

DECLARATION OF RESTRICTIONS, COVENANTS AND CONDITIONS
LAKE GLADEWATER ESTATES

STATE OF TEXAS

§

COUNTY OF UPSHUR

§

KNOW ALL PERSONS BY THESE PRESENTS:

This Declaration of Restrictions, Covenants and Conditions ("Declaration") is made as of the 19th day of February, 2004 by **Herman N. Hanks and wife, Dolores W. Hanks, and Lyle W. Hanks and wife, Cathy A. Hanks** (jointly referred to as "Hanks"), as follows:

RECITALS:

A. Hanks is the owner of that certain tract or parcel of land situated in Upshur County, Texas, more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property"), which Hanks intends to subdivide as a residential subdivision to be known as Lake Gladewater Estates (the "Subdivision").

B. Hanks desires to provide for the preservation of values and amenities of the Property situated in the Subdivision and to this end desires to establish and carry out a uniform plan of development for the Subdivision and subject each lot or tract therein to the various covenants, conditions and restrictions set forth in this Declaration.

NOW, THEREFORE, Hanks hereby declares, establishes and adopts the covenants, restrictions, reservations and conditions set forth below (herein called "Restrictions"), which Restrictions shall be applicable to the ownership, use, development, improvement and sale of each Lot within the boundaries of the Subdivision, and any contract, deed or other instrument covering any Lot within the Subdivision shall be conclusively held to have been executed, delivered and accepted subject to these Restrictions, regardless of whether or not these Restrictions are set out in or incorporated by reference in any such contract, deed or other instrument, to the extent as if fully set forth therein, and each of these Restrictions shall be considered a covenant running with the land and shall inure to benefit of Hanks, his heirs, legal representatives, successors and assigns, and all subsequent owners of any Lot within the Subdivision, their respective heirs, legal representatives, successors and assigns.

ARTICLE I.

Definitions

As used in these Restrictions, the terms set forth below shall have the meanings indicated:

1.01 Association shall mean the Lake Gladewater Estates Homeowners' Association, an unincorporated non-profit association whose members shall consist of all Lot Owners, which shall

have the duty of maintaining, operating, and managing any Common Area as provided herein. Each Owner shall become a Member of the Association contemporaneously upon purchasing a Lot.

1.02 Board shall mean the Board of Directors of the Association.

1.03 Common Area shall mean the entry way, including sign, fence and landscaping on Lot 1, together with any common area easements reserved pursuant to these Restrictions and any other common area designated by Hanks for the use and enjoyment of all Lot Owners within the Subdivision.

1.04 Lot shall mean each separate lot or tract of land subdivided and conveyed out of the Property.

1.05 Member shall mean each Owner of a Lot, and in the event a Lot is owned by more than one person then all Owners of the Lot shall constitute one Member for purposes of voting as a Member of the Association.

1.06 Owner shall mean any person, firm, corporation or other entity which owns a Lot.

ARTICLE II.

Restrictive Covenants

Each of the Lots within the Subdivision are hereby and shall be impressed with the following restrictions, covenants and conditions for the purposes of carrying out a general plan of development for the Subdivision:

2.01 All Lots shall be used for single family residential purposes only, and no business, professional, or other commercial activity of any type shall be operated from or out of any residence or accessory structure situated upon any Lot. Without in any manner limiting the foregoing, no church, duplex or multifamily structure, or commercial building shall be placed or permitted on any Lot or portion of any Lot, nor shall any Lot be utilized for access to any other land adjacent to or adjoining the Property without the written consent and approval of Hanks.

2.02 All dwellings shall have a minimum 7 x 12 pitched roof with architectural-type or composition shingles with 30 year life, or roofs may be a prefinished colored metal or galvalume or similar type finish. All exterior walls of one or one and one-half stories shall be constructed of not less than seventy-five percent (75%) masonry excluding door and window openings, and all exterior walls of dwellings having two or more stories shall be constructed of not less than sixty-five percent (65%) masonry excluding door and window openings. The term "masonry" as used herein shall mean brick, stone, or stucco. This restriction may be waived or varied by the Association to include log, redwood or other exterior building materials. Any such waiver or variance executed by the Association shall be filed in the County Clerk's Office of Upshur County, Texas with respect to the affected Lot at the Lot Owner's expense.

2.03 All dwellings shall have an attached or detached garage for two or more vehicles which conforms in design and construction with the main dwelling. No carports will be allowed. No garage shall be permitted to be enclosed for living or used for purposes other than storage of vehicles and related normal uses. Entrance to garages shall be from the side or rear of the dwelling.

2.04 No mobile homes, modular or manufactured type housing shall be placed on any Lot. No structure of a temporary character, trailer, basement, tent or shack, garage, barn or other out buildings shall be used on any Lot at any time as a residence, either temporarily or permanently. No dwelling shall be moved onto or placed on any Lot, with all dwellings to be constructed of new materials on site. Upon occupying the dwelling, ground cover shall be established on all affected areas and all required measures taken to eliminate erosion problems on steep sloped areas.

2.05 The floor area or area that is enclosed for heating and/or air conditioning (exclusive of porches, garages and storerooms) of any residence shall not be less than 2,000 square feet.

2.06 All dwellings must be set back from the front property line a minimum of thirty-five feet (35') and a minimum of ten feet (10') from any side property line. No accessory structure such as a barn, utility or storage type of building shall be erected, placed or maintained nearer than ten feet (10') from the sideline of any Lot, and in no event shall any accessory structure be situated closer to the road than the back line of the dwelling. Any such accessory structure shall not exceed 1500 square feet. No portable structures or buildings shall be permitted on any Lot. All accessory structures or buildings shall be completed within twelve (12) months of the date of commencement and shall be constructed of new materials. Permitted materials include masonry, pre-finished colored metal, or wood and shall not have an eave height of more than fourteen feet (14'). Roof material may be pre-finished colored metal or a type of galvanized or "galvalume" or similar type finish. No ordinary corrugated tin will be permitted. This restriction may be waived or varied with the written consent of the Association. All outbuilding plans must be approved by the Association.

2.07 All septic systems shall conform and be in compliance with all rules and regulations of the Upshur County Health Department or other governmental authority or agency having jurisdiction over the construction, installation and maintenance of septic systems.

2.08 All Lots and improvements thereon must be maintained in a neat and orderly fashion. No Lot shall be used for the dumping or storage of rubbish, trash, debris, surplus soil, rocks, or junk cars. No accessories, parts or objects used with cars, boats, buses, trucks, trailers, house trailers or the like, shall be kept on any Lot other than in a garage or other structure. No burning of household garbage shall be permitted on any Lot.

2.09 All entrances from the county or public road to each dwelling shall be a surface of asphalt or concrete to a minimum width of ten feet (10'). All entrances or driveways shall be completed before occupying the dwelling. This restriction may be waived or varied with the written consent of the Association.

2.10 All fencing and gates must be constructed of wood, metal pipe, masonry, masonry veneer, wrought iron, white PVC or vinyl rail, or a combination thereof. All privacy fences may lie

no closer to the front property line than the front line of the dwelling on any Lot, and decorative fencing constructed of metal pipe, wrought iron, white PVC or vinyl rail may lie no closer than four feet (4') from the front property line. Privacy fences may not exceed six feet (6') in height. This restriction may be waived or varied by written consent of the Association.

2.11 No unlicensed motor vehicles, commercial trucks (except trucks serving specific purposes such as moving vans or trucks bringing building materials to a Lot) with a capacity rating in excess of one (1) ton, or commercial trailers shall be stored or parked upon or in front of any Lot.

2.12 No sheep, goats, chickens, hogs, horses, poultry, fowl, cattle or other animals generally considered undesirable in a residential area shall be raised, bred or kept on any tract except that dogs, cats or other ordinary household pets may be kept for the pleasure of the residents and their guests, provided that such ordinary household pets are not kept, bred, raised or maintained for any commercial purposes and provided further that such household pets, such as dogs and cats, shall not become a nuisance.

2.13 No sign of any kind or character shall be displayed to the public view except one sign per Lot of not more than ten square feet (10') advertising the Property for sale or rent.

2.14 In the event that all or any part of an Owner's improvements on any Lot are damaged by fire or other casualty, Owner shall promptly either (a) remove from such Lot the debris and damaged building material or other damaged property caused by such damage or loss and secure same so that it will not constitute a hazard or menace to public safety or health; or (b) repair or replace said damage or loss. In either event, such action is to be completed within ninety (90) days of the date of such damage or loss, unless an extension of time is granted in writing by the Association.

2.15 All exterior construction of the primary dwelling structure, garage, porches, and any other appurtenances or appendages of every kind and character on any Lot and all interior construction shall be completed not later than one (1) year following the commencement of construction unless otherwise extended by the Association. For the purpose hereof, the term "commencement of construction" shall be deemed to mean the date on which the foundation forms are set. Service wires must be underground. The Owner of each Lot shall, at the Owner's own cost and expense, furnish, install, own and maintain (all in accordance with the requirements of local governmental authorities) an underground cable from the transformer to the meter.

2.16 No window or wall type air conditioner which is visible from any road or street shall be used, placed, or maintained on or in any part of a Lot.

2.17 No exterior light shall be installed or maintained on any Lot which is objectionable to Hanks or the Association. Upon being given written notice by Hanks or the Association that any exterior light is objectionable, the Owner of the Lot on which same is located will immediately remove said light or have it shielded in such a way that it is no longer objectionable.

2.18 No permanent sports-related structures such as baseball backstops, tennis courts,

football goal posts, etc. shall be permitted in front of any residence.

2.19 An above ground swimming pool shall be permitted on any Lot only if hidden visibly from the road by privacy fence.

2.20 No noxious or offensive activity shall be carried on or permitted upon any Lot or upon the Common Area, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood or to other Owners. No repair work on or dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway, or on any portion of the Common Areas. No motor bikes, motorcycles, motor scooters, "Go-carts," 4-wheelers or other vehicles shall be permitted to be operated on the Property if such operations, by reason of noise or fumes emitted, or by reason of manner in use, shall constitute a nuisance as determined by the Association within its sole and absolute discretion.

2.21 The digging of dirt or the removal of any dirt from any Lot, and the alteration of the grade of any Lot, is prohibited, except as necessary in conjunction with landscaping or construction of improvements.

2.22 The placement, holding, locating, disposal, manufacture, storage, or dumping of any Hazardous Materials on any Lot is prohibited. As used herein, the term "Hazardous Materials" means any hazardous materials or toxic substances as those terms are used and defined in any applicable state or federal laws, rules and regulations including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource, Conservation and Recovery Act (RCRA), the Texas Solid Waste Disposal Act, or the Texas Water Code.

2.23 The use of or discharging of firearms such as handguns, rifles, shotguns, or other firearms, pellet or air guns, bows or crossbows, or other weapons are not allowed.

2.24 All propane tanks should be screened in such a manner so as not to be visible from the road.

2.25 No Lot may be subdivided to create more building sites.

ARTICLE III.

Homeowner's Association

3.01 The Owners of Lots within the Subdivision shall be members of and constitute the Association. Association membership shall be appurtenant to the ownership of a Lot. Ownership of a Lot is the sole criterion for membership in the Association and membership in the Association by each Lot Owner is mandatory.

3.02 Membership in the Association can be transferred to the purchaser of a Lot and may not be assigned, pledged or transferred in any other manner. Any attempt to make a prohibitive transfer shall be void and of no force or effect.

3.03 The Association shall be an unincorporated non-profit association created pursuant to the Texas Uniform Unincorporated Non-profit Association Act. The Association shall be managed by its Board subject to these Restrictions, Articles of Association and By-laws established by the Association.

3.04 Each Owner shall have one vote for each Lot owned.

3.05 The Board shall consist of three Members. Until such time as Hanks has sold 50% or more of the Lots within the Subdivision, Hanks shall have the right to appoint each member of the Board.

3.06 The Association and its Board shall have the following powers and duties:

1. To adopt rules and regulations to implement the Restrictions and the Association's By-laws;
2. To enforce these Restrictions, the By-laws and its rules and regulations;
3. To elect officers of the Board;
4. To prepare financial statements for the Association;
5. To establish and collect regular assessments in the initial sum of \$50.00 per year, payable annually to defer the expenses attributable to the Association's duties, to be levied against each Lot Owner;
6. To establish and collect special assessments for capital improvements or other purposes; provided, however, that all such assessments shall be divided between the Owners in accordance with the number of Lots owned, with each Owner being responsible for the payment of assessments in proportion to his Lot ownership with relation to the total number of Lots within the Subdivision;
7. To receive and hear complaints regarding violations of the Restrictions, By-laws or the rules and regulations;
8. To pay the cost of any liability insurance for the Association and members of the Board;
9. To manage and maintain the Common Area;
10. To pay taxes and assessments that are or could become a lien on the Common Area; and

11. To maintain and clean up the road right-of-way area adjacent to any Lot within the Subdivision.

3.07 The Association shall have and is hereby granted a lien upon each Lot for the purpose of securing any regular or special assessments levied against each Lot Owner. Such lien shall be subordinate to any valid mortgage against any Lot to secure the purchase of a lot or improvements constructed thereon. In the event any legal action becomes necessary to collect assessments or foreclose the assessment lien by judicial action, then the Association shall be entitled to recover all costs and expenses incurred including reasonable attorney's fees and costs of court.

ARTICLE IV.

Easements Reserved

4.01 Hanks reserves an easement on Lot 1 for the Association to maintain the entry way, including sign, fence and landscaping situated on Lot 1.

4.02 Hanks reserves a fifteen foot (15') wide utility easement along the frontage of each Lot for the purpose of installation of a water line, electric line or other utilities serving the Subdivision.

ARTICLE V.

Rights Reserved by Hanks

5.01 Reserved Rights of Hanks. Notwithstanding any other provisions contained in the Declaration to the contrary, Hanks reserves the right, upon application and request of a Lot Owner, to waive, vary or amend (by an appropriate letter to that effect addressed and delivered to such applicant/Owner by Hanks) the application of any of these Restrictions to such Lot if, in the sole and absolute discretion of Hanks, such action is necessary to relieve a hardship or to permit good architectural planning and development to be effected. Hanks further reserves the right to change the location of streets and easements prior to the time the same are actually opened for public use or availed of by the public or public utilities; however, in no case shall any such change deprive an Owner to reasonable access.

5.02 Exemption of Hanks. Exempted from these Restrictions are activities carried on by Hanks in connection with Hanks's development of the Subdivision and regular pursuit of construction, maintenance and sales within the Subdivision until all construction and development activity has been completed and all Lots have been sold by Hanks to a first purchaser.

ARTICLE VI.

Duration of Restrictions; Amendments

6.01 These Restrictions shall run with and bind the land, and inure to the benefit of, and be enforceable by Hanks and the Owner of any Lot subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, and, unless amended as provided herein, shall be effective for a period of twenty (20) years from the date this Declaration is recorded, after which time these Restrictions shall be automatically extended for successive periods of ten (10) years each. These Restrictions may be amended by an instrument signed by sixty-seven percent (67%) of the Lot Owners. No amendments shall be effective until recorded in the official public records of Upshur County, Texas, or until the approval of any governmental regulatory body which is required shall have been obtained.

ARTICLE VII.

General Provisions

7.01 Assignment. Hanks shall have the right to assign to any person or persons, corporation or other legal entity any or all rights, powers, reservations and privileges herein reserved by and to Hanks, and any such assignee shall have the right to assign.

7.02 Enforcement. In the event any one or more persons, firms, corporations or other entities shall violate or attempt to violate any of these Restrictions, Hanks, the Association and/or each purchaser, grantee or Owner of any Lot may institute and prosecute any proceeding at law or in equity or both to abate, prevent or enjoin any such violation or attempted violation or to recover damages. In the event any such proceedings are initiated, the party initiating any such proceedings shall be entitled to recover against any violator all expenses incurred in connection therewith, including court costs and attorney fees. No delay in enforcing the provisions of this Declaration as to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or similar breach or violation thereof at any later time or times. Further, the failure by any party entitled to enforce these Restrictions shall in no way be deemed a waiver of the right to do so thereafter for the same or similar violation. Hanks has no duty and shall not be responsible for enforcement of these Restrictions, and Hanks shall not be liable or subject to any recourse for any failure to enforce these Restrictions.

7.03 Fine for Violation. In addition to and without limiting the enforcement rights and remedies set forth in Section 7.02 of these Restrictions, in the event of any violation of these Restrictions the Association shall have the right to impose a fine against the violating Lot Owner in an amount not exceeding \$50.00 per day for each violation during the continuance of any violation of these Restrictions, and the Association's decision regarding the imposition of any such fine shall be final and binding on all concerned parties; provided, that upon written request to the Association by the violating Lot Owner, the Association shall call a special meeting of the Board of the Association to consider an appeal by the affected Lot Owner of the fine imposed against the Lot

Owner, and in the event of an appeal a majority vote of the Board shall be final and binding upon all concerned parties. Any fine imposed by the Association pursuant to these Restrictions shall be paid within thirty (30) days of the date of written notice from the Association to the affected Lot Owner. In the event the affected Lot Owner fails to make payment of any fine within such thirty (30) day period, the Association shall have the power and authority to make and declare a special assessment against the affected Lot Owner to collect such fine in the same manner as provided for other special assessments under Article III of these Restrictions.

7.04 Interpretation. Hanks's interpretation of the meaning and application of the provisions of this Declaration and these Restrictions shall be final and binding on all interested parties at any time in question.

7.05 Invalidation and Severability. The invalidation by any court of any reservation, covenant or restriction herein or in any contract or deed shall not impair the full force and effect of any other reservation, covenant, or restriction.

7.06 Acceptance of Declaration. The provisions hereof are hereby made a part of each contract and deed in respect to any Lot to the same effect as if fully set forth therein, and each such contract and deed shall be conclusively held to be executed, delivered and accepted upon and subject to the provisions and conditions herein set forth, and each Lot Owner contracting for or accepting a conveyance of any Lot agrees to fully comply with and be bound by all of the provisions in this Declaration.

7.07 Gender. Words of any gender used herein shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

7.08 Captions. The captions used in connection with all articles and paragraphs contained in this Declaration are for convenience only and shall not be controlling in the construction of any provisions hereof or limit the meaning of the language used in any article or paragraph.

7.09 Limitation of Hanks's Liability. Hanks shall not be liable to any Owner of any Lot or any other party for any loss, claim or demand in connection with any breach of any provisions of this Declaration by any other party.

7.10 Restrictions Not Applicable to Other Lands. These Restrictions apply only to the land described in Exhibit "A" to be known as LAKE GLADEWATER ESTATES SUBDIVISION. Hanks is not obligated to impose any restrictions on other lands owned by Hanks, whether contiguous or noncontiguous, provided that Hanks reserves the right within Hanks's sole and absolute discretion to supplement these Restrictions by adding additional lands which Hanks desires to be governed by these Restrictions.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be executed as of the date and year above set forth.

Hanks:

Herman N. Hanks
Herman N. Hanks

Dolores W. Hanks
Dolores W. Hanks

Lyle W. Hanks
Lyle W. Hanks

Cathy A. Hanks
Cathy A. Hanks

STATE OF TEXAS §

COUNTY OF Upshur §

This instrument was acknowledged before me on the 19th day of February, 2004 by Herman N. Hanks and wife, Dolores W. Hanks.

(PERSONALIZED SEAL)



Ray Peden
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF Upshur §

This instrument was acknowledged before me on the 19th day of February, 2004 by Lyle W. Hanks and wife, Cathy A. Hanks.

(PERSONALIZED SEAL)



Ray Peden
Notary Public, State of Texas

Handwritten signature

STATE OF TEXAS COUNTY OF UPSHUR
 I hereby certify that this instrument was filed on the date
 and time hereinafter set forth by me and was duly recorded in
 all books and pages of the Public Records of Upshur
 County, Texas as hereinafter set forth.

FEB 20 2004



ROBIN RODENBERG
 COUNTY CLERK
 UPSHUR COUNTY, TEXAS

FILED
 ROBIN RODENBERG
 COUNTY CLERK

04 FEB 20 PM 3:49
 UPSHUR COUNTY, TX.

BY *[Signature]*
 DEPUTY

Alanna Hawk
 Rt 5, Box 276
 Gladewater, TX 75647

001874

Unofficial Copy

EXHIBIT "A"

FIELD NOTES

HERMAN N. HANKS
30.589 ACRES

JUAN BERNARDO B. DAVENPORT SURVEY
ABSTRACT NO. 1

UPSHUR COUNTY, TEXAS

All that certain lot, tract, or parcel of land situated on the JUAN BERNARDO B. DAVENPORT SURVEY, ABSTRACT NO. 1, UPSHUR COUNTY, TEXAS, and being part of a 233.43 acre tract conveyed to Herman N. Hanks by Warranty Deed recorded in Vol. 120, Page 665 of the Official Records and part of a 20 acre tract conveyed to Lyle Hanks by Warranty Deed recorded in Vol. 375, Page 581 of the Official Records of said County. Said lot, tract, or parcel of land being more particularly described as follows:

BEGINNING at a 6" pipe corner post at the Southwest corner of said 233.43 acres, being in the East R. O. W. of E. M. Highway No. 2685;

THENCE N 00 deg. 48 min. 42 sec. W 307.69 ft. along said R. O. W. to a 1/2" iron pin found at the Southwest corner of said 20 acres;

THENCE N 88 deg. 57 min. 37 sec. E 1651.35 ft. along the South line of said 20 acres to a 1/2" iron pin set for corner;

THENCE N 32 deg. 48 min. 22 sec. E 290 ft. to a 1/2" iron pin set for corner;

THENCE N 73 deg. 45 min. E 280 ft. to a 1/2" iron pin set for corner;

THENCE N 89 deg. 21 min. 40 sec. E 326.77 ft. to a 1/2" iron pin set for corner;

THENCE S 80 deg. 42 min. 17 sec. E 336.87 ft. to a 1/2" iron pin set in the edge of a cul-de-sac at the end of Lake Gladewater Road;

THENCE 202.83 ft. along the curvature of said cul-de-sac to the right to a 1/2" iron pin set for corner, the radius of said curve being 50 ft.;

THENCE S 89 deg. 21 min. 53 sec. E 355 ft. to a 1/2" iron pin set in the West boundary of Lake Gladewater property;

THENCE Southerly along said West boundary as follows:
S 14 deg. 37 min. 15 sec. W 54.80 ft., S 23 deg. 01 min. W 163.84 ft.,
S 02 deg. 57 min. 52 sec. W 211.48 ft., and S 04 deg. 50 min. 30 sec. W
185.85 ft. to a 5/8" iron pin found at the Southeast corner of said 233.43
acres;

THENCE S 86 deg. 14 min. 21 sec. W 164.90 ft. along the South line of said tract to a 5/8" iron pin found;

THENCE S 89 deg. 21 min. 53 sec. W 2037.02 ft. and S 88 deg. 01 min. 42 sec. W 856.19 ft. along a fence on said South line to the place of beginning, containing 30.589 acres of land, of which 0.868 acre lies within said 20 acre tract.