

**RESTATED AND AMENDED BYLAWS
OF
HILLWOOD ACRES PROPERTY OWNERS ASSOCIATION
A NONPROFIT CORPORATION
AS AMENDED ON MAY 24, 2008**

**ARTICLE I
REGISTERED OFFICE and AGENT**

Section 1. The name of the corporation is HILLWOOD ACRES PROPERTY OWNERS ASSOCIATION INC., (hereinafter referred to as the "Association"). The principal office of the corporation shall be located at 187 Sandy Drive, Trinity, Texas, 75862, but meetings of members and directors may be held at such places within the State of Texas, County of Trinity, as may be designated by the Board of Directors.

Section 2. The Association shall have and continuously maintain in the State of Texas a registered office as required by Article 1396, Section 2.05 of the Texas Non-Profit Corporation Act. The registered office and the principal office of the corporation in the State of Texas are the same and the address of the registered office may be changed from time to time by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 1. "Association" shall mean and refer to HILLWOOD ACRES PROPERTY OWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to HILLWOOD ACRES SUBDZVISION "B", a subdivision in the WM. McKIM SURVEY, Abstract No. 411, Trinity, County, Texas, as per map or plat of said subdivision recorded at Volume 2, Page 17, of the Plat Records of Trinity County.

Section 3. "Common Area" shall mean all real property, if any, owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land not an unrestricted reserve shown upon any recorded subdivision map of the Properties with the exception of the Common Area, if any.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Developer" shall mean and refer to Ferrell Whittlesey, of Trinity County, Texas, his successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to that certain document recorded at Volume 190, Page 439 of the Real Property Records of Trinity County.

Section 8. "Member" shall mean and refer to every person or entity who is a record owner of a fee or undivided fee interest within the Properties and has agreed to be bound by the bylaws of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

Section 9. "Member in good standing" shall mean and refer to every member, as defined in Article II, Section 8 of this document, who is eligible to vote at a meeting of the association, as defined in Article XVII, Section 5 of this document.

ARTICLE III

Section 1. Annual Meetings. The annual meeting of the members shall be held on the Saturday immediately preceding Memorial Day for the purpose of electing Directors and for the transaction of other business as may come before the meeting. Meetings will start between the hours of 9:00 a.m. and 3:00 p.m. on said day.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members having not less than one-tenth (1/10th) of the votes entitled to be cast at such meeting.

Section 3. Notice of Meetings. Written notice of each special meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by delivering or mailing a copy of such notice, postage prepaid, nor less than ten (10) no more than fifty (50) days before such meeting to each member entitled to vote at such meeting, addressed to the member's address last appearing on the books of the Association, or

supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members holding twenty five percent (25%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws, If, such quorum shall not be present or represented at any meeting, the members entitled to vote at such meeting shall have the power to adjourn the meeting, from time to time without notice other than announcement at the meeting, until a quorum as previously defined shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, on the form provided for such purpose, and filed with the secretary either by mail or in person by the giver of the proxy. Every proxy shall be revocable and shall automatically cease upon the adjournment of the meeting for which to proxy was given or conveyance by the member of his Lot.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by Board of Six (6) directors, who shall be members in good standing of the Association.

Section 2. Term of Office. The term of office for a Director shall be three years. At the first annual meeting after adoption of this change, the members shall elect two Directors for a term of three years and one Director for a term of 2 years. At the second annual meeting after adoption of this change, the members shall elect two Directors for a term of three years and one Director for a term of 1 year. At the third annual meeting after adoption of this change and at all subsequent annual meetings the members shall elect two Directors for a term of 3 years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members in good standing of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a quorum of directors ~~all the directors~~. Any action so approved shall have the same effect as taken at a meeting of the directors.

ARTICLE V

ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. At each election the members of Hillwood Property Owners Association, Inc., or their proxies, shall be entitled to one vote for each Member. When more than one person holds an interest in any Lot or Lots, all such persons shall be members; provided, however, that the vote for such Lot or Lots shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to such Lot or Lots.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. A Regular meeting of the Board of Directors shall be held at least six times per year, at such place and hour as may be fixed from time to time by

resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next succeeding business day.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors' shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting, at which a quorum is present, shall be regarded as the act of the Board. A Director may vote in person or by proxy executed in writing by the Director. However Directors present by proxy may not be counted toward a quorum. No proxy shall be valid after the meeting for which it was executed.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, if any, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of their annual dues. Such rights may also be suspended after notice and hearing for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) pursue any other remedy provided by law in addition to or in lieu of or all of the above, including a personal action for money damages against the defaulting owner;
- (d) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

- (e) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (f) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (g) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a summary thereof to the members at the annual meeting of the members;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) **determine a recommended amount of the annual dues to be presented to the members at the annual meeting;**
- (d) cause the Common Area, if any, to be maintained.

ARTICLE VIII

INDEMNITY OF DIRECTORS

Section 1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another enterprise, against expenses (including attorney's fees), judgment, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 2. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another Association, partnership, joint venture, trust, or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association; provided, however, that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association except to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which such court shall deem proper.

Section 3. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 4. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized in this section.

Section 5. Indemnification hereunder shall be made only upon a determination in the specific case that indemnification is proper under the substantive standards established hereunder. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so

directs, by independent legal counsel in a written opinion, or (3) by the members of the Association.

Section 6. The Association shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another Association, partnership, Joint ventures' trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this section.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or is otherwise disqualified to serve.

Section 4. Special Appointment. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it; effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same parson. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out shall sign all leases, mortgages, deeds and other written instruments and shall, if so determined by the Board of Directors, co-sign all checks and promissory

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal if any, of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditure to be represented to the membership at its regular annual meeting.

**ARTICLE X
COMMITTEES**

The Board of Directors by resolution adopted by a majority of the Directors in office may designate one or more committees, as deemed appropriate in the carrying out of its purpose.

**ARTICLE XI
BOOKS AND RECORDS**

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

**ARTICLE XII
VOTING MEMBERSHIP AND DUES**

"The Association shall have one class of voting membership. Members shall all be Owners, and shall be entitled to one vote for each Lot or Lots on which annual dues are paid to the Association as defined herein. When more than one person holds an interest in any Lot or Lots, all such persons shall be members. The vote for such Lot or Lots shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot and in no case shall one entity be allowed to control more than 5% of the Total Vote of the Association. The Total Vote of the Association is equal to the total number of annual dues paid to the association. The Voting Membership can only be changed if 51% of the available members approve the change.

- a. Each member is obligated to pay to the Association annual dues in the form of a Maintenance Assessment Fee as defined in Article XVII, a Major Road Fund Assessment Fee (assessed to each member and not by lot(s)) as defined in Article XVIII, and a Garbage Fee (applies to members with residence(s) only). The Maintenance Assessment Fee obligation will be on a per Lot basis except as follows;
- b. If an Owner or Owners hold more than one Lot with one or no residence, only one Lot will be assessed annual dues.
- c. If an Owner or Owners hold more than one Lot with more than one residence, each Lot with a residence will be subject to an annual dues assessment. Except

that; should a single residence encompass more than one Lot then only one of those Lots will be assessed annual dues.

If an Owner or Owners hold more than one Lot they may elect to pay an annual dues assessment for each Lot subject to the limitations of voting rights described herein.

For Example:

Case 1: Owner A owns six undeveloped lots. Owner A would be required to pay a single annual dues and would be entitled to one vote. Owner A could elect to pay additional annual dues on some or all of the other lots up to a total of six. Each of these additional dues payment would entitle Owner A to an additional vote; however, Owner A could never have more than 5% of the total votes available. If there are 80 votes available, he could only have a maximum of 4 votes (5% of 80).

Case 2: Owner B owns five lots and two residences. One of the residences covers parts of two lots. Owner B would be responsible for two annual dues assessments, one for each residence and would be entitled to two votes. Owner B could elect to pay additional annual dues on the other lots up to a total of five. Each of these additional dues would entitle Owner B to an additional vote; however, Owner B could never have more than 5% of the total votes available. If there were 80 votes available he could only have a maximum of 4 votes.

Case 3: Owner C owns two lots and one residence. Owner C would be responsible for a single annual dues and would be entitled to one vote. Owner C could elect to pay additional annual dues on the other lot for a total of two. This additional annual dues payment would entitle Owner C to one additional vote of a total of two.

ARTICLE XIII
CORPORATE SEAL

The Association may have a corporate seal at the discretion of the Board of Directors in a form to be determined by the Board.

**ARTICLE XIV
AMENDMENTS**

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XV
MISCELLANEOUS**

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

**ARTICLE XVI
AUTHORITY OF ASSOCIATION**

Section 1. The Association shall have the authority to exercise those powers and privileges as set forth in the Articles of Incorporation, and shall be bound by, and have the authority to enforce, and amend, any and all restrictions of record concerning HILLWOOD ACRES SUBDIVISION as set forth and filed in the records of the County Clerk of Trinity County, Texas, including but not limited to those set forth in Volume 190, page 439 *et seq.*; and any amendments to said deed restrictions adopted by the Association and filed of record with the County Clerk of Trinity County, Texas.

Section 2. The Association shall not have the sole authority to enforce the deed restrictions. The determination of whether to file any lawsuit or take any other action regarding a deed restriction violation is vested in the sole discretion of the Board of Directors. Provided, however, that the members of the Association, by majority vote of the members at a regular or special meeting duly called as required by these bylaws, may direct the Board of Directors to file any lawsuit or take any other action regarding a deed restriction violation.

ARTICLE XVII

MAINTENANCE ASSESSMENT FEE

Section 1. All owners of lots in said Hillwood Acres shall pay an annual maintenance fee as determined and set by the Association as defined by the By-Laws and Deed Restrictions of Hillwood Acres Property Owners Association, Inc. The amount of the maintenance fee shall be determined by a majority vote of the members, represented in person or by proxy, of the Association at the annual meeting of the Association, at which a quorum of the members, represented in person or by proxy, is obtained. Notice shall be given to all the lot owners of said annual meeting and of the proposed annual maintenance fee to be determined for the next fiscal year. In the event, the proposed maintenance fee fails to obtain the necessary votes at the annual meeting, then the maintenance fee for the next fiscal year shall be the amount set for the preceding year. Such maintenance fee shall be secured by said Vendor's Lien upon the particular lot, tract or parcel of land at the time the fee is due. Said assessments shall be in the form of a covenant to run with the ownership of the said lots.

Section 2. Maintenance fees shall be payable to "Hillwood Acres Property Owners Association" at 187 Sandy Drive, Trinity, Texas 75862. The Maintenance Fee shall become delinquent if not paid before January 31st in the year such fees are due. Invoices for maintenance fees will be sent out not less than 90 days prior to the delinquency date. Any maintenance fee not paid when due shall give the Association the right to bring an action of law against the person or entity obligated to pay same, or the Association may foreclose the lien created hereby against the particular lot, tract or parcel. Interest at eighteen percent (18%) (see ATTACHMENT A) per year from date due, costs and reasonable attorney's fees incurred in such action shall be added to the amount due. Each such person or entity owning and lot, tract or parcel out of the said property, by acceptance of deed thereto, hereby grants to the Association, its successors and assigns, or its agents, the right and power to bring all such actions against same personally for the collection of the maintenance fees due and unpaid, and to enforce the aforesaid lien by all methods available, including non-judicial foreclosure pursuant to Section 51.002 and such persons and/or entities hereby expressly grant to the Association a power of sale in connection with such liens.

Section 3. The Vendor's Lien securing payment of the maintenance fee provided for above shall be subordinated to the lien of any mortgage or mortgages granted or created by the person or entity owning same to secure the payment of funds advance and used for the purpose of purchasing and/or improving such lot, tract or parcel. The sale or transfer or any such lot, tract or parcel pursuant to Mortgage foreclosure or any proceeding in lien thereof, shall extinguish the lien securing such maintenance fee as to all past due payment. No such sale or transfer shall relieve such lot, tract or parcel from liability for maintenance fees thereafter becoming due or from the lien securing same.

Section 4. All lots, tracts or parcels out of the said property owned by the Association shall be exempt from the lien and maintenance fees provided for hereby during the period the Association owns same. Said lien and fee shall attach to the particular lot, tract or parcel upon conveyance of same by the Association.

Section 5. The Board of Directors of the Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations now or hereafter imposed by the By-Laws and restrictions, said lawsuit to be brought in the name of the Association, upon a vote by the majority of the Board of Directors of the Association at a duly

called meeting of the Board at which a quorum of Directors is present, against any lot owner who is delinquent in payment of the maintenance fees, as delinquent and defined in the restrictions and these By-Laws of the Association. Any lot owner who has not paid the annual maintenance fees applicable to the lot/lots he/she owns, once such maintenance fees are payable as provided by these By-Laws and deed restrictions, shall be considered in default. Any lot owner who is delinquent in payment of any maintenance fees or other fees due on the recorded date of any meeting, as determined by the By-Laws of the Association, shall not be a "member in good standing" and shall not be entitled to vote at any meeting of the members, whether annual or special, and shall not be entitled to hold an directorship or office of the Association.

Section 6. The maintenance fee shall, to the extent available, be applied to the payment of maintenance expenses and/or construction costs incurred for any or all of the following purposes, as determined by the Board of said Association;

- a. Lighting, constructing, improving, and maintaining streets, sidewalks, paths, parkways, esplanades, or swimming pools, if any,
- b. Collecting and disposing of garbage, ashes, rubbish and similar material as well as the maintenance of vacant lots,
- c. the construction of club house facilities, ramps, boat landings, boat basins and other similar recreation facilities on areas so reserved by developer;
- d. doing any other thing necessary or desirable in the opinion of the Board of the Association, to keep the property neat and in good order or which is considered of general benefit to the owners or occupants of Hillwood Acres Subdivision including expenses incurred in enforcing any provisions of the By-Laws, including any amendments thereto, approved by the Hillwood Acres Property Owners Association, on file in the County Clerk's office of Trinity County, Texas.

ARTICLE XVIII

MAJOR ROAD FUND ASSESSMENT FEE

Section 1. Each member is obligated to pay to the Association, in addition to the Maintenance Assessment Fee and a Garbage Assessment Fee (applies to members with residence(s) only) as set forth in the Deed Restrictions, Contracts for Sale, and these Bylaws, a Major Road Fund Assessment Fee. This assessment shall be used for major road repairs within the subdivision. The Road Fund Assessment Fee shall be assessed to each member and not by lot(s) under the conditions set forth in these Bylaws. Failure to pay the assessments on or before the date of notice shall be treated the same as failure to pay the maintenance fees, as provided by these Bylaws, specifically, but not limited to, Article XVII.

Section 2 The Board of Directors' subject to approval by a majority of the members of the Association at an annual or special meeting, at which a quorum is represented, may make assessments against each member and not by lot(s) for major road or public utility repairs and/or construction. Notice of any such assessment must be given in any Notice of any special meeting, but such specific Notice is not necessary for an annual meeting. Such assessment question will be governed the same as for the assessment of maintenance fees as provided by these Bylaws.

Section 3 No lot owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any of the facilities or services provided by the Association or by abandonment of his/her lot(s).

RESTATED AND AMENDED DEED RESTRICTIONS

HILLWOOD ACRES, SUBDIVISION "B"

AS AMENDED ON MAY 24, 2008

THE STATE OF TEXAS *
* KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRINITY *

WHEREAS, FERRELL WHITTLESEY, of Trinity County, Texas, (hereinafter called "Developer"), is the record developer of a subdivision known and designated as "HILLWOOD ACRES, SUBDIVISION "B", (hereinafter called "Hillwood Acres"), in Trinity County, Texas, as shown in the map or plat of said subdivision, recorded in the Plat Records of Trinity County, Texas at Volume 2, Pages 17, reference to which is hereby made for all purposes; and

WHEREAS, said Developer, at Volume 190, Page 439, *et seq.*, Deed Records of Trinity County, Texas, has previously impressed all of the property in said HILLWOOD ACRES with restrictions and covenants, (hereinafter called "Restrictions"), applicable to said HILLWOOD ACRES, which govern the development and use of said subdivision, and are binding upon the Developer, his heirs, legal representatives, or assigns as provided for in said restrictions; and

WHEREAS, said Restrictions, under "General Provisions", paragraph I. term, provides that the Restrictions could be amended by an instrument signed and acknowledged by majority of the then owners of the lots in such subdivision recorded with the County Clerk with Trinity County, agreeing to change said covenants in whole or in part; and

WHEREAS, on July 1, 1985 Hillwood Acres Property Owners Association Inc. was incorporated as a Texas Non-profit Corporation, Charter No. 758060, with the membership of said Association being any person or entity who is a record owner of a fee or undivided at fee interest in any lot in the subdivision.

WHEREAS, on November 5, 1990 the Board of Directors of the Association filed "Restated Restrictions and Amendment to Restrictions in Hillwood Acres, Subdivision "B", (the

"1990 Restrictions"), at Vol. 491, page 114, et seq., Official Public Records of Trinity County, Texas, subject to a written instrument reflecting approval of same by a majority of the then property owners of the subdivision, as required by the amendment provisions of the Original Restrictions; and

WHEREAS, on July 29, 1997 the Board of Directors of the Association filed its "Acknowledgment of Restated Restriction and Amendment to Restrictions in Hillwood Acres, Subdivision B", at Vol. 507, page 256, et seq., Official Public Records of Trinity County, Texas, acknowledging that there were 147 lots in Hillwood Acres, Subdivision B, owned by 97 property owners, and filed therewith written acknowledgments of 50 property owners, representing ownership of 80 lots, being more than a majority of the then property owners; and

WHEREAS, the 1990 Restrictions provided, under Restriction No. 1, the following provision for amendment of the restrictions:

1. **TERM:** These covenants, restrictions and/or provisions shall be covenants running with the land and shall be binding on all parties owning any lot or interest therein, and all persons claiming under them, for a period of twenty-five (25) years from date, after which time said covenants, restrictions and provisions shall be automatically extended for successive ten (10) year periods, unless an instrument amending any of these restrictions is filed with the County Clerk of Trinity County, Texas. Any such instrument amending any of these restrictions shall be signed by the Board of Directors of the Association, represented in person or by attorney, at a special meeting called for the specific purpose amending the restrictions, or an annual meeting at which notice of such proposed amendment is given, at which either special or annual meeting a quorum of members, represented in person or by proxy, is obtained; and

WHEREAS, at an annual meeting of the members of the Association, at which a quorum was obtained, a majority of the members, present and/or represented by proxy, voted to amend the 1990 Restrictions, as set forth in this document:

NOW, THEREFORE, the Board of Directors of Hillwood Acres Property Owners Association, Inc., hereby certifies and amends these 2008 Restated and Amended Restrictions

received a majority of the vote cast by the members of the Association, present and/or represented by proxy at the annual meeting of the Association on May 24, 2008, at which a quorum was present, and these 2008 Restated and Amended Restrictions are effective upon the filing of this document.

GENERAL PROVISIONS

1. **TERM:** These covenants, restrictions and/or provisions shall be covenants running with the land and shall be binding on all parties owning any lot or interest therein, and all persons claiming under them, for a period of twenty—five (25) years from date, after which time said covenants, restrictions and provisions shall be automatically extended for successive ten (10) year periods, unless an instrument amending any of these restrictions is filed with the County Clerk of Trinity County, Texas. Any such instrument amending any of these restrictions shall be signed by the Board of Directors of the Association, represented in person or by attorney, at a special meeting called for the specific purpose of amending the restrictions, or an annual meeting at which notice of such proposed amendment is given, and at which either special or annual meeting a quorum of members, represented in person or by proxy, is obtained and a majority of those members present and/or represented by proxy vote in favor of such amendment.

2. **SEVERABILITY:** These restrictions, and each part of same, shall be held severable, in that the invalidation of any restriction or part thereof by any court shall not run to any other provision thereof, and said other provisions shall remain in full force and effect.

3. **ENFORCEMENT:** Enforcement of these restrictions shall be by proceedings at law or in equity against any person or parties violating or attempting to violate any of same and legal remedy shall lie in restraint of violation or in recovery for damages. The right of legal action in enforcement shall accrue to any owner of property in said subdivision or any claimant there under, and to any political unit or governmental authority having jurisdiction in the matter in question. Any action to enforce any of these restrictions, including the collection of maintenance fees, shall be brought in a court of proper jurisdiction in Trinity County, Texas.

4. **LIENS:** Liens upon any lot, building site or tract of land in said subdivision given to secure payment of notes for purchase money advanced, or for improvements made or to be made, or for the extension or renewal of such indebtedness or notes, or any part thereof, shall not be invalidated or affected in any way by any violation of these covenants on the part of any person or party acquiring any such lot, building site or tract of land; such liens shall remain in full force and priority in the case of any court judgment against such owner of such lot, building site or tract of land; said premises shall remain subject to such liens; and no release of any restrictive covenants, or any part thereof, shall be construed as against the original purchaser, his heirs, executors, administrators, assigns or successors, as the case may be; and sale under a foreclosure of such liens as hereinabove recited shall pass title to such premises subject to the restrictive covenants then in effect.

5. **EASEMENTS:** It is understood and agreed that the easements granted herein are reserved as permanent easements to all such lot owners, their heirs, assigns and their guests, and none others, to be used as a right of ingress and egress and for utilities easement.

RESTRICTIONS

1. **TEMPORARY STRUCTURES:** No house trailer, tent, shack, barn, or other outbuilding or structure shall be built on or moved onto this Subdivision, for the purpose of being used as a temporary or permanent residence. Any residence (dwelling) shall be of permanent on-site construction. No residence (dwelling) shall be constructed off-site for placement on the Lot. Accordingly, any type of prefabricated housing is specifically prohibited. Carports, garages and storage sheds may be allowed on each lot with a residence (dwelling). The determination whether to allow construction of carports, garages or storage sheds is solely within the discretion and approval of the Board of Directors

2. **MINIMUM BUILDING REQUIREMENTS:** The floor area of all residences, exclusive of open porches and garages, shall be not less than 600 square feet. The design, materials and workmanship in all buildings shall be in conformity with common use by architects and builders of quality homes and no building or structure shall be occupied or used until the interior thereof is completely finished. No building(s), structure(s), or other improvements(s) shall be erected, placed or altered on any lot until the construction plans and specifications and a plot plan showing the location of the structure, have been approved in writing by the Board of Directors of the Association. Approval by the board shall be granted or withheld based on matters of compliance with the provisions of these restrictions, quality of material, harmony of external design with existing and proposed structures and location with respect to topography and finished grade elevation. The Board of Directors shall have full and complete authority to approve or disapprove the construction or alteration of any improvement on any Lot, and its judgment shall be final and conclusive. No member of the Board shall be entitled to any compensation for services performed pursuant to this section. The board may, however employ architects, engineers, attorneys or other consultants to assist the board in carrying out its duties hereunder, and the Association shall pay such consultants for such service as they render to the Board. The Board of Directors shall approve or disapprove the construction or alteration of any improvement on any lot within thirty (30) days after receipt of the application.

3. **SEWAGE REQUIREMENTS:** Wherever a residence is constructed or moved on any lot it shall be provided with an inside toilet and shall be connected immediately with a septic tank or approved sewage system at the expense of the owner of said lot. Such sewage disposal system shall be constructed and maintained in accordance with the requirements of the State Health Department, The Texas Water. Quality Board and the Trinity River Authority, and shall be subject to the inspection and approval of the health officer of Trinity County, Texas.

4. **EASEMENTS:** Lots are to be purchased subject to easements to be established by grant or agreement between owner, his heirs and assigns, and the utility companies furnishing electricity, telephone, water, gas or sewage service, and in addition thereto, waterfront lots shall

be subject to flood easements established or to be established and granted to Trinity River Authority or other authority controlling Lake Livingston.

5. **CULVERTS:** Culverts must be used for driveways and walks and the drainage structures under private driveways shall have a drainage opening of sufficient size to permit free flow of water without back water flow and must have Board of Directors approval before installation.

6. **NUISANCE:** No noxious, offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to the neighborhood.

7. **ANIMALS:** No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs and cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purposes, but only for the use and pleasure of the owners of such lot. All household pets must abide by the Trinity County Animal Control Ordinance. A copy of the Trinity County Animal Control Ordinance may be obtained at the Trinity County Sheriff's Office.

8. **RUBBISH:** Relative to all improved Lots, the owners or occupants of all such Lots shall at all time keep all weeds and grass thereof cut in a sanitary, healthful and attractive manner. An improved lot shall be defined as any lot with a residence (dwelling) or has been cleared and mowed at any time. Relative to all Lots, whether improved or otherwise, the owner thereof shall in no event use any Lot for storage of materials and equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted. No Lot shall be used or maintained as a dumping ground for trash and any tree(s) that have died and/or fallen should be removed within thirty (30) days. Trash, garbage or other waste material shall be kept in clean and sanitary containers awaiting immediate garbage collection or disposal. No burning of household garbage (e.g. discarded food and such) is permitted on any Lot. New building materials used in the construction of improvements erected upon any Lot may be placed upon such lot at the time of construction so long as the construction progresses without undue

delay, until the completion of the improvements. Each Owner(s) shall at all times repair and maintain his, her or their residence (dwelling), improvements and Lot in good and aesthetic condition. In the event of default on the part of the Owner or occupant of any Lot in regard to the foregoing repair and maintenance obligations, such default continuing after thirty (30) days written notice thereof, the Association, may, without liability to the Owner or any occupants, trespass or otherwise, but without being under any duty to do so, enter upon said Lot, cut or cause to be cut, such weeds and grass and remove or cause to be removed such garbage, trash and rubbish or do any other thing necessary to secure compliance with these Deed Restrictions, so as to place said Lot in a neat, attractive, healthful and sanitary condition. If the association takes action authorized by this Deed Restriction, the Association shall have a lien against the property for payment of the expenses incurred by the Association, including any attorney's fees for enforcement of such lien, if the amount incurred by the Association is not paid within thirty (30) days of billing, which lien may be foreclosed under the same procedure as authorized for the collection of maintenance fees.

9. **PARKING:** No boats, boat trailers, or boat rigging shall ever be parked or placed (except temporarily) nearer to the street than the building setback lines. The parking of automotive vehicles on road shoulders for a period of longer than twelve hours is prohibited. Hillwood Acres Property Owners Association, Inc.'s public areas are for temporary parking while using boat ramps and other facilities and may not be used for permanent parking or storage of more than 24 hours, except for Hillwood Acres Property Owners Association, Inc.'s use, or unless written permission is given by Hillwood Acres Property Owners Association, Inc. for any extended use of more than 24 hours.

10. **FIREARMS:** Practice with or use of firearms within the Subdivision is prohibited.

11. **BUILDING SITES:** No lot shall be re-subdivided and each lot shall be limited to a single family dwelling occupied by a single family. No building shall be placed closer than ten feet to the front property line and five feet from side property line. As used herein, the term single family dwelling, shall also be deemed to specifically prohibit, by way of illustration but without limitation, the use of any Lot for a garage apartment or any other apartment, for

any multi-family use or for any business, educational, church, professional or other commercial activity of any type; provided, however, that notwithstanding any provision contained herein to the contrary an Owner may use a portion of his residence as a personal office for profession or occupation, provided:

- a. the public is not invited, permitted, or allowed to enter the residence or any structure of improvement upon such Lot and conduct business therein;
- b. There is no increase in traffic in the Subdivision affiliated in any respect with the personal office;
- c. no signs advertising such profession or business are permitted;
- d. no on site employees are permitted;
- e. no noxious or offensive activity or condition, noise and/or odor are permitted;
- f. no residential address may be utilized for advertising purposes of referenced in business directory of a telephone book;
- g. the outward appearance of a residence shall not evidence in any manner such profession or business;
- h. such use in all respects, complies with the laws of the State of Texas, local ordinances, and the laws, rules and regulations of any regulatory body or governmental agency having authority and jurisdiction over such matters, and conforms to public policy considerations.

The term "single family residence (dwelling), shall also be defined as:

- a. one or more persons related by blood, marriage, or adoption, which may include only parents, their children (including foster children and wards), their dependent brothers or sisters, their dependent parents, and their dependent grandparents;
- b. no more than two (2) unrelated persons living together as a single housekeeping unit and their children (including foster children and wards), their dependent brothers or sisters, their dependent parents, and their dependent grandparents.
- c. any member who rents a house or property within the Subdivision will be responsible for all deed restrictions.

12. WALLS AND FENCES: Walls and fences, if any, shall be no higher than six feet above ground; shall be no closer to front street property lines than the front of the dwelling located on said lot. Any erection of any wall, fence or other improvement on any easement shall be at the property owner's risk.

13. MINERAL DEVELOPMENT: No oil well drilling, oil development operation or oil refining of any kind shall be permitted upon or on any lot, nor shall oil wells, tanks or

mineral excavations be permitted on any lot. No derrick or other structures designed for use in drilling for oil, or natural gas shall be erected, maintained or permitted upon any of said lots; provided, however, that this provision shall not prevent the leasing of the land above described, or any portion thereof, for oil, gas and mineral purposes and the development of same, it being contemplated that said premises or portions thereof may be developed from adjacent lands by directional drilling operations.

14. Original paragraph 14 of Deed Restrictions deleted by this amendment.

15. HILLWOOD ACRES PROPERTY OWNERS ASSOCIATION, INC.:

All owners of lots in Hillwood Acres shall be members of the Hillwood Acres Property Owners Association, Inc., chartered as a Texas Non-Profit Corporation on July 1, 1985, Charter #758060, and all lots within Hillwood Acres shall be subject to the maintenance fees and other assessment fees as set forth in these restrictions.

16. MAINTENANCE FEES:

A. All owners of lots in said Hillwood Acres shall pay an annual maintenance fee as determined and set by the Association, as defined by the Bylaws and Deed Restrictions of Hillwood Acres Property Owners Association, Inc. The amount of the maintenance fee shall be determined by a majority vote of the members, represented in person or by proxy, of the Association at the annual meeting of the Association, at which a quorum of the members, represented in person or by proxy, is obtained. Notice shall be given to all lot owners of said annual meeting and of the proposed annual maintenance fee to be determined for the next fiscal year. In the event, the proposed maintenance fee fails to obtain the necessary votes at the annual meeting, then the maintenance fee for the next fiscal year shall be the amount set for the preceding year. Such maintenance fee shall be secured by said Vendor's Lien upon the particular lot, tract or parcel of land at the time the fee is due. Said assessments shall be in the form of a covenant to run with the ownership of the said lots.

B. Maintenance fees shall be payable to "Hillwood Acres Property Owners Association" at 187 Sandy Drive, Trinity, Texas 75862. The Maintenance Fee shall become delinquent if not paid before January 31st in the year such fees are due. Invoices for maintenance fees will be sent out not less than 90 days prior to the delinquency date. Any maintenance fee not paid when due shall give the Association the right to bring an action at law against the person or entity obligated to pay same, or the Association may foreclose the lien created hereby against the particular lot, tract or parcel. Interest at eighteen percent (18%)(See Attachment A) per year from date due, costs and reasonable attorney's fees incurred in such action shall be added to the amount due. Each such person or entity owning any lot, tract or parcel out of the said property, by acceptance of a deed thereto, hereby grants to the Association, its successors and assigns, or its agents, the right and power to bring all such actions against same personally for the collection of the maintenance fees due and unpaid, and to enforce the aforesaid lien by all methods available, including non-judicial foreclosure pursuant to Section 51.002 and such persons and/or entities hereby expressly grant to the Association a power of sale in connection with such, liens.

C. The vendor's lien securing payment of the maintenance fee provided for above shall be subordinated to the lien of any mortgage or mortgages granted or created by the person or entity owning same to secure the payment of funds advanced and used for the purpose of purchasing and/or improving such lot, tract or parcel. The sale or transfer of any such lot, tract or parcel pursuant to Mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien securing such maintenance fee as to all past due payments. No such sale or transfer shall relieve such lot, tract or parcel from liability for maintenance fees thereafter becoming due or from the lien securing same.

D. All lots, tracts or parcels out of the said property owned by the Association shall be exempt from the lien and maintenance fees provided for hereby during the period the Association owns same. Said lien and fee shall attach to the particular lot, tract or parcel upon conveyance of same by the Association.

E. The Board of Directors of the Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations now or hereafter

imposed by these restrictions, said lawsuit to be brought in the name of the Association, upon a vote by the majority of the Board of Directors of the Association at a duly called meeting of the Board at which a quorum of Directors is present, against any lot owner who is delinquent in payment of the maintenance fees, as delinquent is defined in these restrictions and Bylaws of the Association. Any lot owner who has not paid the annual maintenance fees applicable to the lot/lots he/she owns, once such maintenance fees are payable as provided by these restrictions and the Bylaws, shall be considered in default. Any lot owner who is delinquent in payment of any maintenance fees or other fees due on the record date of any meeting, as determined by the Bylaws of the Association, shall not be entitled to vote at any meeting of the members, whether annual or special, and shall not be entitled to hold any directorship or office of the Association.

F. The maintenance fund shall, to the extent available, be applied to the payment of maintenance expenses and/or construction costs incurred for any or all of the following purposes, as determined by the Board of said Association:

- (1) lighting, constructing, improving, and maintaining streets, sidewalks, paths, parkways, esplanades, or swimming pools, if any;
- (2) collecting and disposing of garbage, ashes, rubbish and similar material as well as the maintenance of vacant lots;
- (3) the construction of club house facilities, ramps, boat landings, boat basins and other similar recreation facilities on areas so reserved by developer; and
- (4) doing any other thing necessary or desirable in the opinion of the Board of said Association, to keep the property neat and in good order or which is considered of general benefit to the owners or occupants of Hillwood Acres Subdivision including any expenses incurred in enforcing any provisions of the By-Laws and Restrictions, including any amendments thereto, approved by the Hillwood Acres Property Owners Association, on file in the County Clerk's office of Trinity County, Texas.

17. **SPECIAL ASSESSMENTS:** The Association shall have the right to assess against each member, in addition to the maintenance fees as set forth in the By-Laws and Deed Restrictions, special assessment fees for upkeep of their lots and other Deed Restrictions. Such special assessments shall be assessed against each such lot and shall be secured by a lien against

the lot, to be enforced the same as the maintenance fees as required by the By-Laws and these Deed Restrictions. The special assessment shall be set by the Board of Directors, subject to the approval of the majority of the members, as provided for by the provisions of the Bylaws and these Deed Restrictions. Further, the Board of Directors may assess charges for mowing and cleaning up of any lot within the Subdivision if the owner of said lot fails to mow and clean up the lot after notice. The Board of Directors shall, upon resolution duly adopted, give the owner of any lot the Board of Directors deems in need of mowing and cleaning up, thirty (30) days, upon receipt of notice, within which to mow and clean up the lot owned by said property owner. Such notice shall be by Certified Mail, return receipt requested to the last address of said lot owner on the membership list of the Association. Notice shall be deemed perfected if the lot owner refuses to accept, or fails to claim, the letter. Assessment fees become delinquent if not paid within thirty (30) days upon receipt, and shall further be secured by a lien against the lot to be enforced the same as maintenance fees as set forth in the By-Laws and these Deed Restrictions.

18. RIGHTS OF ASSOCIATION: The Association reserves the right to enter upon any lot at any time to preserve the restrictions, conditions, covenants or agreements herein contained. Failure to enforce any restriction, condition, covenant or agreement herein contained shall in no event be deemed a waiver of a right to do so thereafter, as to the same breach or as to the one occurring prior to subsequently thereto, and invalidation of any one of these covenants or part thereof, by judgment or court order shall in no wise affect any of the other provisions or part thereof which shall remain in full force and effect, and any written approval by the Association of any act shall be subject to any Municipal, County, State or Federal rules regulations or laws.

19. OFF ROAD VEHICLES: No off road vehicles, except maintenance/utility type vehicles, golf carts, or lawnmowers, should be driven upon the streets situated within Hillwood Acres Subdivision and any operator not licensed should be supervised by an licensed adult at all times. Off road vehicles are defined as any three-wheel, four-wheel vehicles and/or off road motorcycles or any other vehicle not "street legal" and/or otherwise licensed and inspected for being operated and driven upon streets and highways in the State of Texas, as required by Texas law. Violation of this deed restriction is specifically governed by Section 202.004(c), Texas Property Code, which allows the trial court to assess civil damages for the violation of the

restrictive covenants in an amount not to exceed \$200.00 for each day of the violation. All posted speed limits must be maintained at all times within the Subdivision.

Executed by the Board of Directors of Hillwood Acres Property Owners Association, Inc. as shown by their respective acknowledgments.

Don Ford – President

Virginia Johnson – Secretary

Pete Paske – Vice – President

Bill Nelson – Member

Quinnia Nichols – Treasurer

Billy Vick – Member

THE STATE OF TEXAS *

COUNTY OF TRINITY *

Acknowledge before me, the undersigned authority, by Don Ford, Pete Paske, Quinnia Nichols, Virginia Johnson, Bill Nelson and Billy Vick, Directors of the Hillwood Acres Property Owners Association, Inc, on the _____ day of _____, 2008.

Notary Public, State of Texas

After Filing Return to:
Evans and Kitchens, LLP
Lawyers
P.O. Drawer 310
Groveton, Texas 75845