

5.1. General.

All site work, landscaping, structures, improvements, modifications, and items placed on a Unit in a manner or location visible from outside of any existing structures on the Unit, (including sports, play, and maintenance equipment, outdoor furniture and storage, and decorative items) (collectively, "**Improvements**") are subject to standards for design, development, landscaping, and aesthetics adopted pursuant to this Article ("**Architectural Guidelines**") and the approval procedures set forth in this Article, except to the extent that Tex. Prop. Code Chapter 202, this Article, or the Architectural Guidelines may otherwise provide.

No prior approval is necessary to rebuild or restore any damaged structures in a manner consistent with the plans and specifications most recently approved for such structures; however, the Owner shall notify the Association before undertaking such activities. Generally, no approval is required for work done to the interior of a structure; however, modifications to the interior of porches and any other portions of a structure visible from outside of the structure do require prior approval.

Any dwelling constructed on a Unit shall be designed by and built in accordance with the plans and specifications of a licensed architect unless the Declarant or its designee in its sole discretion otherwise approves.

Approval under this Article is not a substitute for any approvals or reviews required by Denton County, Texas, the City of Lewisville, Texas, or any other municipality or governmental agency or entity having jurisdiction over architectural or construction matters.

This Article shall not apply to the Declarant's design and construction activities or to the Association's activities during the Declarant Control Period.

5.2. Design Review Authority.

(a) **Declarant and Builders.** The Declarant, so long as it owns any property subject to this Declaration, and thereafter a committee comprised of one representative of each Builder who owns a Unit in the Community ("**Builder Committee**"), shall have exclusive authority to review and act upon all applications for review of proposed Improvements until the later of (i) the expiration of the Development and Sale Period, or (ii) such time as all Units planned for the property described in Exhibits "A" and "B" have been improved with dwellings that are substantially complete and occupied or ready for occupancy. The Declarant or Builder Committee may designate one or more persons to act on its behalf in reviewing any application, .

During the period of time that the Declarant holds reviewing authority under this Article, he Declarant may establish a committee comprised of such persons as the Declarant deems appropriate (which may but need not include Builders or representatives of Builders, architects, engineers, or other professionals), to review applications and make recommendations to the Declarant of approval or disapproval. In reviewing and acting upon any request for approval, the Declarant and its designee act solely in the Declarant's interest and owe no duty to any other Person.

From time to time, the Declarant or any Builder Committee may delegate any or all of its rights under this Article to other Persons or committees, including any committee appointed pursuant to Section 5.2(b). Any such delegation shall be in writing, shall specify the scope of responsibilities delegated, and shall be subject to (i) the right to revoke such delegation at any time and reassume its prior control, and (ii) the right

to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable. So long as the Declarant or Builder Committee has any rights under this Section 5.2(a), the jurisdiction of others shall be limited to such matters as the Declarant or Builder Committee specifically delegates.

(b) *Architectural Review Committee.* Upon any delegation of authority pursuant to Section 5.2(a), or upon expiration or termination of the Declarant's and Builder's rights under Section 5.2(a), the Board shall appoint an Architectural Review Committee ("**Architectural Review Committee**" or "**ARC**") to assume jurisdiction over matters within the scope of the delegated authority or this Article, respectively. The ARC shall consist of at least three, but not more than five, persons who shall serve and may be removed and replaced in the Board's discretion. ARC members need not be Owners or representatives of Owners. The ARC may, but need not, include architects, engineers, or similar professionals. The Association may compensate ARC members in such manner and amount, if any, as the Board may determine appropriate consistent with applicable law.

During the Development and Sale Period, the ARC shall notify the Declarant or Builder Committee, as applicable, in writing within seven business days of any action (i.e., approval, partial approval, or disapproval) it takes pursuant to any delegation of authority under this Article. A copy of the application and any additional information the Declarant or Builder Committee may require shall accompany the notice. The Declarant or Builder Committee, as applicable, shall have 10 business days after receipt of such notice to veto any such action, in its discretion, by written notice to the ARC.

Unless and until such time as the Declarant or Builder Committee delegates all or a portion of its reserved rights to the ARC or termination of the Development and Sale Period, the Association shall have no jurisdiction over architectural matters.

(c) *Reviewer.* For purposes of this Article, the entity having jurisdiction in a particular case shall be referred to as the "**Reviewer.**"

(d) *Fees; Assistance.* The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may also include reasonable costs incurred in having professionals review any application and conduct a final inspection for compliance with approved plans. The Board may include the compensation of such persons in the Association's annual operating budget.

(e) *Construction Deposit.* As a condition of approval of any application hereunder, the Reviewer may require the applicant to post a construction deposit. The Association shall be entitled to draw upon the construction deposit to cover costs which it incurs in cleaning up dirt or debris and repairing damage to any subdivision improvements or Common Areas which the Board determines, after notice to the applicant and an opportunity for a hearing in accordance with the By-Laws, is attributable to the construction activities of the applicant or its contractors, subcontractors, suppliers, or others providing goods or services in conjunction with the construction activities on the applicant's property. The applicant shall provide funds to restore the construction deposit to its original amount within 10 days after written request from the Association notifying the applicant of the amount of any disbursement from the applicant's construction deposit. Upon completion of all work in accordance with the approved plans, the applicant shall be entitled to a refund of the applicant's construction deposit (or if any portion has been applied to cover the Association's costs pursuant to this section and not restored, then the balance remaining, if any).

5.3. Guidelines and Procedures.

(a) **Architectural Guidelines.** The initial Architectural Guidelines are attached as Exhibit "F," but are subject to amendment as provided in this section. The Architectural Guidelines may contain general provisions applicable to the entire Community as well as specific provisions that vary among locations within the Community and may also include rules governing construction activities within the Community. The Architectural Guidelines are intended to provide guidance to Builders and other Owners regarding matters of particular concern to the Reviewer. The Architectural Guidelines are not the exclusive basis for the Reviewer's decisions, and compliance with the Architectural Guidelines does not guarantee approval.

The Declarant or Builder Committee, as applicable shall have sole and full authority to amend the Architectural Guidelines for so long as it has review authority under Section 5.2(a). Such right to amend the Architectural Guidelines shall continue even if reviewing authority is delegated to the ARC, unless the power to amend is also delegated to the ARC. Upon termination or delegation of the Declarant's and Builder Committee's right to amend, the ARC may amend the Architectural Guidelines with the Board's consent. No amendment shall be inconsistent with the provisions of Tex. Prop. Code Chapter 202, as it may be amended.

Amendments to the Architectural Guidelines shall apply prospectively only. They shall not require modifications to, or removal of, any structures previously approved once the approved construction or modification has begun. However, any new work on such structures must comply with the Architectural Guidelines as amended. There shall be no limitation on the scope of amendments to the Architectural Guidelines, and such amendments may eliminate requirements previously imposed or otherwise make the Architectural Guidelines less restrictive. Any amendment to the Architectural Guidelines shall be effective upon recording.

The Reviewer shall make the Architectural Guidelines, as they may be amended, available to Owners upon request.

(b) **Procedures.** Except as this Declaration or the Architectural Guidelines otherwise provide, no activities within the scope of this Article (as described in Section 5.1) may begin on any portion of the Community until a written application is submitted to and approved by the Reviewer, which application must be accompanied by plans and specifications and such other information as the Reviewer or the Architectural Guidelines require.

In reviewing each application, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner and other applicant acknowledges that such determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements.

Subject to the provisions of Tex. Prop. Code Chapter 202, as it may be amended, and this Declaration, the Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations shall not be subject to the procedures in Article 19 or judicial review so long as they are made in good faith and in accordance with required procedures, Tex. Prop. Code Chapter 202, and applicable laws and restrictive covenants.

The Reviewer shall make a determination on each application after receipt of a completed application with all required information. The Reviewer may permit or require that an application be submitted or

considered in stages, in which case a final decision shall not be required until after the final, required submission. The Reviewer may: (i) approve the application with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application.

The Reviewer shall notify the applicant in writing of the final determination on any application no later than 30 business days after its receipt of a completed application and all required submissions; however, with respect to any ARC determination subject to the Declarant's or Builder Committee's veto right under Section 5.2(b), the Reviewer shall notify the applicant of the final determination within 40 business days after its receipt of the final determination and all required submissions. Notice shall be deemed given at the time the envelope containing the response is deposited in the U.S. mail. Hand delivery, facsimile, electronic mail, or similar delivery of such written notice also shall be sufficient and shall be deemed given at the time of confirmed delivery to the applicant.

If the Reviewer fails to respond in a timely manner, the applicant may notify the Reviewer in writing by certified mail, return receipt requested, demanding a response and, if the Reviewer fails to respond within 14 days after receipt of such demand, approval shall be deemed given, but only to the extent that the application is in conformance with the Architectural Guidelines. No approval, whether expressly granted or deemed granted, shall be inconsistent with the Architectural Guidelines unless a written variance has been granted pursuant to Section 5.5.

Notwithstanding the above, while the Declarant is the Reviewer, it may dispense with the written application and approve plans and specifications for construction by any Builder pursuant to the terms of the agreement of sale between the Declarant and such Builder. Any such plans shall be deemed approved hereunder, provided that such approval is set forth in a written instrument signed by the Declarant or its authorized representative identifying the approved plans and specifications, and then subject to any conditions set forth in such instrument.

As part of any approval, the Reviewer may require that construction commence within a specified time period. If construction does not commence within the required period, the approval shall expire, and the Owner must reapply for approval before commencing any activities. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the Reviewer, in its discretion, grants an extension in writing.

Upon completion of all work for which approval has been granted, the applicant shall notify the Reviewer in writing that construction is complete. The Reviewer may conduct an inspection within 30 days thereafter and notify the applicant in writing as to any deviations or deficiencies noted from the approved plans. If deviations or deficiencies are noted, the applicant shall promptly take such action as the Reviewer has specified in such notice to conform the work to the approved plans.

The Reviewer may exempt certain activities from the application and approval requirements of this Article if such activities are undertaken in compliance with the Architectural Guidelines and the Community-Wide Standard.

5.4. No Waiver of Future Approvals.

The people reviewing applications under this Article will change from time to time, and opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly. It may not always be possible to identify objectionable features until work is completed.

However, the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans shall not constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

5.5. Variances.

The Reviewer may authorize variances from compliance with any of the Architectural Guidelines and any procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. However, no variance shall: (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the Reviewer from denying a variance in other circumstances.

5.6. Limitation of Liability.

This Article establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of the Community; they shall not create any duty to any Person. Review and approval of any application pursuant to this Article may be based purely on aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that all dwellings are of comparable quality, value, size, or design, or are aesthetically pleasing or otherwise acceptable to other Owners.

The Declarant, the Association, its officers, the Board, any committee, and members of any of the foregoing, shall not be liable for: (a) soil conditions, drainage, or other general site work; (b) any defects in plans revised or approved hereunder; (c) any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not the Declarant has approved or featured such contractor as a Builder; or (d) any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Unit. In all matters arising under this Article, the Association shall defend and indemnify the Board, the ARC, and the members of each, as provided in the By-Laws.

5.7. Certificate of Compliance.

Any Owner may request in writing that the Reviewer issue a certificate of compliance certifying that there are no known violations of this Article or the Architectural Guidelines. The Association shall either grant or deny such written request within 30 days after receipt and may charge a reasonable administrative fee. Issuance of such a certificate shall prevent the Association from taking enforcement action against an Owner for any condition known to the Association on the date of such certificate.

ARTICLE 6

MAINTENANCE OF UNITS; INSURANCE AND CASUALTY LOSSES

By buying or occupying property in Heritage Trails, each Owner commits to maintain his or her Unit in a neat and attractive condition to enhance the overall aesthetic appeal of the community. This Article describes the Owners' responsibilities for maintenance and repair of their Units and for insuring their Units against property damage so that funds will be available for repair and restoration if needed.

6.1. Maintenance by Owners.

Except to the extent that such responsibility is assigned to the Association pursuant to Section 6.2 or Section 9.2, each Owner shall maintain such Owner's Unit, including all structures, landscaping, and other improvements comprising the Unit, in a manner consistent with the Governing Documents and the Community-Wide Standard; provided, no Owner or occupant of a Unit shall modify the exterior or landscaping on his or her Unit without prior approval pursuant to Article 5. Responsibility for maintenance shall include responsibility for repair and replacement necessary to maintain the property to a level consistent with the Community-Wide Standard.

The Association may assume maintenance responsibility for any Unit owned by a Person other than the Declarant upon the Board's determination, pursuant to Article 8, that the level and quality of maintenance then being provided is not consistent with the Community-Wide Standard. The Association may assess the cost of such maintenance against the benefited property as a Specific Assessment pursuant to Section 12.4.

6.2. Maintenance by Association.

(a) Scope of Services. The Association shall be responsible for the following maintenance on each Unit upon completion thereof as described in Section 6.2(b):

(i) maintenance of landscaping installed by the Builder as part of the initial construction on the Units and replacements thereof lying outside of any "Private Yard Area" (i.e., any area of a Unit enclosed by a fence or lying between the dwelling and any separate garage on the Unit), such maintenance to consist of: (A) mowing of grassed areas; (B) edging along sidewalks, driveways and shrub beds; (C) pruning of shrubbery; (D) mulching around trees and shrubs; (E) fertilizing and irrigating planted areas; (F) weed control and treating for disease and insects as the Board deems appropriate; (G) removal and replacement of dead or dying shrubbery and trees, and (H) periodic removal of leaves, branches, and similar lawn debris from landscaped areas, driveways, and sidewalks;

(ii) operation, maintenance, repair and replacement, as necessary, of any irrigation equipment (including, without limitation, any sprinklers, pumps, wells, water lines and time clocks, wherever located) designed to irrigate landscaping lying outside of Private Yard Areas, except that the Association shall have no responsibility for any sprinklers or other irrigation equipment installed by the Owner or occupant of any Unit after initial conveyance of the Unit by the Builder;

(iii) maintenance, repair and replacement of the surface water drainage systems, if any, including collection drains and piping, if any;

(iv) the following maintenance of structures erected or installed by a Builder as part of the original construction on the Units and replacements thereof:

(A) repair and/or replacement, as necessary, of the shingles, flashing, felt, and roof decking of roofs of dwellings and garages, including the roofs of any porches built as part of the original construction of the dwelling or replacements thereof;

(B) cleaning, repair and replacement of gutters and downspouts;

(C) maintenance, repair and replacement of the exterior façade of the dwelling on each Unit, including siding and trim, but excluding: (i) windows, window frames, doors and door frames, except for painting or staining thereof; (ii) any skylights or other glass surfaces; (iii) exterior light fixtures; (iv) window, door and porch screens; and (v) chimneys, if any.

(D) painting or staining, as applicable, of all exterior painted or stained portions of any structures on the Unit, including any garage, garage door, exterior doors, door frames, shutters, façade on the dwelling, and any fences and gates erected or installed by the Builder and replacements thereof (such fences being referred to herein as "**Builder-Installed Fences**");

(E) reglazing and recaulking of the exterior portions of all windows and doors, but only at such time as the Association or its contractor undertakes painting of all exterior painted surfaces; the Association shall have no responsibility for maintaining glazing or caulking between paintings or for air, water, or moisture leaks or damage resulting from the need to reglaze or recaulk windows and doors more frequently, which shall be the Owner's responsibility;

(F) repair and replacement, as necessary, of any Builder-Installed Fences; and

(G) maintenance, repair and replacement of retaining walls, if any, that are not attached to dwellings; and

(H) termite treatment of all exterior walls and foundations of a dwelling and garage; provided, however, that the Association shall not be liable if such treatment proves to be ineffective; and

(I) repair of the dwelling foundation or slab, but only in the event of a slab failure affecting or threatening the foundation of multiple Units within a building (all other aspects, including repair of minor cracks resulting from natural expansion and/or contraction of soil, shrinkage during the curing of concrete, and settlement of the dwelling being the responsibility of the Unit Owner).

The Association may undertake additional exterior maintenance, repair or replacements on Units not otherwise required hereunder, but shall have no obligation to do so or, once undertaken, to continue to perform such maintenance in the future.

The Association shall not be responsible for any improvements or modifications added or made to any Unit by or on behalf of the Owner or occupant after the conveyance of the Unit to the first Owner following completion of the initial improvements thereon except as otherwise approved by the Association in writing. Approval of any modification or addition may be expressly conditioned upon the Owner assuming responsibility for maintenance, repair, and replacement of the same.

The Board shall determine the schedule upon which the Association shall provide routine periodic maintenance, such as painting, on Units for which the Association's responsibilities have commenced

hereunder. Each Owner acknowledges that cracking and staining of exterior surfaces is a common occurrence and that the Association shall have no obligation to clean, repair, or repaint such surfaces outside of its regular maintenance schedule.

Except as otherwise provided in this paragraph, all costs which the Association incurs in performing its responsibilities under this Section 6.2(a) shall be allocated equally among only those Units as to which the Association's responsibilities have commenced under Section 6.2(b) and levied as a Specific Assessment under Section 12.4. To the extent that any maintenance, repair or replacement which is the Association's responsibility hereunder is necessitated by damage or excessive wear and tear resulting from the conduct or activities of the owners or occupants of a Unit, their guests, invitees, or pets, the Association shall have the right to assess the costs which it incurs for such maintenance, repair or replacement against the Unit and the Owner thereof as a Specific Assessment pursuant to Article 12 hereof. The Association's responsibility for repairs, replacement, and debris removal necessitated by casualty events shall be limited to the extent of available insurance proceeds.

(b) Commencement of Association's Responsibilities. The Association's responsibilities under subsection (a) of this Section shall commence, as to each block of Units improved or intended to be improved with structures comprising a single building of two or more attached dwellings (a "**Townhome Block**"), at such time as the first Unit in such Townhome Block: (i) has been improved with a dwelling for which a certificate of occupancy has been issued and all landscaping and related improvements on the Unit have been completed in accordance with the plans approved pursuant to Chapter 5 of the Residential Declaration; and (ii) the Unit has either been conveyed by the Builder or actually occupied for residential purposes. Until such time, the Builder shall be responsible for all maintenance on the Units within the Townhome Block.

6.3. Maintenance and Repair of Party Walls and Similar Structures.

(a) Original Construction. Each wall, fence, driveway, or similar structure built as part of the original construction on Units which serves and/or separates any two or more adjoining Units, and any replacement thereof, shall be considered a party structure. If any necessary maintenance, repair or replacement of a party structure affects both sides of the structure, it shall be the joint responsibility of the Owners of the Units served or separated by the party structure and any such Owner may perform the necessary maintenance or repair and, within 30 days after receipt of written evidence of the total cost incurred, the other Owner(s) shall reimburse the Owner who has incurred such cost for an equal share of the reasonable cost he or she has incurred in performing such maintenance or repair.

Notwithstanding the above or anything to the contrary in this Declaration, if maintenance or repairs to a party structure are necessitated by the conduct of the Owners, occupants or guests of only one of the Units that share such party structure, then the Owner of such Unit shall be responsible for the necessary maintenance or repairs.

The right to and the obligation of contribution for party walls and similar structures between Owners, as provided in this section, shall be appurtenant to the land and shall pass to such Owner's successor-in-title.

To the extent not inconsistent with the provisions of this section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to any party structure. Any dispute concerning a party structure shall be subject to the provisions of Article 19.

(b) *Fence Additions.* If an Owner installs, constructs, or erects a fence on the common boundary line between such Owner's Unit and an adjacent Unit, and the Owner of the adjacent Unit thereafter attaches another section of fence to it or otherwise makes use of such fence for the purpose of enclosing all or a portion of the adjacent Unit, then such fence shall become a party structure for the purpose of each Owner's responsibility for contributing to the maintenance, repair, and replacement of such fence. However, nothing herein shall confer any ownership interest in or right to remove any such fence on the Owner of the adjacent Unit.

(c) *Failure to Maintain.* In the event that the Owners who share a party structure fail to provide necessary maintenance or repairs to a party structure within 10 days after the date of written notice from the Association advising of the need for such maintenance or repairs, the Association shall have the right to provide the necessary maintenance or repairs and assess the costs incurred against the responsible Owners and their Units.

6.4. Insurance on Units.

(a) *Property Coverage.* Except as provided herein, the Association shall obtain and thereafter maintain a master policy of property insurance insuring all structures on the Units as to which the Association's responsibilities have commenced under Section 6.2(b), exclusive of (i) floor, wall and ceiling coverings; (ii) electrical fixtures; (iii) appliances and water heaters; (iv) cabinetry and countertops; and (v) improvements made after issuance of an initial certificate of occupancy. The Owner of each Unit shall obtain and maintain insurance on the contents of the Unit, including the items listed in clauses (i) through (v) of this paragraph, and the Owner and occupants of the Unit shall be responsible for insuring their personal property.

The insurance to be obtained by the Association under this subsection (a) shall provide coverage for "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) insuring against loss or damage due to fire, lightning, wind, smoke, hail, civil commotion (including riots), aircraft, vehicle, explosion, water, vandalism, and malicious mischief, among other things. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes, excluding foundation and excavation costs. Such policy may contain a reasonable deductible, as the Board may determine. Any Owner filing a claim under such policy shall be responsible for payment of any and all expenses up to the amount of such deductible, to the extent not covered by insurance maintained by such Owner.

Notwithstanding the above, if the Association is unable to obtain, or the Board determines by resolution not to obtain or to discontinue providing, such insurance on Units, it shall notify each Owner of a Unit in writing at least 30 days prior to the date upon which the Owner would need to have its own property coverage in effect and each Owner of a Unit shall, not later than the date set forth in the Association's notice, obtain in such Owner's own name and at such Owner's own expense, property insurance on such Owner's entire Unit with a face amount at least equal to the full replacement cost of the dwelling and other insurable improvements comprising the Unit. Such policy may provide for a reasonable deductible. However, so long as the Association is able to obtain property insurance on the structures as described in the first paragraph of this subsection(a) at approximately the same or lower cost than the Owners could obtain individually, the Association shall provide such insurance coverage unless the then

Owners of a majority of the Units consent in writing to discontinue such coverage and assume responsibility for insuring their own Units in their entirety.

All costs which the Association incurs in providing insurance on Units shall be allocated equally among the Units as to which the Association's insurance obligations have commenced hereunder and levied as a Specific Assessment under Section 12.4; provided, if the insurance provider or agent provides a breakdown of the total premium showing the portion thereof attributable to each Unit, the Board shall assess each Unit for that portion of the premium attributed to such Unit as reflected in such breakdown, rather than allocating the premium equally among the Units.

If the Association ceases to provide master property insurance coverage hereunder, the Association shall refund or credit to account of each Owner that portion of any Specific Assessment paid hereunder attributable to insurance premiums for master property coverage for the period after termination of the Association's insurance responsibility.

Insurance responsibility and maintenance responsibility are separate and independent; this Section 6.4(a) shall not be construed to expand the Association's responsibility for maintenance of Units beyond that specified in Section 6.2.

Neither the Association nor Declarant shall bear any responsibility for the maintenance or safekeeping of personal property of any Owner or occupant of a Unit, their family, guests or invitees, nor shall the Association or Declarant be held liable for the condition of, or any loss or damage to, any such personal property except to the extent directly attributable to the reckless acts or willful misconduct of the Association, Declarant or their respective agents or employees.

(b) ***Liability Coverage.*** Every 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. Such insurance policy or policies shall name the Association as an additional insured. In addition, Owners are encouraged to obtain a "loss assessment" endorsement.

(c) ***Evidence of Coverage.*** Each Owner shall submit to the Association, at least annually and within 10 days of any written request from the Board of Directors, a certificate or certificates evidencing that all insurance coverage which the Owner is obligated to provide hereunder is in effect. In addition, if the Board so requests, each Owner shall file with the Association a copy of the individual policy or policies covering his or her Unit. Each Owner shall promptly notify the Board in writing in the event such policy on his or her Unit is canceled or not renewed. The Association shall have no liability arising out of failure to ensure an Owner's compliance with the insurance requirements under this Section 6.4.

(d) ***Failure to Maintain Insurance.*** In the event that an Owner fails to obtain or maintain any insurance that the Owner is required to obtain hereunder, the Association may, but shall not be obligated to, obtain such insurance on behalf of the Owner and assess the costs thereof to the Owner and the Owner's Unit as a Specific Assessment.

6.5. Casualty Losses; Responsibility for Repair and Replacement.

Regardless of whether the insurance on a Unit is obtained by the Association or the Owner, in the event of a casualty loss affecting any portion of the Unit which the Association is responsible for maintaining under Section 6.2(a), the Association shall be entitled to file a claim under such insurance for the cost of any repair or reconstruction to the Unit and improvements thereon which is the Association's responsibility.

If the Owner of the Unit suffering the loss is responsible for maintaining such insurance on the Unit, the Owner shall pay the amount of any deductible and shall be responsible for any deficiency in the insurance proceeds. If the Owner fails to fund such deficiency, the Association shall be relieved of any obligation to maintain, repair and replace damaged or destroyed portions of such Owner's Unit which are the Association's responsibility under Section 6.2 to the extent of such insufficiency, and the Owner shall be responsible for repair and replacement of the same within 90 days after the casualty loss resulting in damage to or destruction of a structure on a Unit. Alternatively, the Association may perform required repairs, whether the responsibility of the Association or the Owner, and assess all costs in excess of insurance proceeds to the Owner and the Owner's Unit as a Specific Assessment pursuant to Section 12.4 of this Declaration.

If the Association is responsible for maintaining insurance on the Unit suffering the loss, any deductible and any deficiency shall be Common Expenses to be assessed against all Units covered by the insurance policy, unless the Board determines, after notice and an opportunity for a hearing, that the casualty loss was the result of the negligence of the Owner or occupant of the damaged Unit, in which case the deductible may be assessed against the Unit and the Owner thereof as a Specific Assessment. The Association shall be entitled to adjust with the insurance provider the amount of any proceeds payable to the Association and the Owner thereunder, based upon the amount necessary to enable the Owner and the Association each to repair and replace those portions of the Unit and improvements thereon which are their respective responsibilities.

Neither the Association nor Declarant shall bear any responsibility for the maintenance or safekeeping of personal property of any Owner or occupant of a Unit, their family, guests or invitees, nor shall the Association or Declarant be held liable for the condition of, or any loss or damage to, any such personal property except to the extent directly attributable to the reckless acts or willful misconduct of the Association, Declarant or their respective agents or employees.

ARTICLE 7 USE AND CONDUCT

This Article sets forth basic standards regarding use, occupancy, and transfer of interests in Units. In addition, it provides a procedure by which the rules regulating use, conduct, and activities within the Community may be expanded and modified to address particular needs and desires of the Community over time.

7.1. Use, Occupancy, and Transfer of Interests in Units.

(a) **Residential and Related Uses.** Units may be used only for residential and related purposes, except as the Declarant may otherwise authorize with respect to construction, marketing, and sale activities of the Declarant and Builders it designates. A business activity shall be considered "related" to a residential use

and thus permitted under this section only if conducted by a person or persons residing in the Unit and only if the business activity:

(i) is not apparent or detectable by sight, sound, or smell from outside of a permitted structure;

(ii) complies with applicable law and zoning requirements;

(iii) does not violate Section 7.1(e) or involve (A) the sale of controlled substances or firearms; (B) regular visitation of the Unit by employees who do not reside in the Unit, clients, customers, suppliers, or other business invitees; or (C) door-to-door solicitation within the Community; and

(iv) is consistent with the Community's residential character and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of others, as the Board determines in its discretion.

Notwithstanding compliance with the above, the propagation, growing, sale, or distribution of marijuana for any purpose shall not be permitted on any Lot.

"Business" shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required.

Provision of child care on a limited basis for a fee shall not be considered a "business" within the meaning of this subsection so long as the child care provider: (i) resides in the home where the child care is provided; (ii) does not employ other persons to assist in the provision of child care; and (iii) does not provide child care to more than two children at a time who do not reside in the home where the child care is provided, or more than four children total, including the children of the child care provider. The Board is specifically authorized to adopt rules regulating child care operations within the Community, including rules limiting parking of vehicles, traffic flow, and use of recreational facilities in connection with child care operations, in order to minimize the impact of such operations upon any portion of the Community.

(b) **Leasing.** For purposes of this Declaration, the terms "**Lease**" and "**Leasing**" shall refer to the granting of a right of exclusive occupancy of a Unit to any Person other than the Owner for which the Owner receives any consideration or benefit. Leasing of Units shall be subject to strict compliance with the following:

(i) Any Unit that is leased shall be leased only in its entirety; separate rooms, floors, or other areas within a dwelling may not be separately leased;

(ii) The leasing of multiple Units by a single Owner, or the leasing of multiple Units by two or more Owners related by blood, adoption, or marriage, or by Owners with a common ownership interest, or by a group of Owners under the control or direction of a single Owner, shall be prohibited, except that this prohibition shall not apply to restrict the leasing of two or more Units by an institutional lender upon taking title following foreclosure of its security interest in the Unit or upon acceptance of a deed in lieu of foreclosure;

(iii) No signs shall be posted in Heritage Trails or on the right-of-way adjacent to Heritage Trails advertising the availability of the Unit for rent, except that the Owner of a Unit being offered for lease may post one standard real estate sign on such Unit advertising the Unit for rent during any period that the Unit is vacant and authorized to be rented hereunder and within the 90 day period immediately prior to expiration of the term of any lease which is not being renewed, provided that such sign complies with the Architectural Guidelines adopted pursuant to Section 5.3 and any applicable sign ordinances;

(iv) Any lease shall be in writing and shall provide for a minimum initial term of at least 30 days. The Unit may not be subleased and the lease may not be assigned during the initial 30 days of the lease term. In the event of termination of the lease within the first 30 days after the tenant has taken occupancy, the Owner may not enter into a new lease with a term commencing within 30 days after the commencement of the previous lease without prior approval from the Board, which shall not be granted unless the Board determines, after consideration of the facts and circumstances, that the Owner acted in good faith, with no intent to circumvent the requirements of this subsection (b), and could not reasonably have anticipated the early termination of the previous lease at the time the lease was signed; and

(v) **All leases shall disclose that the tenants and all occupants of the leased Unit are bound by and obligated to comply with the Governing Documents. However, the Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease.**

Within 10 days of a lease being signed, the Owner of the leased Unit shall notify the Board or the Association's managing agent of the lease and provide (i) an alternate mailing address for the Owner, (ii) the name of the Owner's local management agent managing the leasing of the Unit and such agent's contact information; (iii) a copy of the signed lease, and (iv) such additional information the Board may reasonably require. The Owner shall give the tenant copies of the Governing Documents prior to the tenant taking occupancy of the Unit.

In addition to, but consistent with this subsection, the Association or the Board may adopt Rules governing leasing and subleasing. Such Rules may require that Owners use Board-approved lease forms (or include specific lease terms) in any lease.

If and to the extent that any provision of this subsection (b) would disqualify a Unit for a federally-insured or federally-guaranteed Mortgage loan, any Unit that would otherwise be eligible for such a Mortgage loan shall be exempt from such provision during any period that: (i) any application for such a Mortgage loan is pending; (ii) such Mortgage is insured or guaranteed under any federal program providing insurance for repayment of or guaranteeing such Mortgage loan, or (iii) the Unit is owned by the Mortgage holder or by any federal agency pursuant to such federal program following the exercise of the Mortgage holder's remedies due to the borrower's default under the terms of the Mortgage.

(c) ***Transfer of Title; Resale Certificate.*** Any Owner other than the Declarant desiring to sell or otherwise transfer title to such Owner's Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The Person transferring title shall continue to be jointly and severally responsible with the Person accepting title for all obligations of the Owner, including assessment obligations, until the date upon which the Board receives such notice, notwithstanding the transfer of title. The Person transferring title shall also be responsible for payment of the Enhancement Fee required under Section 12.11 of this Declaration, as applicable.

Within 10 business days after the Association's receipt of a written request from an Owner, an Owner's agent, a purchaser of a Unit, a purchaser's agent, or a title insurance company acting on behalf of the Owner or purchaser of a Unit, specifying the name and address of the person to whom it is to be delivered, the Association shall deliver to the person specified in such request a resale certificate containing all information required by Tex. Prop. Code Section 207.003(b) ("**Resale Certificate**"), along with a current copy of the Governing Documents. If the requestor is a purchaser or purchaser's agent, the Association may require reasonable evidence that the purchaser has a contractual or other right to acquire the Unit prior to preparing the Resale Certificate. The Resale Certificate shall be prepared as of a date which is not more than 60 days prior to the date of delivery and delivered by mail, hand delivery, or such alternative method of delivery as may be specified in the written request. At any time within 180 days after the date of the initial request, the requestor may request an update to such certificate, which update shall contain the information required by Tex. Prop. Code Section 207.003(f) and shall be delivered not later than the seventh business day after the date of such request. The Association may charge a reasonable fee to prepare, assemble, copy, and deliver a Resale Certificate and accompanying information and any update thereto, and may require such fee to be paid before preparing the Resale Certificate or update.

If the Resale Certificate indicates that there are known conditions on the Unit which violate the Governing Documents, or that there are amounts due and unpaid to the Association on account of the Unit, the Owner shall be responsible for curing such violations and paying any such amounts due prior to transfer of title and, upon doing so, may request an update to the Resale Certificate to reflect such action. If the transferring Owner fails to cure violations or pay amounts due prior to transfer of title, the new Owner shall be jointly and severally responsible with the prior Owner for curing such violations and paying any amounts due and unpaid.

Upon acceptance of title to a Unit, the new Owner of the Unit shall pay to the Association a reasonable administrative fee in such amount as the Board may determine necessary to cover the costs the Association incurs to update the Association's records.

(d) ***Subdivision and Combination of Units.*** No Person, other than the Declarant and Builders whom the Declarant may authorize in writing, shall subdivide or change the boundary lines of any Unit or combine Units without the Board's prior written approval. Any such action that the Board approves shall be effective only upon recording of a plat or other legal instrument reflecting the subdivision or new boundaries of the affected Unit(s). In the absence of such recorded instrument, adjacent Units owned by the same Owner shall continue to be treated as separate Units for purposes of voting and assessment, even though such Units may be improved with a single dwelling.

(e) ***Transient or Lodging Use; Timesharing.*** No Person shall advertise or operate any Unit, or any room, garage, or other portion of a Unit, as a hotel, inn, "bed and breakfast," vacation rental, or for other short-term lodging purposes, nor shall any Unit be used for lodging of persons other than the Owner or a tenant who resides in the Unit pursuant to a lease complying with Section 7.1(b), members of their respective households, and their occasional, non-paying guests. No Unit shall be used for overnight lodging of a business' employees, customers, or invitees when the Owner, tenant or another permanent resident of the Unit is not present in the Unit; however, if a Unit is owned by a legal entity, such entity may permit the Unit to be occupied on a long-term or short-term basis by any director, officer, partner, or employee of such entity which the Owner identifies in advance by written notice to the Association, provided that no more than one such person and the members of such person's household shall be permitted to occupy the Unit in any 30-day period. No Unit shall be used for operation of any type of timesharing, fraction-sharing, residence club, vacation club, destination club, or similar program whereby

the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule, on a reservation basis, or on such other basis as may be set forth in the terms of the program.

7.2. Rulemaking Authority and Procedures.

The Governing Documents establish a framework of covenants and conditions that govern the Community. The initial Rules attached as Exhibit "C" are a part of that framework. However, within that framework, the Association must be able to respond to unforeseen issues and changes affecting the Community. Therefore, the Board and the Members are authorized to change the Rules in accordance with the following procedures, subject to the limitations set forth in Section 7.3.

(a) **Declarant Authority.** So long as the Declarant has the right unilaterally to amend this Declaration pursuant to Section 21.2, the Declarant may unilaterally amend Exhibit "C" to add new Rules or to modify or rescind existing Rules.

(b) **Board Authority.** Subject to the notice requirements in subsection (d) and the Board's duty to exercise judgment and reasonableness on behalf of the Association and its Members, the Board may adopt new Rules and modify or rescind existing Rules by majority vote of the directors at any Board meeting. However, during the Development and Sale Period, any such action shall also be subject to the Declarant's approval.

(c) **Membership Authority.** Subject to the notice requirements in subsection (d), the Members entitled to cast a majority of the votes in the Association may also adopt new Rules and modify or rescind existing Rules at any meeting of the Association duly called for such purpose, regardless of the manner in which the original Rule was adopted. However, during the Development and Sale Period, any such action shall also be subject to the Declarant's approval.

(d) **Notice.** The Board shall send notice to all Owners or publish notice in a community newsletter or on a community intranet or website concerning any Rule change proposed under subsections (b) or (c) above at least five business days prior to the meeting of the Board or the Members at which such action is to be considered. At any such meeting, Members shall have a reasonable opportunity to be heard before the proposed action is put to a vote.

(d) **Effective Date.** A Rules change under this Section 7.2 shall be reflected in an amendment to Exhibit "C" executed by the Declarant or the Association, or both, as applicable, and recorded. Any such amendment shall take effect upon recording or 30 days after the date on which written notice of the Rules change is given to the Owners, whichever is later.

(e) **Administrative and Operating Policies.** The procedures set forth in this section do not apply to administrative and operating policies that the Board may adopt relating to the Areas of Common Responsibility, such as hours of operation of a Common Area recreational facility, speed limits on Private Streets, if any, safety regulations, or the method of allocating or reserving use of a facility (if permitted) by particular individuals at particular times, notwithstanding that such policies may be published as part of the Rules.

(f) **Conflicts.** No action taken under this section shall have the effect of modifying or repealing the Architectural Guidelines or any provision of this Declaration other than the Rules. In the event of a conflict between the Architectural Guidelines and the Rules, the Architectural Guidelines shall control. In

the event of a conflict between the Rules and any provision of this Declaration (exclusive of the Rules), the Declaration shall control.

7.3. Protection of Owners and Others.

Except as may be set forth in this Declaration (either initially or by amendment) or in the initial Rules set forth in Exhibit "C," all Rules shall comply with the following provisions:

(a) **Similar Treatment.** Similarly situated Units shall be treated similarly; however, the Rules may vary by distinct characteristics that the Board deems to justify such variations.

(b) **Flags and Other Displays.** No Rule shall abridge the right of the Owner or occupant of a Unit to display the official flag of the United States of America in accordance with 4 U.S.C. Sections 5-10, the flag of the State of Texas in accordance with Chapter 3100 of the Texas Government Code, or an official or replica flag of any branch of the United States armed forces, on the Unit owned or occupied by such Owner, except that Rules may regulate the location, size, use and manner of display of such flags and flagpoles and associated lighting to the extent permitted by Tex. Prop. Code Chapter 202.

No Rule shall regulate the content of political signs, except that the Association may adopt time, place, and manner restrictions with respect to such signs, symbols, and displays as are visible from outside structures on the Unit, including reasonable limitations on size, number, and time period within which they may be displayed, consistent with Tex. Prop. Code Chapter 202 and any other applicable provisions of Texas law.

(c) **Household Composition.** No Rule shall interfere with an Owner's freedom to determine the composition of its household, except that the Association may impose and enforce reasonable occupancy limitations and conditions based on the size and facilities comprising the dwelling on a Unit and its fair share use of the Common Area.

(d) **Activities Within Dwellings.** Except as otherwise specifically provided in this Declaration, no Rule shall interfere with lawful activities carried on within a dwelling, except that the Association may prohibit activities inconsistent with this Declaration or otherwise inconsistent with a residential use of the property. It may also restrict or prohibit activities that create monetary costs for the Association or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions visible from outside the dwelling, or that are an unreasonable source of annoyance.

(e) **Allocation of Burdens and Benefits.** No Rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who are delinquent in paying assessments, abuse the Common Area, or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Article 12.

(f) **Leasing and Transfer of Units.** No Rule shall prohibit leasing or transfer of any Unit or require approval prior to leasing or transferring a Unit, except as provided in Section 7.1.

(g) **Abriding Existing Rights.** No Rule shall require that an Owner dispose of personal property kept in or on a Unit in compliance with the Rules in effect at the time such personal property was brought onto

the Unit. This exemption shall apply only during the period of such Owner's ownership of the Unit and shall not apply to subsequent Owners who take title to the Unit after adoption of the Rule.

(h) ***Reasonable Rights to Develop.*** No Rule may unreasonably interfere with the Declarant's ability to develop, market, and sell property in the Community.

(i) ***Interference with Easements.*** No Rule may unreasonably interfere with the exercise of any easement.

7.4. Owners' Acknowledgment and Notice to Purchasers.

By accepting title to a Unit, each Owner acknowledges and agrees that the use, enjoyment, and marketability of such Owner's Unit is limited and affected by the Rules, which may change from time to time. All Unit purchasers are hereby notified that the Association may have adopted changes to the Rules and that such changes may not be set forth in a recorded document. A copy of the current Rules and all administrative policies are available from the Association upon request. The Association may charge a reasonable fee to cover its reproduction cost.

ARTICLE 8 COMPLIANCE AND ENFORCEMENT

The covenants, standards, and rules set forth in the Governing Documents are for the benefit of all Owners and occupants of the Community. However, if they are to have any real meaning, there must be a commitment by the Owners in the Community to comply with them and there must be a mechanism in place to enforce that compliance in the event that someone fails or refuses to do so. This Article sets forth the obligation to comply and the remedies available to the Association for noncompliance.

8.1. Compliance.

Every Owner and occupant, of a Unit, their tenants and guests, and any other visitor entering the Community must comply with the Governing Documents and shall be subject to sanctions for violations as described in this Article. In addition, each Owner shall be responsible for, and may be sanctioned for, all violations of the Governing Documents by the occupants, tenants, guests, or invitees to their Units, and for any damage to the Area of Common Responsibility that such Persons may cause.

8.2. Remedies for Non-Compliance.

The Association, the Declarant, and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents, subject to the terms of Article 19, as applicable; provided, prior to the Association filing suit against an Owner, other than a suit to collect assessments or foreclose the Association's lien under Article 12, the Association shall provide written notice to the alleged violator and an opportunity for a hearing in accordance with the By-Laws. In addition, the Board may impose sanctions for violation of the Governing Documents, including those listed below and any others described elsewhere in the Governing Documents.

(a) ***Sanctions Requiring Prior Notice and Hearing.*** After written notice and an opportunity for a hearing in accordance with the By-Laws, the Board may:

(i) impose reasonable monetary fines, which shall constitute a lien upon the violator's Unit. In the event that any occupant, tenant, guest, or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine may, but need not, first be assessed against the violator; provided, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board;

(ii) suspend any Person's right to use any Common Area facilities (A) for any period during which any charge against such Owner's Unit remains delinquent, and (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation (except that no notice or hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed to the Association); provided, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit. This subsection (a)(ii) shall not preclude Association personnel or pool staff from immediately ejecting from a Common Area facility any person who violates safety rules or threatens the safety of other users;

(iii) suspend services the Association provides to the Unit (except that no opportunity for a hearing is required if the Owner is more than 60 days delinquent in paying any assessment or other charge owed to the Association);

(iv) exercise self-help or take action to abate any violation of the Governing Documents in a non-emergency situation (including removing personal property that violates the Governing Documents);

(v) without liability to any Person, preclude any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of Article 5, including the Architectural Guidelines, from continuing or performing any further activities in Heritage Trails;

(vi) levy Specific Assessments to cover costs the Association incurs in bringing a Unit into compliance with the Community-Wide Standard or other requirements under the Governing Documents or to reimburse the Association for property loss or damage arising from the conduct of the Owner or occupants of the Owner's Unit; and

(viii) record a notice of violation with respect to any Unit on which a violation exists.

If, after notice and an opportunity for a hearing, the violation continues or recurs within 12 months after the date of such notice, the Board may impose any of the above sanctions without further notice or opportunity for another hearing.

(b) **Other Sanctions.** The Board may take the following actions to obtain compliance with the Governing Documents without prior notice or a hearing:

(i) exercise self-help or take action to abate a violation on a Unit in any situation which requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other persons or their property (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations);

(ii) exercise self-help or take action to abate a violation on the Common Area under any circumstances;

(iii) require an Owner, at its own expense, to perform maintenance or to remove any structure or improvement on such Owner's Unit that is in violation of the Community-Wide Standard or other requirements under the Governing Documents, to correct deficiencies or deviations from the plans approved pursuant to Article 5, and in an appropriate case, to restore the property to its previous condition; or

(iv) enter the property and exercise self-help to remove or cure a violating condition if an Owner fails to take action as required pursuant to subsection (iii) above within 10 days after receipt of written notice to do so, and any such entry shall not be deemed a trespass.

8.3. Board Decision to Pursue Enforcement Action.

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. For example, the Board may determine that, in a particular case:

(a) the Association's position is not strong enough to justify taking any or further action;

(b) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(d) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

A decision not to enforce a particular provision shall not prevent the Association from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction, or rule.

8.4. Attorneys' Fees and Costs.

In any action to enforce the Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

8.5. Enforcement of Ordinances.

The Association, by contract or agreement, may enforce applicable ordinances. In addition, the City of Lewisville may enforce its ordinances within Heritage Trails.