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**FIRST AMENDMENT TO THE
AMENDED COMMUNITY DECLARATION
FOR
HERITAGE TRAILS**

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF DENTON §

INTRODUCTORY PROVISIONS

WHEREAS, the Amended Community Declaration for Heritage Trails was filed on October 30, 2020, as Instrument No. 2020-175987 in the Official Public Records of Denton County, Texas (“*Heritage Trails Declaration*”); and

WHEREAS, the Heritage Trails Declaration affects certain tracts or parcels of real property located in the City of Lewisville, Denton County, Texas, more particularly described in the Heritage Trails Declaration, including any amendments and supplements thereto, and is incorporated herein by reference for all purposes (“*Property*”); and

WHEREAS, Article 21, Section 21.2 of the Heritage Trails Declaration, provides that the Heritage Trails Declaration may be amended by affirmative vote or written consent, or any combination thereof, of Members entitled to cast at least 67% of the total votes in the Heritage Trails Homeowners Association, Inc. (“*Association*”); and

WHEREAS, the affirmative vote or written consent, or any combination thereof, of at least 67% of the total votes of the Association has been obtained approving of the following amendments to the Heritage Trails Declaration.

NOW, THEREFORE, the Heritage Trails Declaration is hereby amended as follows:

1) Article 6, Section 6.4(b) of the Heritage Trails Declaration is hereby amended and shall read, in its entirety, as follows:

6.4 Insurance of Units.

(b) Liability Coverage. Each Owner shall obtain and maintain at all times a policy of liability insurance covering consequential damages to any other Unit or the Common Area due to occurrences originating within the Owner's Unit caused by the negligence of the Owner, the failure of the Owner to maintain the Unit, and any other casualty within the Unit which causes damage to the Units or the Common Area, to the extent such coverage is not provided by policies maintained by the Association or to the extent insurable losses may result in the Owner's liability for payment of deductibles under the Association's policies. Further, Owners are encouraged to obtain a "loss assessment" rider or endorsement. Furthermore, Owners shall obtain an "assessment coverage" rider or endorsement.

If an Owner fails to obtain and maintain at all times such policy, including requisite coverages, or provide proof that the such policy is active, the Association may, but is under no duty or obligation, purchase such policy and levy a Specific Assessment against the Owner pursuant to Section 12.4.

2) Article 7, Section 7.3(f) of the Heritage Trails Declaration is hereby amended and shall read, in its entirety, as follows:

7.3 Protection of Owners and Others.

(f) Leasing and Transfer of Units. From the date of the adoption of this First Amendment, no more than twenty-five percent (25%) of the total Units may be leased at any point in time, except in cases of hardship as approved by the Board. The goal is to preserve the community as one of predominantly owner-occupied.

3) Article 12, Section 12.3 of the Heritage Trails Declaration is hereby amended and shall read, in its entirety, as follows:

Section 12.3 Special Assessments. (a) The Association may levy “Special Assessments” to cover Common Expenses or Limited Common Expenses that are non-routine, unanticipated, or in excess of those anticipated in the applicable budget. Except as otherwise specifically provided in this Declaration, any Special Assessment for Common Expenses shall require the affirmative vote or written consent of Members entitled to cast more than 50% of the votes attributable to Units subject to assessment under Section 12.5 and shall be allocated equally among all such Units. Except as provided in subsection (b), any Special Assessment for Limited Common Expenses shall require the affirmative vote or written consent of Owners representing more than 50% of the total votes allocated to Units on which such Special Assessment is to be levied and shall be allocated in the same manner as Limited Common Assessments under Section 12.1(c). Special Assessments shall be payable in such manner and at such times as the Board determines and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

(b) Except as otherwise specifically provided in this Declaration, during an emergency period following a major catastrophe or weather event wherein the Association incurs substantial damage to property, the Board, in its discretion, may levy a Special Assessment for Common Expenses upon the affirmative vote or written consent of a majority of Board Members held at an open meeting for which prior notice was given to Owners. The Special Assessment shall be allocated equally among all such Units. Any Special Assessment of this nature may be submitted as a claim to the Owner’s insurance company as an assessment coverage rider as provided for in Section 6.4(b) of this Declaration.

4) Article 12, Section 12.11(b) of the Heritage Trails Declaration is hereby amended and shall read, in its entirety, as follows:

12.11 Enhancement Fees Upon Transfer of Title.

(b) Purpose. Enhancement Fees shall be placed in a segregated account and used exclusively to provide funding for reserves for capital repairs and replacements to property which the Association maintains as a Common Expense for the primary benefit of the Members and activities, programs, and other uses, as the Board may determine appropriate, which enhance and provide a “direct benefit” to the Community, as the term “direct benefit” is defined in rules of the Federal Housing Finance Agency at 12 C.F.R. Part 1228.1, as it may be amended. For example, Enhancement Fees shall not be used to engage in any political activity, including lobbying, protesting, or taking or asserting a position in any zoning matter. The Board may appoint a Lifestyle Committee in accordance with the By-Laws to develop a budget for and make recommendations to the Board as to use of any Enhancement Fees which the Board allocates for purposes other than funding reserves for capital repairs and replacements hereunder.

Subject to this Section 12.11, the Board’s judgement in determining the allocation and expenditure of such funds shall be final so long as such judgment is exercised in good faith, and the Association, its directors, and officers shall not be liable to any Person for any error in judgement or any action or inaction relating to the expenditure of such funds, except that nothing in this Section shall relieve any person of liability for gross negligence or willful misconduct in the handling of such funds. For new Owners, the Enhancement Fee shall be \$750.00 and the Insurance Fee shall be \$750.00. The Board, from time to time and without further amendment of this Declaration, may elect to increase or decrease the amount of the Enhancement Fee or Insurance Fee by resolution. The change of amount is not effective unless the resolution is signed and acknowledged by an officer of the Board and recorded.

The terms and provisions of the Heritage Trails Declaration, except as modified herein, are hereby declared to be in full force and effect with respect to the Property. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings set forth in the Heritage Trails Declaration. The Property shall continue to be held, occupied, sold, and conveyed subject to the terms and conditions of the Heritage Trails Declaration and this First Amendment, which shall run with title to the Property and are binding on all parties having any right, title or interest in and to the Property or any part thereof, including their heirs, representatives, successors, transferees and assigns, and shall inure to the benefit of each Owner thereof.

IN WITNESS WHEREOF, the Association has caused this First Amendment to the Heritage Trails Declaration to be filed with the office of the Denton County Clerk.

**HERITAGE TRAILS
HOMEOWNERS ASSOCIATION, INC.
a Texas non-profit corporation**

By: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF DENTON §

BEFORE ME, the undersigned Notary Public, on this day personally appeared _____, the _____ of Heritage Trails Homeowners Association, Inc., a non-profit corporation, known to me to be the person whose name is subscribed on the foregoing instrument and acknowledged to me that he/she executed the same for the purposes therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND AFFIRMED SEAL OF OFFICE on this the ____ day of _____, 2023.

Notary Public, State of Texas

CERTIFICATION OF AMENDMENT

I, _____, the _____ of Heritage Trails Homeowners Association, Inc., a Texas non-profit corporation, have read the foregoing First Amendment to the Amended Community Declaration for Heritage Trails, do certify that it is true and correct and do hereby approve same for recording in the Official Public Records of Denton County, Texas.

By: _____
Its: _____

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