association must *insure* the units. Owners must *maintain and repair* the Units. Unless a repair need is associated with an insured loss and is actually covered by Association insurance, Owners are responsible for all repair and maintenance of their own Units. In other words, Owners are liable for the deductible for any insured loss affecting their Unit, and are otherwise liable for maintenance and repair costs for their own Unit to the extent the Association does not actually receive insurance proceeds to cover Unit maintenance or repair needs. See also Section 3.10 (regarding liability for negligent acts) and Section 4.6 regarding Insurance.

The Association shall have no duty to file an insurance claim for any loss, including those losses that do not rise to the level of the insurance deductible. The board will determine in its sole discretion whether to file a claim. If a claim is

filed, whether an event is an insured loss is generally determined by the insurance company.

The provisions of this Section are expressly made subject to the provisions of Section 3.10 (regarding liability for negligent acts). The provisions of Section 3.10 shall control to the extent that the need for repair is caused by negligent acts or other acts described in Section 3.10.

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THE ASSOCIATION SHALL HAVE NO DUTY TO FILE AN INSURANCE CLAIM FOR ANY LOSS, INCLUDING THOSE LOSSES THAT DO NOT RISE TO THE LEVEL OF THE INSURANCE DEDUCTIBLE. THE BOARD WILL DETERMINE IN ITS SOLE DISCRETION WHETHER TO FILE A CLAIM. IF A CLAIM IS FILED, WHETHER AN EVENT IS AN INSURED LOSS IS GENERALLY DETERMINED BY THE INSURANCE COMPANY.***

Article III Section 3.9 is amended to read as follows:

3.9 RESTRICTION OF OWNERSHIP. On owner shall be deemed to own that Owner's Unit as defined in Section 1.1, plus an undivided interest in the Common Elements as further described herein, and shall have maintenance responsibilities as defined in Section 3.7 and throughout the governing documents of the Association.

Article III Section 3.10 is amended to read as follows:

3.10 LIABILITY FOR NEGLIGENT ACTS. If the need for repair to any portion of the Project or other Units is caused through the neglect, or willful or negligent act of an Owner, his family, guests, tenants or invitees, the cost of such maintenance or repairs shall be the responsibility of the Owner to the extent the damages are not covered by insurance of the Association. Nothing in this section shall be interpreted to require the Association to submit an insurance claim. The Association may in the Board's sole discretion cause the needed repairs to be made and assess the amount of the repairs, including a reasonable fee for

administrative overhead, to the Owner's account. The Association may in the Board's sole discretion file an insurance claim, in which case Owner will be responsible for all amounts not covered by Association insurance (including any Association deductible – See Section 4.6.) The Association shall have the right, but not the duty, to assist one Owner in collecting amounts due from another Owner pursuant to this Section 3.10. The Association shall have the right, but not the duty, to assess an Owner's account for any amount for which the Owner is responsible in accordance with this Section 3.10. Whether a need for repair is caused by neglect or willful or negligent action by the Owner will be determined in the sole discretion of the Board.

Failure to promptly address leaks and other maintenance items for which an Owner is responsible, or failure to promptly report to the Association any maintenance item for which the Association may be responsible, may be deemed in the sole discretion of the Board to be neglect or a willful or negligent act of an Owner.

OWNERS ARE POTENTIALLY RESPONSIBLE FOR ALL DAMAGES RESULTING FROM NEGLIGENCE, OR WILLFUL OR NEGLIGENT ACTIONS OF AN OWNER, HIS FAMILY, GUESTS, TENANTS, OR INVITEES

Article IV Section 4.6 is amended to read as follows:

4.6 INSURANCE. Nothing in this Section shall be construed to require the Association to file an insurance claim in the event of loss or claimed loss.

(a) *Fire and Extended Coverage.* (i) The Association shall obtain and maintain at all times insurance of the type and kind required by Section 82.111 of the Texas Property Code, or successor statute. This insurance shall include such other risks, of a similar or dissimilar nature, as are or shall customarily be covered with respect to condominium projects, similar in construction, design and use, issued by responsible insurance companies authorized to do business in the State of Texas. (Section 82.111 in summary requires the Association to maintain insurance on the common elements including, by definition, limited common elements, and the units. The insurance shall be carried in blanket policy form.

The Association may, but is not required to, obtain flood and/or water penetration insurance for Units and Common Areas. In obtaining any such insurance, the Association may elect to insure less than all buildings or Units, with

any such buildings or Units to be insured to be selected in the sole discretion of the Board.

The Association shall also insure the betterments or improvements to the Unit installed by the Unit Owner or predecessor Owner. Betterments and improvements insured by the Association shall not include furniture, clothing, artwork, or other similar items that are not permanently affixed to the Unit.

***IN THE EVENT OF DAMAGE TO BETTERMENTS OR IMPROVEMENTS TO A UNIT, THE UNIT OWNER IS RESPONSIBLE FOR PROVIDING THE ASSOCIATION OR ITS INSURANCE CARRIER EVIDENCE OF THE PRE-CASUALTY BETTERMENTS OR IMPROVEMENTS SO AS TO PROVE UP THE CLAIM FOR THAT PARTICULAR UNIT.

The policy shall be on a replacement cost basis in an amount not less than that necessary to comply with any coinsurance percentage stipulated in the policy, but not less than 100% of the replacement costs of the Project, exclusive of land, foundation, excavation, and other items normally excluded from coverage. The Board may in its discretion, but has no duty to, from time to time obtain an appraisal or estimate from a qualified appraiser or insurance/loss control consultant for the purposes of determining the replacement costs of the Common Areas and Units, and shall have access to Units for these purposes. Owners shall provide for access for such inspections. If Owners do not provide access within 7 days of request from the Association, Association may hire a locksmith, at Owner's expense, for entry purposes.

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 the insurance company until after 30 days prior written notice to each First Mortgagee. The Board of Directors through its management company shall upon request of any First Mortgagee, furnish a copy of all Association certificates of insurance to such mortgagee.

All policies of insurance shall provide that the insurance thereunder is not prejudiced by any act or neglect of individual unit Owners which is not in the control of all Owners collectively.

The Association, in order to preserve the integrity of the Project, shall be deemed to have an "insurable interest" in each Unit. Any insurance obtained by

the Association or a Unit Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Unit Owners, Association and their respective servants, agents or guests. This declaration constitutes a waiver of rights of subrogation on the part of Association and all Owners.

The Association shall be obligated to rebuild any structure that is covered by insurance and that is destroyed due to casualty. The Association's policy is primary in the event that a Unit Owner has insurance covering the same loss.

(b) *Deductible.* Any insurance policy obtained by the Association may contain a reasonable deductible. Any deductible associated with an insured loss shall be paid by the party or parties who would be liable for the maintenance or repair in the absence of insurance (normally, for damage to a Unit, the Unit owner(s) whose Unit is affected/in need of repair; for damage to Common Elements, the Association). If a loss is due wholly or partly to the neglect or willful or negligent act or omission of an Owner, resident or their invitee, the provisions of Section 3.10 control.

Unless a repair need is associated with an insured loss and is actually covered by Association insurance, Owners are responsible for all repair and maintenance of their own Units.

The Association shall have no duty to file an insurance claim for any loss, including those losses that do not rise to the level of the insurance deductible. The Board will determine in its sole discretion whether to file a claim. If a claim is filed, whether an event is an insured loss is generally determined by the insurance company.

Except as otherwise expressly provided herein, in the event a claim is filed under and coverage granted by the Association's insurance for damage to a Unit, the affected Unit Owner(s) is/are responsible for any deductible under the Association's policy. If more than one Unit is affected, each Unit is responsible for the Owner's portion of the deductible as described below.

If a claim includes a claim for damage to Common Area only, the Association is responsible for any deductible under the Association's policy.

If a claim includes a claim for damage to Common Area and Unit(s), the deductible liability shall be shared proportionately (as described below) between

the Association and the affected Unit(s). This Owner liability is not and shall not be considered a regular or special assessment as those terms are defined in Section 5.3 and 5.6 hereof. Rather, it is a separate, individual liability of an owner solely related to his duties to maintain and repair his condo unit. Such liability is not based on the Owner's percentage interest in the common areas, and such funds are not for the common benefit of all owners.

If Unit Owners and/or the Association are proportionally responsible according to this subsection (b), the proportion of responsibility of the Owner(s) and Association, as applicable, shall be the same proportion as the cost of repair to the respective Unit(s) or Common Areas. For example, if there is a \$10,000 deductible, and \$20,000 in damages to the Common Area, and \$2,000 in damage to a Unit, the Association's proportionate share of the deductible is $(\$20,000/\$22,000 * \$10,000) = \$9,091$. The Unit Owner's proportionate share is $(\$2,000/\$22,000 * \$10,000) = \909.09 .

Owners are responsible, and are strongly encouraged to obtain insurance for, all costs associated with the Association's insurance deductible for insured losses affecting an Owner's Unit. To the extent that the Owner does not maintain insurance to cover the Owner's portion of liability for any deductible, the Owner shall be deemed to self-insure. The Owner shall pay the Owner's share of the deductible within 10 days mailing of written demand from the Association, mailed via US mail with signature confirmation, unless otherwise agreed in writing by the Association. Association may assess an Owner's account for any portion of the deductible not paid by the Owner in a timely manner.

PURSUANT TO THIS SECTION, OWNERS ARE RESPONSIBLE FOR, AND SHOULD OBTAIN INSURANCE FOR, ALL COSTS ASSOCIATED WITH THE ASSOCIATION'S INSURANCE DEDUCTIBLE FOR INSURED LOSSES AFFECTING AN OWNER'S UNIT. OWNERS SHOULD INQUIRE WITH THE ASSOCIATION AS TO THE CURRENT AMOUNT OF THE ASSOCIATION'S DEDUCTIBLE.

(c) *Liability Insurance.* The Association shall maintain a policy of general liability insurance and property damage insurance against claims for liability arising out of lawsuits related to employment contracts with the Association, and 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 Limited or General Common Elements. Such insurance shall include, but not be limited to walkways, terraces, passageways, driveways, roadways, stairs, or property adjoining the Project. The general liability insurance

shall afford protection to such limits and extent as the Board deems desirable; in no event shall the liability policy amount be less than \$1,000,000. Such insurance policy shall also provide that it cannot be canceled or substantially modified by the insurance company until after 10 days prior written notice to each First Mortgagee, to the extent allowed by law. This liability coverage does not insure the individual Unit Owner for liability or damages arising out of the use of his individual Unit as distinguished from the Common Elements of the Project.

(d) *Fidelity Bond.* To the extent that any officers, directors and employees of the Association handle or are responsible for funds of or administered by the Association, the Association shall as a common expense maintain fidelity bonds on all such persons.

Where the management agent has responsibility for the handling or administration of funds of the Association, the managing agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for the funds of, or administered on behalf of the Association. Such fidelity bonds shall name the Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, at any given time during the term of each bond. In no event may the aggregate amount of such bonds be less than the sum equal to three months aggregate assessments on all units, plus reserve funds.

The bond shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the owners' Association as a common expense.

The bond shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without a 10-day prior written notice to the Association or insurance trustee.

(e) *Condominium Unit Owners Insurance.* The insurance required in Section 4.6(a) does not insure the personal property, clothing, furniture and similar items of the Unit Owner. It is strongly recommended that all Unit Owners, at the Owners' option and expense, obtain insurance to insure all such property. All Owners are also strongly encouraged to obtain insurance to cover any insurance deductible for which the Owner may be responsible hereunder.

A Unit Owner shall provide evidence of such insurance, or lack thereof, to the Board upon request. Any insurance obtained by the Unit owners shall contain provisions in which the insurer waives its right of subrogation as to any claims against the Association and its agents or employees. This declaration constitutes a waiver of rights of subrogation on the part of Association and all Owners. To the extent that an Owner does not obtain the coverage recommended by this subsection (e), the Owner will be deemed to self-insure.

Owners are responsible for obtaining insurance to cover (1) the Owner's personal property (furniture, clothing, etc.), and (2) any insurance deductible for which the Owner may be held liable pursuant to this Declaration. The Association's insurance does not cover these items, nor does it cover loss of rents, mortgage payments, loss of business income, or similar items.

The Association's insurance must cover (1) Units, (2) Common Areas (which by definition include both General and Limited Common Elements), and (3) betterment and improvements to the Units.

(f) *Board determines deductible.* The Board of Directors of the Association shall have the authority, upon majority vote of the Board, to change any deductible from time to time in its discretion on any insurance purchased by the Association.

***SUMMARY OF INSURANCE PROVISIONS: OWNERS MUST OBTAIN INSURANCE TO COVER: (1) THEIR PERSONAL PROPERTY (FURNITURE, CLOTHING, JEWELRY, ETC.), (2) THE INSURANCE DEDUCTIBLE FOR CLAIMS FILED ON THE ASSOCIATION INSURANCE POLICY, (3) ANY OTHER COVERAGE THE OWNER, IN CONSULTATION WITH HIS INSURANCE AGENT, DEEMS NECESSARY.

THE ASSOCIATION'S INSURANCE WILL COVER THE UNITS (AS THAT TERM IS DEFINED), INCLUDING BETTERMENTS AND IMPROVEMENTS TO THE UNITS, AND THE COMMON AND LIMITED COMMON AREAS OF THE PROPERTY ***

Article VI Section 6.1 is hereby amended to read as follows:

6.1 DESTRUCTION OR OBSOLESCENCE. Repair and reconstruction of the Buildings or Common Elements, as used in the succeeding subsections, means restoring the Buildings or Common Elements to substantially the same condition as they existed prior to the damage, with each Unit and the Common Elements having the same vertical and horizontal boundaries as prior to such damage and destruction. The Association shall be and each Unit Owner hereby appoints the Association as attorney in fact to represent the Unit Owner in (1) negotiations,

settlement, and litigation involving any insurance claims under any insurance policies purchased by the Association, (2) condemnation proceedings for Common Elements, and (3) litigation involving Common Elements. The proceeds of any insurance collected shall be paid to the Association for the benefit of the Unit Owners and their respective mortgagees and for the purpose of repair, restoration or replacement, unless all of the Owners and all of the First Mortgagees agree not to rebuild in accordance with the provisions below. The Association may in the sole discretion of the Board either perform or cause to be performed all repairs and restoration as attorney in fact for all Owners, or may assign the portion of the insurance proceeds attributable to an individual Owner's Unit or any part thereof and/or betterments and improvements or any part thereof, and in such case the Owner shall be responsible for restoration of the Unit and/or betterments and improvements thereto not performed by the Association.

(a) If damage to or destruction of Buildings or Common Elements is due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the damaged Buildings and Common Elements shall be applied by the Association to such reconstruction, and the damaged Buildings and Common Elements shall be promptly repaired and reconstructed. Unit owners shall be strictly bound by the location, dimensions, heights, profiles, and all other aspects of the common elements as shown on the construction drawings of the project for when it was originally constructed, according to the original architectural construction drawings, a copy of which is retained by the Association. See Section 4.8.

(b) If the insurance proceeds are insufficient (not counting any deductible amount) to repair and reconstruct the damaged Buildings and Common Elements, and if such damage is not more than 67% of all the Buildings, such damage or destruction shall be promptly repaired and reconstructed by the Association (and/or Unit Owners, see first paragraph of this Section 6.1) using the proceeds of insurance and the proceeds of a Common Assessment to be made against all of the Owners and their Units. Such Common Assessment shall be a special Common Assessment (for which the approval of 67% of the Owners pursuant to Section 5.6 is not required) made pro rata according to each Owner's proportionate interest in and to the Common Elements and shall be due and payable within 30 days after written notice thereof is given to the Owners. The Association shall have the authority to cause the repair or restoration of the damage using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the Common Assessment. The Common Assessment shall be a debt of each Owner and secured by the contractual lien on his Unit and may be enforced and collected as is provided in Article V.

(c) If more than 67% of all the Buildings are destroyed or damaged, and if the Owners representing the aggregate ownership of 67% of the Common Elements do not voluntarily, within 100 days thereafter, make provision for reconstruction, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association the entire remaining Project shall be sold by the Association free and clear of the provisions contained in this Declaration, the Map and the Bylaws. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Unit Owner's interest in the Common Elements (for everything but proceeds attributable to Unit betterments and improvements), plus each Owner's share of insurance proceeds attributable to the Owner's betterments and improvements, and such divided proceeds shall be paid into separate accounts, one for and attributable to each Unit. Each such account shall be in the name of the Association, and shall be further identified by the number of the Unit and the name of the Owner. From each separate account, the Association shall use and disburse the total amount in each such account, without contribution from any one account to another, toward the full payment of (i) all taxes and special assessments upon such Unit, (ii) all recorded liens upon the Unit and (iii) all unpaid Common Assessments upon such Unit and with the balance being payable to the Owner of such Unit. There shall be added to each such account, the apportioned amount of the proceeds derived from the sale of the entire Project. Such apportionment shall be based upon each Condominium Unit Owner's proportionate interest in the Common Elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association for the same purposes and in the same order as is provided in the preceding sentence. Any decision to terminate the Condominium Regime must have the approval of First Mortgagees holding mortgages on Units which have at least 51% of the votes of the Association.

(d) If the Owners representing a total ownership interest of 67% of the Common Elements adopt a plan for reconstruction under subsection (c), then all of the Owners and their successors in title shall be bound by the terms and provisions of such plan. Any assessment made in connection with such plan shall be a Common Assessment and made pro rata according to each Owner's proportionate interest in the Common Elements and shall be due and payable as provided by the terms of the plan but not sooner than 30 days after written notice thereof. The Association shall have the authority to cause the repair and restoration of the damage using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the Common Assessment. The Common Assessment

shall be a debt of each Owner and a lien on his Unit and may be enforced and collected as is provided in Section 5.9.

(e) Any termination of the project or declaration for reasons other than substantial destruction or condemnation of the property may occur only upon approval of the first lien mortgages of at least 67% of all Units. Proceeds from any termination of the project shall be distributed in accordance with the percentages in Exhibit C.

Policy 24 of The Policies of the Association, such Policies filed as Exhibit I to the Declaration, is amended by replacing the former language with the following language:

24. *Utilities and leaks.* (a) Each owner shall be responsible for promptly fixing leaks in all plumbing lines, plumbing fixtures, lavatories, sinks, tubs, and shower stalls inside his unit or solely serving his unit.
- (b) To the extent such items are not covered by insurance proceeds of the Association received by the Association, a unit owner will be responsible for paying for all damages and repairs, including the full amount of any Association insurance deductible, necessitated by water leaks from his unit to adjacent units or Common Areas.
- (c) If the Association deems it necessary to repair any of these items inside an owner's unit or Common Area, the owner shall reimburse the Association for the cost of repair, plus 33% for administrative overhead.
- (d) If a loss is due wholly or partly to the neglect or willful or negligent act or omission of an Owner or resident or their invitee, the Association may hold the Owner responsible for all costs not covered by Association insurance, including any deductible.
- (e) In the event a claim is filed under and coverage granted by the Association's insurance, unless otherwise expressly provided in the Declaration, the affected Unit Owner(s) is/are responsible for any deductible (if more than one Unit affected, each Unit is responsible for his or her proportionate share of the deductible, in accordance with Declaration Section 3.7). Unless otherwise expressly provided in the Declaration, if such claim includes a claim for damage to Common Area, the deductible liability shall be shared between the Association and the affected Unit(s) in accordance with the proportionate liability assigned to all parties per Declaration Section 3.7. For convenience, per Declaration Section 3.7:

If Unit Owners and/or the Association are proportionately responsible [as outlined in Declaration Section 3.7], the proportion of responsibility of the Owner(s) and Association, as applicable,

shall be the same proportion as the cost of repair to the respective Unit(s) or Common Areas. For example, if there is a \$10,000 deductible, and \$20,000 in damages to the Common Area, and \$2,000 in damage to a Unit, the Association's proportionate share of the deductible is $(\$20,000/\$22,000 * \$10,000) = \$9,090.91$. The Unit Owner's proportionate share is $(\$2,000/\$22,000 * \$10,000 = \909.09 .

- (f) Nothing in these rules shall be interpreted to require the Association to file an insurance claim.

Executed and effective this 28th day of July, 2010

**Stillhouse Canyon Condominium
Homeowners Association, Inc.**

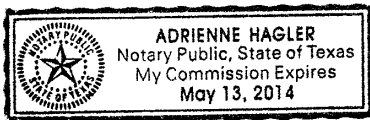
By: Carolyn Wright

Printed Name: Carolyn Wright

Title: President, Stillhouse Canyon
HOA Board

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on the 28th day of July, 2010 by Carolyn Wright, in the above-stated capacity.



Adrienne Hagler
Notary Public for the State of
TEXAS

Printed name of notary Adrienne Hagler
My commission expires 5/13/14

*After recording return to
Niemann & Heyer LLP
1122 Colorado, Suite 313
Austin, TX 78701*



FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS

August 03 2010 03:13 PM

FEE: \$ 88.00 2010111753