

arbitrator shall make specific, written findings of fact and conclusions of law. In all arbitration proceedings the parties shall have the right to seek vacation or modification of any award that is based in whole, or in part, on (i) factual findings that have no legally or factually sufficient evidence, as those terms are defined in Texas law; (ii) conclusions of law that are erroneous; (iii) an error of applicable law; or (iv) a cause of action or remedy not expressly provided under applicable law. In no event may an arbitrator award speculative, special, exemplary, treble, or punitive damages for any Claim.

(e) *Other Matters.* To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within one hundred and eighty (180) days of the filing of the Claim for arbitration. Arbitration proceedings hereunder shall be conducted in Denton County, Texas. Unless otherwise provided by this Section, the arbitrator shall be empowered to impose sanctions and to take such other actions as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Texas Rules of Civil Procedure and applicable law. Claimant and Respondent agree to keep all Claims and arbitration proceedings strictly confidential, except for disclosures of information required in the ordinary course of business of the parties or by applicable law. In no event shall Claimant or Respondent discuss with the news media or grant any interviews with the news media regarding a Claim or issue any press release regarding any Claim without the written consent of the other parties to the Claim.

(f) *Allocation Of Costs.* Notwithstanding any provision in this Declaration to the contrary, each party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, Mediation, and Arbitration sections above, including its attorneys' fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator and arbitrator.

(g) *Liability to Third Parties.* A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim.

PART SIX: PROCEDURES FOR AND LIMITATIONS ON CERTAIN ACTIONS

ARTICLE 20 CHANGES IN THE COMMON AREA

Various influences and circumstances within and outside the Community may give rise to a need or desire to make changes in the ownership of or rights to use Common Area. This Article explains the procedures for dealing with matters such as changing use rights in Common Area or Limited Common Area, partition of the Common Area, and condemnation.

20.1. Assignment and Reassignment of Limited Common Area.

The Board may designate a portion of the Common Area as Limited Common Area, and may reassign Limited Common Area, upon approval of the Board and the vote of Members entitled to cast a majority of the total votes in the Association, including a majority of the votes attributable to Units to which the Limited Common Area is proposed to be assigned or reassigned. During the Development and Sale Period, any such assignment or reassignment shall also require the Declarant's written consent.

Upon approval of a majority of Owners of Units to which any Limited Common Area is assigned, the Association may permit Owners of other Units to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Limited Common Expenses attributable to such Limited Common Area.

20.2. Condemnation.

If any part of the Common Area is taken by any authority having the power of condemnation or eminent domain, or conveyed by the Association in lieu of and under threat of condemnation with such approval as may be required under Section 20.4, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

(a) If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area, to the extent sufficient land is available, unless within 60 days after such taking the Declarant, during the Development and Sale Period, and Members representing at least 67% of the total votes in the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 9.4 regarding funds for restoring improvements shall apply; or

(b) If the taking or conveyance does not involve any improvements on the Common Area, if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be treated in the same manner as proceeds from the sale of Common Area under Section 20.4.

20.3. Partition.

No Person shall bring any action for judicial partition of the fee title to any portion of the Common Area without the written consent of all Owners and Mortgagees. This section shall not prohibit the Board from acquiring and disposing of tangible personal property or from acquiring and disposing of real property that may or may not be subject to this Declaration, with such approval as may be required under Section 20.4.

20.4. Transfer, Mortgaging, or Dedication of Common Area.

The Association may transfer or dedicate portions of the Common Area or subject Common Area to a security interest:

- (a) upon request of the Declarant pursuant to Section 9.1 or Article 18;
- (b) if Common Area other than Limited Common Area, upon the written direction of Members entitled to cast at least 67% of the total votes in the Association, and the Declarant during the Development and Sale Period; or
- (c) if Limited Common Area, upon written approval of Owners of at least 67% of the Units to which such Limited Common Area is assigned.

The proceeds from the sale or mortgaging of Common Area other than Limited Common Area shall be an asset of the Association to be used as the Board determines, unless otherwise directed by the Members

approving such sale or mortgage at the time of such approval. The proceeds from the sale or mortgaging of Limited Common Area shall be disbursed in the manner approved by the Owners of Units to which the Limited Common Area is assigned at the time such sale or mortgage is authorized.

No conveyance or encumbrance of Common Area may deprive any Unit of rights of access or support.

ARTICLE 21 TERMINATION AND AMENDMENT OF DECLARATION

As the Community matures and grows, the rules by which it is governed must be flexible enough to adapt to changes in the development plan, as well as changes in the needs and desires of the Community that inevitably will occur. This Article sets out procedures by which either the Declarant or the Owners as a group may amend this Declaration to address such changes.

21.1. Term and Termination.

This Declaration shall be effective and remain in effect for 50 years from the date of recording. Thereafter, this Declaration shall be extended automatically for successive 10-year periods unless at least 50% of the then Owners sign a document stating that the Declaration is terminated and that document is recorded within the year before any extension. In such case, this Declaration shall terminate on the date specified in the termination document.

If any provision of this Declaration would be unenforceable, void, or voidable by reason of any rule restricting the period of time that provisions of that type can affect title to property to a period tied to the life of a now living person, that provision shall expire 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

This section shall not permit termination of any easement created in this Declaration without the consent of the holder of such easement.

21.2. Amendment.

(a) *By the Declarant.* In addition to the specific amendment rights granted elsewhere in this Declaration, during the Declarant Control Period, the Declarant may unilaterally amend this Declaration for any purpose.

(b) *By Owners.* Except as otherwise specifically authorized above or elsewhere in this Declaration, this Declaration may be amended only by affirmative vote or written consent, or any combination thereof, of Members entitled to cast at least 67% of the total votes in the Association or such greater percentage as required by other provisions of this Declaration. In addition, during the Development and Sale Period, any amendment pursuant to this subsection (b) shall also require the Declarant's written consent.

Any amendment pursuant to this subsection (b) shall be prepared, executed, certified, and recorded on behalf of the Association by any officer designated for such purpose or, in the absence of such designation, by the Association's President.

(c) *Validity and Effective Date.* Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for

action to be taken under that clause. No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Declarant Member without the written consent of the Declarant or the Declarant Member (or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

(d) *Exhibits.* Exhibits "A" and "B" are incorporated by this reference, and this Article shall govern amendment of those exhibits, except as otherwise specifically provided in this Declaration. Exhibit "C" is attached for informational purposes only and may be amended as provided in Article 7 or pursuant to this Section 21.2. Exhibits "D" and "E" are attached for information purposes only and may be amended as provided in those exhibits, respectively. Exhibit "F" is attached for informational purposes only and may be amended as provided in Section 5.3.

In witness of the foregoing, the Declarant has executed this Declaration this 15th day of July, 2019.

DECLARANT: LEWISVILLE SUMMIT, LLC, a Texas limited liability company

By: HC Operating, L.P., a Texas limited partnership, its managing member

By: HC Operating GP, LLC, a Texas limited liability company, its general partner

By: [Signature]
Name: Phillip Huffines
Its: Managing Director

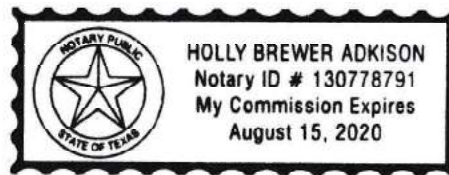
STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 15th day of July, 2019, by Phillip W. Huffines, Managing Director of HC Operating GP, LLC, a Texas limited liability company, General Partner of HC Operating, L.P., a Texas limited partnership, Managing Member of LEWISVILLE SUMMIT, LLC, a Texas limited liability company, for and on behalf of said limited liability company.

[Signature]
Notary Public State of Texas

[Notarial Seal]

[signatures continued on next page]



JOINDER AND CONSENT

The undersigned, as the Beneficiary under that certain Deed of Trust dated March 15, 2019, and recorded March 15, 2019 as Document No. 27622, Receipt No. 20190315000731 in the Real Property Records of Denton County, Texas, executed by LEWISVILLE SUMMIT, LLC, a Texas limited liability company, to Zammurad H. Feroze, Trustee, for the benefit and security of Trez Capital (2015) Corporation, a corporation formed under the laws of British Columbia (the "Deed of Trust"), which Deed of Trust encumbers all or a portion of the property described on Exhibit "A" of this Community Declaration for Heritage Trails, hereby joins in the execution of this Community Declaration for Heritage Trails to evidence its consent to such instrument and to subordinate the Deed of Trust and all interests therein to such instrument.

This 24th day of July, 2019.

TREZ Capital (2015) CORPORATION, a corporation formed under the laws of British Columbia

BY: Trez Capital Funding II, LLC, a Delaware limited liability company, as Administrative Agent

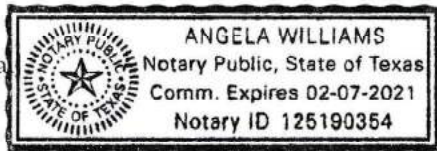
By: [Signature]
Name: John D Hutchingsm
Its: President

STATE OF TEXAS §
COUNTY OF Dallas §

This instrument was acknowledged before me on this 24th day of July, 2019, by John D Hutchingsm, President of Trez Capital Funding II, LLC, a Delaware limited liability company, acting in its capacity as administrative agent for the benefit and security of TREZ CAPITAL (2015) CORPORATION, a British Columbia corporation, on behalf of said corporation, for the purposes therein stated.

[Signature]
Notary Public, State of Texas

[Notarial Seal



My commission expires: _____

EXHIBIT "A"

Land Initially Submitted to the Declaration

Tract 1

BEING a tract of land situated in the Stephen Riggs Survey, Abstract No. 1088, and the Wm. Brown Survey, Abstract No. 63, City of Lewisville, Denton County, Texas, and being a part of a called 113.581 acre tract of land described in the deed to Prologis Development Services Incorporated, recorded in Volume 4738, Page 523, Real Property Records of Denton County, Texas, and part of a called 4.186 acre tract of land described in the deed to Prologis Development Services Incorporated, recorded in Volume 4781, Page 1148, said Real Property Records, the same being a part of Lot 3, Block B in Lewisville Corporate Center, an addition to the City of Lewisville according to the re-plat thereof recorded in Instrument No. 2009-172, Plat Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at southeast corner of the herein described tract of land at a 1/2-inch iron rod found for the southeast corner of said Lot 3, at the intersection of the westerly right-of-way line of Summit Avenue, a variable width public right-of-way, and the northerly line of the Kansas City Southern Railroad 125 foot wide right-of-way;

THENCE departing the westerly right of-way line of said Summit Avenue, along the southerly line of said Lot 3, and along the said northerly line of the Kansas City Southern Railroad, the following three (3) courses:

1. North 69°05'00" West, a distance of 927.12 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;
2. North 68°53'42" West, a distance of 41.95 feet to a 1-inch iron pipe found for corner;
3. North 69°03'24" West, a distance of 1298.67 feet to a point for corner that falls inside a power pole at the southwest corner of said Lot 3, and at the intersection of the easterly right-of-way line of McGee Lane, an 80 foot wide public right-of-way, and the said northerly line of the Kansas City Southern Railroad;

THENCE North 0°32'14" West, along the westerly line of said Lot 3, and along the easterly right-of-way line of said McGee Lane, a distance of 12.23 feet to a 1/2-inch iron rod with plastic cap stamped "HALFF ASSOC" found for corner at the beginning of a tangent curve to the right having a central angle of 2°44'23", a radius of 860.00 feet, a chord bearing and distance of North 0°49'58" East, 41.12 feet;

THENCE in a northeasterly direction, continuing along the westerly line of said Lot 3, and the easterly right-of-way line of said McGee Lane, and with said curve to the right, an arc distance of 41.12 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the southwest corner of a called 5.485 acre tract of land described in the deed to Prologis OGL (2), LP., recorded in Instrument No. 2008-129595, said Real Property Records;

EXHIBIT "A"

Land Initially Submitted to Declaration

(continued)

THENCE South 69°03'52" East, departing the easterly right-of-way line of said McGee Lane, and crossing said Lot 3, along the southerly line of said 5.485 acre tract, a distance of 391.11 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for the southeast corner of said 5.485 acre tract;

THENCE North 20°56'35" East, continuing across said Lot 3, along the easterly line of said 5.485 acre tract, a distance of 224.95 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE South 69°03'24" East, departing the easterly line of said 5.485 acre tract, and continuing across said Lot 3, a distance of 1384.79 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;

THENCE North 90°00'00" East, continuing across said Lot 3, a distance of 363.02 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner on the easterly line of said Lot 3, and on the westerly right-of-way line of aforesaid Summit Avenue, and at the beginning of a curve to the right having a central angle of 1°54'25", a radius of 512.97 feet, a chord bearing and distance of South 1°21'43" East, 17.07 feet;

THENCE along the easterly line of said Lot 3, and along the westerly right-of-way line of said Summit Avenue, the following six (6) courses:

1. In a southeasterly direction, with said curve to the right, an arc distance of 17.07 feet to a 1/2-inch iron rod found for corner at the end of said curve;
2. South 0°24'31" East, a distance of 47.49 feet to an 'X' scribed in concrete found for corner;
3. South 44°35'57" West, a distance of 16.97 feet to an 'X' scribed in concrete found for corner from which a 1/2-iron rod found for witness bears North 42°55' West, a distance of 2.5 feet;
4. South 0°24'03" East, a distance of 51.00 feet to a 1/2-inch iron rod with plastic cap stamped "HALFF ASSOC" found for corner;
5. South 45°24'03" East a distance of 33.99 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for corner;
6. South 0°25'40" East, a distance of 287.51 feet to the **POINT OF BEGINNING** and containing 12.626 acres (549,980 square feet) of land, more or less.

EXHIBIT "A"

Land Initially Submitted to Declaration

(continued)

Tract 2

BEING a tract of land situated in the Stephen Riggs Survey, Abstract No. 1088, City of Lewisville, Denton County, Texas, and being a part of a called 113.581 acre tract of land described in the deed to Prologis Development Services Incorporated, recorded in Volume 4738, Page 523, Real Property Records of Denton County, Texas, the same being a portion of Lot 2, and a portion of Lot 3, both out of Block B in Lewisville Corporate Center, an addition to the City of Lewisville according to the re-plat thereof recorded in Instrument No. 2009-172, Plat Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod with a plastic cap stamped "KHA" set for the northwest corner of a called 5.485 acre tract of land described in the deed to Prologis OGL (2), LP., recorded in Instrument No. 2008-129595, Real Property Records of Denton County, Texas, on the westerly line of said Lot 3, same being the easterly right of way line of McGee Lane, an 80 foot wide public right-of-way;

THENCE North 00°24'56" West, along the westerly line of said Lot 3 and along the easterly right of way line of said McGee Lane, at a distance of 142.68 feet, pass a 1/2-inch rod with a plastic cap stamped "HALFF ASSOC" found for the northwest corner of said Lot 3, same being the westerly, southwest corner of said Lot 2, continuing along the easterly right of way line of said McGee Lane and along the westerly line of said Lot 2, for a total distance of 318.04 feet to a 5/8-inch iron rod with a plastic cap stamped "KHA" set for corner, from which, a 1/2-inch iron rod with a plastic cap stamped "GORRONDONA" found for the westerly, northwest corner of said Lot 2 bears North 00°24'56" West, 79.13 feet;

THENCE departing the easterly right of way line of said McGee Lane and crossing said Lot 2, the following three (3) courses:

1. North 89°35'03" East, a distance of 140.94 feet to a 5/8-inch iron rod with a plastic cap stamped "KHA" set for corner;
2. South 62°50'20" East, a distance of 1463.57 feet to a 5/8-inch iron rod with a plastic cap stamped "KHA" set for corner;
3. South 62°11'36" East, a distance of 280.62 feet to a 5/8-inch iron rod with a plastic cap stamped "KHA" set for a corner on the southerly line of said Lot 2, same being the northerly line of said Lot 3;

THENCE South 80°22'23" East, along the southerly line of said Lot 2 and along the northerly line of said Lot 3, a distance of 262.32 feet to a 1/2-inch iron rod found for the southeast corner of said Lot 2, same being the northerly, northeast corner of said Lot 3, on the westerly right of way line of Summit Avenue, a 100 foot wide public right of way, at the beginning of a curve to the left having a central angle of 00°58'07", a radius of 637.00 feet, a chord bearing and distance of South 20°56'28"

EXHIBIT "A"

Land Initially Submitted to Declaration
(continued)

East, 10.77 feet;

THENCE along the easterly line of said Lot 3 and along the westerly right of way line of said Summit Avenue, the following nine (9) courses:

1. In a southeasterly direction, with said curve to the left, an arc distance of 10.77 feet to an "X" scribed in concrete found for corner;
2. South 20°14'37" West, a distance of 16.28 feet to an "X" scribed in concrete found for corner;
3. South 24°45'23" East, a distance of 51.00 feet to an "X" scribed in concrete found for corner;
4. South 69°45'23" East, a distance of 34.56 feet to an "X" scribed in concrete found at the beginning of a curve to the right, having a central angle of 03°06'58", a radius of 625.04 feet, a chord bearing and distance of South 30°53'50" East, 33.99 feet;
5. In a southeasterly direction, with said curve to the right, an arc distance of 33.99 feet to a 1/2-inch iron rod with a plastic cap stamped "HALFF ASSOC" found at the beginning of a compound curve to the right having a central angle of 15°00'25", a radius of 525.00 feet, a chord bearing and distance of South 24°57'07" East, 137.12 feet;
6. In a southeasterly direction, with said curve to the right, an arc distance of 137.51 feet to a 1/2-inch iron rod with a plastic cap stamped "HALFF ASSOC" found at the beginning of a compound curve to the right having a central angle of 20°47'56", a radius of 237.00 feet, a chord bearing and distance of South 07°02'56" East, 85.56 feet;
7. In a southeasterly direction, with said curve to the right, an arc distance of 86.03 feet to a 1/2-inch iron rod with a plastic cap stamped "HALFF ASSOC" found at the beginning of a reverse curve to the left having a central angle of 07°34'22", a radius of 263.00 feet, a chord bearing and distance of South 00°26'09" East, 34.74 feet;
8. In a southeasterly direction, with said curve to the left, an arc distance of 34.76 feet to a 1/2-inch iron rod with a plastic cap stamped "HALFF ASSOC" found at the beginning of a reverse curve to the right having a central angle of 01°54'25", a radius of 512.97 feet, a chord bearing and distance of South 03°16'08" East, 17.07 feet;
9. In a southeasterly direction, with said curve to the left, an arc distance of 17.07 feet to a 5/8-inch iron rod with a plastic cap stamped "KHA" set for corner;

THENCE departing the westerly right of way line of said Summit Avenue and crossing said Lot

EXHIBIT "A"

Land Initially Submitted to Declaration

(continued)

3, the following two (2) courses:

1. North 90°00'00" West, a distance of 363.02 feet to a 5/8-inch iron rod with a plastic cap stamped "KHA" set for corner;
2. North 69°03'24" West, a distance of 1384.79 feet to a 5/8-inch iron rod with a plastic cap stamped "KHA" set on the easterly line of aforesaid 5.485 acre tract;

THENCE North 20°56'35" East, along the easterly line of said 5.485 acre tract, a distance of 292.50 feet to a 5/8-inch iron rod with a plastic cap stamped "KHA" set for the northeast corner of said 5.485 acre tract;

THENCE North 69°03'25" West, along the northerly line of said 5.485 acre tract, a distance of 366.07 feet to a 5/8-inch iron rod with a plastic cap stamped "KHA" set for an angle point on the northerly line of said 5.485 acre tract;

THENCE South 89°35'02" West, continuing along the northerly line of said 5.485 acre tract, a distance of 193.02 feet to the **POINT OF BEGINNING** and containing 19.789 acres (861,998 square feet) of land, more or less.

EXHIBIT "B"

Land Subject to Annexation

All those tracts or parcels of land lying and being in Denton County, Texas, and being contiguous to or situated within a one-half-mile radius of the property described in Exhibit "A" to this Declaration, as it may be amended from time to time.

Note to clerk and title examiners:

This Declaration is not intended to create an encumbrance on title to the property described in this Exhibit "B." Such title may be encumbered only with the consent of the owner by filing a Supplement in accordance with Article 17 of this Declaration.

EXHIBIT "C"

Initial Rules

The following initial Rules shall be subject to amendment or modification in accordance with Section 7.2 of the Community Declaration for Heritage Trails.

1. **General**. All Units shall be subject to the restrictions on use, occupancy, and transfer of Units set forth in Section 7.1 of the Declaration, except as otherwise provided in that Section.

2. **Restricted Activities**. Unless expressly authorized by, and then subject to such conditions as may be imposed by the Board, the following activities are prohibited within the Community:

(a) repair or maintenance of motor vehicles, except that an occupant of a Unit may perform minor, routine maintenance to the occupant's passenger vehicle while parked inside the garage on the Unit;

(b) parking of any boat trailer, recreational vehicle, camping unit, bus, commercial use truck or van, or self-propelled or towable equipment or machinery of any sort, or any inoperable vehicles, on any public or private street within the Community or on any portion of a Unit other than in a garage, and parking of any other vehicle on a Unit in places other than the garage or driveway serving the Unit, except that (i) service and delivery vehicles and, during the construction of Improvements on a Unit, necessary construction vehicles, may be parked in the driveway of the Unit or on adjacent streets during daylight hours for any period of time reasonably necessary to provide service or to make a delivery to the Unit or the Common Area; and (ii) the Declarant and authorized Builders may park and use construction vehicles, trailers, and other equipment on a Unit or Common Area in connection with their construction, development, marketing, and sale of property in the Community.

(c) use of any garage for storage or other activities that preclude its use for parking of that number of vehicles for which it was designed;

(d) parking of any vehicle in such manner as to block or obstruct any public or private street, sidewalk, driveway, or mailbox, or the view of traffic;

(e) parking of any vehicle in the Community, regardless of size, that transports inflammatory or explosive cargo;

(f) parking of any vehicle on a public or private street within the Community unless all available spaces in both the garage and driveway serving the Unit are occupied with vehicles;

(g) raising, breeding, or keeping animals, except that dogs or cats, not to exceed a total of three, and a reasonable number of other small common household pets of the type typically confined to cages or tanks (e.g., birds, hamsters, fish, etc.) may be kept in the dwelling on a Unit. This shall not preclude the occupant of a Unit from taking a dog or cat outside the dwelling; however, those pets which are permitted to roam free or, in the Board's sole discretion, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed, and inoculated as required by law.

EXHIBIT "C"

Initial Rules (continued)

- (h) any activity that emits foul or obnoxious odors outside the Unit or creates noise or other conditions that tend to disturb the peace or threaten the safety of the occupants of other Units;
- (i) any activity that violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;
- (j) pursuit of hobbies or other activities that tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Unit, or involves erection of structures which are visible from property outside of the Unit;
- (k) any noxious or offensive activity that in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Units;
- (l) outside burning of trash, leaves, garbage, debris, or other materials, except such debris as may be permitted to be burned during the normal course of constructing a dwelling on a Unit;
- (m) use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units, except alarm devices used exclusively for security purposes;
- (n) use and discharge of firecrackers and other fireworks;
- (o) accumulation of rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved containers (this provision shall not restrict composting of grass clippings, leaves, brush, or other vegetation in a manner approved pursuant to Article 5 of the Declaration;
- (p) discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;
- (q) any activities that materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Community or that use excessive amounts of water or which result in unreasonable levels of sound or light pollution;
- (r) conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Unit without prior approval pursuant to Article 5;
- (s) outdoor storage of any kind, except in areas, if any, approved pursuant to Article 5 and screened in an approved manner from view of neighboring property and streets;
- (t) outdoor airing or drying of clothes, rugs, bedding, or similar items unless screened from view of other properties in the Community by a screening method approved pursuant to Article 5;
- (u) garage sales or estate sales or other sales of personal or business property, except as part of an annual or semi-annual Community-wide event sponsored or sanctioned by the Association, if any. No signs, balloons, banners, or other items shall be placed in the Community or on adjacent rights-of-way

EXHIBIT "C"

Initial Rules (continued)

advertising such sale, except that one sign, not to exceed four square feet per side or five feet in height, may be posted on the Unit on which the sale is being conducted to identify the location and hours of the sale;

(v) operation of a golf cart on public or private streets within the Community, except as the Association may specifically authorize and then subject to Texas law and such additional rules as the Board may adopt, which may include, without limitation, specific requirements as to registration, licensing, and size, type, color, and equipping of any golf carts operated within the Community and requirements as to the minimum age of operators.

(w) keeping of any plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community; and

(x) installation and removal of trees, shrubs and other landscaping by any person other than the Association, and any modification of any thing, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article 5 of the Declaration. This shall include, without limitation, signs, basketball hoops, and swing sets and similar sports and play equipment; garbage cans; woodpiles; above-ground swimming pools; docks, piers, and similar structures; hedges; walls; dog runs; animal pens; storage sheds, and satellite dishes or antennas, except that:

(i) an antenna designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one meter or less in diameter; or

(ii) an antenna designed to receive video programming services via multipoint distribution services, including multi-channel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or

(iii) an antenna that is designed to receive television broadcast signals;

(collectively, "**Permitted Antennas**") shall be permitted on Units, subject to such reasonable requirements as to location and screening as may be set forth in the Architectural Guidelines, consistent with applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. The Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of the Community, should any master system or systems be utilized by the Association and require such exterior apparatus.

EXHIBIT "D"

Certificate of Formation of Heritage Trails Homeowners Association, Inc.

[see attached]