

This instrument Prepared By:
James R. Fisher
P.O. Box 290006
Port Orange, FL 32129-0006

**DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR
HIDDEN LAKES SUBDIVISION
PALM COAST, FLORIDA**

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS is made as of the 24th day of JANUARY, 2007, by A & S Investment Group, Inc., a Florida corporation hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in Palm Coast, County of Flagler, State of Florida, more particularly described on Exhibit A and made a part hereof ("Hidden Lakes- Phase 1");

WHEREAS, it is the intention of Declarant to develop Hidden Lakes- Phase 1 as a subdivision development known as Hidden Lakes ("Hidden Lakes Subdivision"); and

WHEREAS, Declarant desires to reserve the right, but not the obligation, to add all or a part of certain lands contiguous with Hidden Lakes - Phase 1 to Hidden Lakes Subdivision as subsequent phases thereof, which lands are more particularly described in Exhibit B attached hereto and made a part hereof (the "Additional Lands") whereupon such annexed lands shall also be subject to this Declaration of Covenants, Restrictions and Easements as provided herein; and

WHEREAS, there is a need to set forth certain covenants and restrictions, and to grant necessary easements for the development, use and enjoyment of Hidden Lakes Subdivision, and future additions thereto, and provide for the effective administration of the common areas within Hidden Lakes Subdivision and Future additions thereto.

WHEREAS, Declarant has caused to be incorporated in the State of Florida a not for profit corporation known as "Hidden Lakes of Palm Coast Homeowners Association, Inc." for purposes of managing the common areas of the subdivision, collecting assessments and providing for the orderly use and enjoyment of Hidden Lakes Subdivision and future additions thereto.

NOW, THEREFORE, Declarant hereby declares that Hidden Lakes Phase 1 shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of Hidden Lakes - Phase 1, and

which shall run with the title to Hidden Lakes - Phase 1 and all additions thereto as are hereafter submitted to this Declaration in accordance with Article VIII hereof, and be binding upon all parties having any right, title or interest in said property or any part thereof or any addition thereto, their heirs, successors and assigns, and shall inure to the benefit of the owners of lots located therein.

ARTICLE I DEFINITIONS

Section 1. Definitions. The following words and terms when used in this Declaration and any supplemental declaration, unless the context clearly indicates otherwise, shall have the following meaning:

a. "Association" shall mean and refer to Hidden Lakes of Palm Coast Homeowners Association, Inc., its successors and assigns. A copy of the Articles of Incorporation and the By-laws of the Association are attached hereto as Exhibit C and D respectively.

b. "Property" shall mean and refer to Hidden Lakes -Phase 1, and such additions thereto as may hereafter be submitted to this Declaration and brought within the jurisdiction of the Association in accordance with Article VIII hereof.

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

d. "Plat" shall refer to the subdivision plat of Hidden Lakes - Phase 1, recorded simultaneously herewith in the Public Records of Flagler County, Florida, and any other plat or plats of the Additional Lands or any part thereof hereafter submitted to this Declaration, which plat or plats are hereafter recorded in the Public Records of Flagler County, Florida.

e. "Common Area" shall mean the real property (including the improvements thereto) owned by the Association, or to be hereafter conveyed to the Association in accordance with this Declaration for the common benefit and enjoyment of the Owners, which areas shall be designated on the Plat, and such landscaping, fencing, signage, clubhouse, pool, and other easements as may hereafter be created by separate grant or reservation in favor of the Association. Without limiting the generality of the foregoing, Common Areas shall include, but not be limited to, that part of the Property designated as Tract A, Tract B, Tract C, Tract D, Tract E, Tract F, Tract I, Tract J, Tract K, Tract L, Tract M, Tract O, Tract P and Tract Q on the Plat of Hidden Lakes - Phase 1, or shown on any Plat pertaining to Hidden Lakes Subdivision.

f. "Conservation Easement Areas" shall mean all areas of the Property subject to special use restrictions as described herein, which areas shall be designated as "Conservation Easement" on the Plat.

g. "Lot" shall mean and refer to each numbered plot of land shown upon the Plat.

h. "Declarant" shall mean and refer to A & S Investment Group, Inc., a Florida corporation, or any successor who is designated as such in a recorded instrument executed by Declarant. Declarant shall at all times hereafter have the right to assign its rights, privileges, and obligations hereunder, in whole or part, to any successor or nominee.

i. "Stormwater Management System" shall mean the system which is designed and constructed or implemented to control stormwater discharges from the Property which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42, F.A.C.

j. "Water Conservation" shall mean that Comprehensive Plan Policies 6.1.3.1 and 5.1.4.1 are being followed.

k. "Trail Easement" shall mean those areas on the plat designated as such, along with the right for the City of Palm Coast for access, construction and maintenance together with connections to the pedestrian routes of the subdivision.

ARTICLE II PROPERTY RIGHTS

Section 1. Ownership and Maintenance of Common Area. Declarant shall convey, at such time it is appropriate in Declarant's sole discretion, fee simple title to that part of the Property constituting the Common Area, in whole or part, to the Association, including all, medians, landscaping and other improvements located thereon, and the Stormwater Management System. Notwithstanding whether or not the Common Area or any part thereof has been conveyed to the Association, the Association shall be responsible for the management, operation, maintenance, and repair of the Common Area in its entirety, including, (i) decorative pavements, and all landscaped medians, cul-de-sac islands, street lights, and other improvements located thereon, (ii) that part of the Stormwater Management System located within the Common Area, except those parts thereof dedicated to, and maintained by, the City of Palm Coast, (iii) and the Association shall be responsible for landscaping, community signage, decorative pavement, and entrance features shown on the Plat of Hidden Lakes, Phase 1, and (iv) without limitation, all bicycle paths, screening walls, fencing, landscaping, and signage, located within the Common Area. All other Common Areas, and all improvements thereon shall be maintained by the

Association in good, safe, functioning, attractive and sanitary condition. In the event utility work hereafter performed by the City of Palm Coast shall require the removal or disturbance of the decorative pavement located throughout Hidden Lakes Subdivision, the Association shall be responsible for any expense incurred by the City relating to the restoration of the private pavement over and above the cost which would have been incurred in connection with the restoration of ordinary pavement. The Association shall also be responsible for maintaining the Conservation Easement Areas located within the Common Area in accordance with the Dedication on the Plat of Conservation Easement referenced in Section 2 of Article II hereof. The Association's maintenance, operation, and repair of the Stormwater Management System now or hereafter located within the Common Area shall be in accordance with the ordinances, rules and regulations, as the case may be, of the St. Johns River Water Management District and the City of Palm Coast, and the permits, engineering plans and specifications pertaining to such drainage facilities as issued or approved by the St. Johns River Water Management District. The Stormwater Management System shall be maintained by the exercise of practices which allow said system to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. Any repair or reconstruction of the Stormwater Management System shall be as permitted or, if modified, as approved by the St. Johns River Water Management District and the City of Palm Coast. The Association's responsibility for maintaining the Common Area and the Conservation Easement Areas contained therein, shall include general maintenance of the grounds, water bodies, plantings and upland areas located thereon, including, without limitation, the removal of refuse and the control of grass and vegetation pursuant to applicable governmental rules and ordinances and this Declaration. In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Stormwater Management System located within the Common Area shall be transferred to and accepted by an entity which complies with Section 40C-42.027, F.A.C., as amended, and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

Section 2. Conservation Easements. Declarant has the right and obligation to grant certain upland buffer and conservation easements over certain parts of the Property and future additions thereto as are hereafter brought within the jurisdiction of the Association in accordance with Article VIII hereof. They will be more particularly described in Dedication on the Plat of Conservation Easements in favor of the St. Johns River Water Management District, and recorded in the Public Records of Flagler County, Florida.

a. Declarant reserves unto itself the right to hereafter from time to time grant such utility and stormwater drainage, retention/detention, and discharge easements over, upon, across, and under the Common Area as it deems necessary for the efficient and economical development, maintenance, and use of the Property and future additions thereto as are hereafter brought within the jurisdiction of the Association in accordance with Article VIII hereof.

b. Declarant reserves unto itself and its successors and assigns who are successors in title to the Additional Lands or any part thereof, a perpetual non-exclusive right and easement together with the right to hereafter grant licenses and easements to third parties, across, over, under, and upon the Common Area, specifically including those Parcels described in Article I, Section I(e) hereof and any additions thereto, and those areas described on the Plat as "Utility Easement" and/or "Drainage Easement", for such purposes as are reasonably necessary for the development and use of the Additional Lands or any part thereof including, but not limited to, (i) the creation of a non-exclusive right of ingress and egress in favor of persons, entities, individuals, and classes thereof who may not be members of the Association, (ii) the installation, construction, inspection, maintenance, repair, and improvement of utilities and stormwater drainage facilities, and (iii) the use and modification of utilities and the Stormwater Management System now or hereafter constructed thereon, for conveying, discharging, retaining and detaining stormwater runoff collected on the Additional Lands or any part thereof, provided that such use and modification of the Stormwater Management System shall be in compliance with all pertinent permits, rules and regulations now or hereafter issued by the St. Johns River Water Management District and the City of Palm Coast.

c. Declarant reserves unto itself and its successors and assigns who are successors in title to the Additional Lands or any part thereof, a perpetual non-exclusive easement upon, over, under and across Tracts O and P, shown on the Plat of Hidden Lakes Phase 1, as is necessary in Declarant's sole discretion for the purpose of constructing, maintaining, repairing and improving such community signage, landscaping, entrance features, screening wall, and appurtenant improvements such as lighting and irrigation systems, as Declarant deems appropriate in connection with developing Hidden Lakes Subdivision and marketing lots therein. At the election of Declarant, the responsibility for maintaining and repairing such improvements shall be transferred to, and assumed by, the Association.

d. There shall be or have been established conservation easements, stormwater retention easements, and easements for the installation, construction, maintenance, and repair of utilities and drainage facilities, including but not limited to, easements for sewer, irrigation, security, telephone, electric, cable television and the Stormwater Management System. Such easements have been or will be established by one or more of the following methods, to wit:

(i) By specific reservation or grant of easement appearing on the Plat or;

(ii) By a specific grant of easement by the Declarant, or other party authorized hereunder, heretofore or hereafter recorded in the Public Records of Flagler County, Florida.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make from time to time and enforce reasonable rules and regulations governing the use of the Common Area, which rules and regulations shall be consistent with the rights, duties, and obligations of the Association under this Declaration.

Section 4. Insurance. The Association's Board of Directors shall have the authority to and shall obtain, a comprehensive liability policy insuring the Association and its directors, officers, and members from liability resulting or arising from the use, operation, and maintenance of the Common Area, including but not limited to, the Stormwater Management System, or caused by the act or omission of the Association or any of its directors, officers, or members. The comprehensive liability policy shall have at least a \$10,000.00 single person limit with respect to bodily injury and property damage, a \$1,000,000.00 limit per occurrence, and a \$1,000,000.00 minimum property damage limit. In addition, the Association through its Board of Directors, is hereby authorized to obtain such other insurance coverage as the Board of Director's deems reasonably necessary in the best interests of the Association. Premiums for all insurance obtained by the Association, shall be a common expense of the Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, other than Declarant and its successors and assigns designated as Class B members in accordance with this Declaration, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be: (i) the Declarant, and (ii) any successor in interest and title to the Declarant, in whole or in part, and designated by the Declarant to be a Class B member by a written instrument delivered to the Association. Class B members shall be entitled to ten (10) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the first to occur of the following events:

a. The transfer and conveyance, other than to a person designated as a Class B member by the Declarant, of title to all Lots subject to this Declaration and the jurisdiction of the Association; or

b. December 31, 2015; or

c. Such earlier time as Declarant shall designate by written notice to the Association.

Section 3. Declarant's Veto Power. So long as Declarant owns any Lot, or the Additional Lands, or any part thereof, Declarant shall have a veto power over all actions of the Board of Directors of the Association. Declarant's veto power shall be exercisable only by Declarant, or its successor in interest as "Declarant" hereunder as evidenced by a written instrument recorded in the Public Records of Flagler County, Florida. No action authorized by the Board of Directors shall become effective, nor shall any action, policy, or program be implemented until and unless:

(i) Declarant shall have been given written notice of all meetings and proposed actions to be considered at such meetings of the Board of Directors by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association; and

(ii) Declarant shall be given the opportunity at any such meeting to join in or to have its representatives join in discussion from the floor regarding any prospective action to be implemented by the Board of Directors or the Association. At such meeting, Declarant shall have and hereby reserves a veto power over any action or omission authorized or approved by the Board of Directors.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for such purposes as approved by the Board of Directors, and (3) a one time Capital Contribution as specified in Section 4 below, and (4) individual maintenance and repair assessments levied in accordance with Section 2 of Article VII hereof, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge and a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due. The personal

obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by such successor them, but the lien for the delinquent assessment shall continue to encumber the Lot in the hands of the successor in title.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the management, operation, maintenance, repair, improvement and replacement of the Common Area, including, without limitation, (including, decorative street lighting), all entrance features, screening walls, bicycle paths, fencing, landscaping, signage, and the Stormwater Management System located thereon, the performance of such repairs and maintenance as it is herein obligated to perform, and to provide services which the Association is authorized to provide, including, but not limited to, decorative pavements and streetlight maintenance, repairs, and replacement, and the payment of taxes, governmental assessments, insurance, labor, management, and supervisory services, equipment, materials, and other costs incurred by the Association in performing its authorized functions.

Section 3. Initial Annual Assessment. The initial annual assessment, which shall remain in effect until January 1 of the year immediately following the conveyance of the first Lot to an Owner other than Declarant's successor in interest as "Declarant" hereunder, shall not exceed Five Hundred and no/100 Dollars (\$500.00) per Lot. The annual assessment shall be determined by the Board of Directors in accordance with the By-Laws of the Association. With the exception of the Declarant, in an effort to establish and justify a budget, the annual assessment, may not be increased by more than fifteen percent (15%), except upon the affirmative vote of a majority of each class of members present in person or by proxy at a meeting called in accordance with Section 5 below. However, in determining whether any increase is within the limitation imposed by this Section, the amount of any increase due to the increased cost of insurance or damage by casualty, shall not be included.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only for such purposes as approved by the Board of Directors, including but not limited to, defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including the fixtures and personal property related thereto, provided that any special assessment shall have the consent of members entitled to cast 2/3 of the votes present in person or by proxy at a meeting duly called for this purpose. Upon transfer of ownership from the declarant to a third party, a one time Capital Contribution will be assessed in the amount equal to 75% of the annual assessment. This contribution will be maintained in a separate account and may be used for repairs, rebuilding or maintenance of common elements in the event of the unexpected or underbudgeted expenses.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast a majority of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each Lot, on the day of the first conveyance of a Lot to an Owner other than Declarant's successor in interest as "Declarant" hereunder. The annual assessment shall be due upon closing the purchase of a Lot from Declarant and shall be adjusted according to the number of months remaining in the calendar year. Thereafter the annual assessment shall be payable annually in advance or as otherwise required by the Board of Directors of the Association. The Board of Directors shall fix the amount of the annual assessment against each Lot subject to assessment hereunder at least thirty (30) days in advance of each annual assessment period. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid. A certificate of the Association signed by any officer or authorized agent as to the status of assessments on a lot is binding upon the Association as of the date of its issuance

Section 8. Effect on Declarant. Notwithstanding any provision contained herein to the contrary, for so long as Declarant, or Declarant's successor in interest as "Declarant" hereunder, is the owner of any Lot, Declarant shall have the option, in its sole discretion, to (i) pay assessments on the Lots owned by it, or (ii) in lieu of paying assessments on Lots owned by Declarant, funding any resulting deficit in the Association's operating expenses, produced by assessments receivable from Owners other than Declarant. Said deficit shall be the difference between (i) actual operating expenses of the Association, (ii) the sum of all moneys receivable by the Association (including, without limitation, assessments, interest, late charges, fines and incidental income) and any surplus carried forward from the preceding year(s). Declarant may from time to time change the option stated above. Except for assessments upon each Lot owned by Declarant subject to the conditions hereof, Declarant shall have no liability of any kind to the Association for the payment of assessments, deficits, capital contributions or any other amounts.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. If any assessment is not paid on the date when due, such assessment shall then become delinquent and shall, together with such interest thereon and the cost of collection thereof, become a continuing

lien on the Lot(s) against which such assessment is made that shall bind such Lot(s) in the hands of the Owner(s), his heirs, devisees, personal representatives and assigns, and shall also be the continuing personal obligation of the Owner(s) against whom the assessment is levied. If the assessment is not paid within thirty (30) days after the delinquency date, which shall be set by the Board of Directors of the Association, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may, at any time thereafter, bring an action to foreclose the lien against the Lot(s) in like manner as a foreclosure of a mortgage on real property, and/or suit on the personal obligation against the Owner(s), and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action (including a reasonable attorney's fee), and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court, together with the costs of the action.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage upon any Lot recorded prior to recording of a claim of lien for such assessment. The sale or transfer of any Lot shall not extinguish, affect, or impair the assessment lien on any Lot. However, the sale or transfer of any Lot pursuant to the foreclosure of a first mortgage or any proceeding in lieu thereof, shall extinguish the subordinate lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the owner thereof from liability for any assessments thereafter becoming due or from the lien thereof. Where the mortgagee under a first mortgage of record obtains title to a Lot, its successors in title shall not be liable for any subordinate assessments of the Association levied against such Lot and due and payable prior to the acquisition of title to such Lot by such mortgagee. Such unpaid subordinate assessments shall be deemed a common expense of the Association collectible from all Owners subject to assessments including such mortgagee and its successors in title.

Section 11. Exempt Property. The Common Area and all properties dedicated to, and accepted by, a local public authority shall be exempt from the assessments created herein, except no Lot shall be exempt from said assessments.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. Architectural Control. With the exception of the Declarant, no building, out building, fence, wall or other structure or improvement, including, without limitation, any dwelling unit, garage, addition, utility building, exterior renovation, screen enclosure, or swimming pool, shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein or thereof be made, unless and until the plans and

specifications showing the nature, kind, shape, height, materials, and location of the same are submitted to, and approved in writing by the Architectural Review Committee as described in Section 2 of this Article V. All plans and specification submitted to the Architectural Review Committee shall be evaluated as to harmony of exterior design and location in relation to surrounding structures and topography and as to conformance with the architectural restrictions contained herein, as amended from time to time, and any other relevant considerations which are based upon community standards of planning and construction, including considerations based exclusively on aesthetic factors. No provision contained in this Declaration shall be deemed or construed to supersede, waive, void, or amend any existing ordinance, regulation or requirement applicable to residential construction in the City of Palm Coast. Owners are solely responsible for strict compliance with all applicable laws, ordinances, and codes and no provision hereof shall be construed to waive such compliance.

Section 2. Architectural Review Committee. The architectural and control functions of the Association shall be administered and performed by the Architectural Review Committee (the "ARC"), which shall consist of three (3) members, who need not be members of the Association. Members of the ARC shall not be entitled to compensation for services rendered to the Association in accordance herewith. Declarant shall have the right to appoint all of the members of the ARC, so long as it owns at least one Lot, or the Additional Lands in whole or part. Upon expiration of Declarant's right to appoint such members of the ARC shall be appointed by and shall serve at the pleasure of the Board of Directors of the Association. So long as Declarant has the right to make such appointments, it may, in its sole discretion, assign such right in whole or part, to any other Class B member or the Board of Directors. A majority of the ARC shall constitute a quorum to transact business at any meeting of the ARC, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the ARC. Any vacancy occurring on the ARC because of death, resignation, or the termination of service of any member thereof, shall be filled by the Board of Directors; except that Declarant, to the exclusion of the Board, shall fill any vacancy created by the death, resignation, removal or other termination of services of any member of the ARC appointed by Declarant.

Section 3. Amendment of Article V. So long as Declarant owns any Lot or the Additional Lands, or any part thereof, this Article V may not be amended, modified, or altered in any manner whatsoever without the written consent of Declarant.

Section 4. Review of Documents. Prior to submitting final architectural drawings to the City of Palm Coast in connection with applying for a building permit, each Owner is required to submit two (2) duplicates of the following documents to the ARC for review and approval prior to commencing construction on any Lot:

- a. Final floor plan(s);
- b. Final elevation(s) of each side of each typical building, including walls and fences; and
- c. Final exterior materials, noting color, texture, and treatment for all exterior surfaces.

Section 5. Approvals. Failure of the ARC to approve or disapprove an Owner's application within thirty (30) days of submittal shall constitute the ARC's approval of such submittal. Upon approval by the ARC and receipt of all necessary governmental approvals and permits, construction may commence in accordance therewith. Construction shall be completed within one year after the last approval or permit has been obtained necessary for commencement thereof. Action of the ARC shall be final and conclusive.

ARTICLE VI RESTRICTIONS

Section 1. Residential Use. The Property shall be used solely for single-family residential dwelling units. No building or other improvement shall be erected upon any Lot without prior ARC approval thereof as elsewhere herein provided. No Lot shall be divided or subdivided, or reduced in size unless each divided or subdivided portion thereof is consolidated with one or more contiguous Lots under one ownership. In the event of the division of any Lot(s) as aforesaid, the obligation for Association expenses attributable to the divided or subdivided Lot(s) shall be and become proportionately attributable and chargeable to the contiguous Lot(s), and the Owner(s) thereof, to which any portion of the divided Lot(s) becomes consolidated. No dwelling or other structure or improvement shall be erected, altered, placed or permitted to remain on any site not including at least one (1) Lot as originally platted. Any division of lots must be approved by the City of Palm Coast. Dwellings shall be constructed on each Lot in accordance with set-backs shown in the Hidden Lakes Planned Unit Development Agreement as recorded in Official Records Book 1053, Pages 0512 through 0528 in the Public Records of Flagler County, Florida or as otherwise required by the City of Palm Coast. In the event that two or more Lots are consolidated into a single contiguous building site upon which one residence is constructed, such consolidated lots shall be deemed to be a single Lot with respect to the application of this Article VI. Side lot line set-backs shall apply only to the extreme or reconstituted side lot lines in case of

a consolidated Lot consisting of more than one Lot or when a dwelling is constructed on two or more Lots.

Section 2. Dwellings. A single-family dwelling constructed on any Lot must have an attached garage designed for not less than two (2) automobiles. No garage shall be converted to a use other than the storage of vehicles unless the ARC has approved the construction of another garage on the Lot as a replacement. The enclosed living area contained within each single-family dwelling shall not be less than 1,600 square feet, as measured from the outside face of exterior walls. In dwellings containing two-story vaulted ceilings, only floor space shall be included in calculating enclosed living area. "Enclosed living area" shall mean the heated/air conditioned space within the dwelling unit served by the dwelling's central heating/air conditioning unit installed as a part of the construction of the dwelling unit. The exterior of all dwellings shall be constructed of brick, stone, wood, stucco or other materials which are approved by the ARC. No exterior may be constructed of concrete block in whole or in part unless such block is finished with stucco, brick, stone, or wood in a manner which is approved by the ARC.

Section 3. Outbuildings. Any building or structure other than the dwelling unit and structures attached directly thereto located on a Lot shall be considered to be an outbuilding. No outbuilding shall exceed 400 square feet in area and only one outbuilding per Lot shall be permitted, based on plans and specifications approved by the ARC prior to commencing construction. The outbuilding must be constructed in the same style as and of the same materials as the dwelling unit and be permanent in nature, affixed to a permanent foundation which complies with all standards required for the dwelling unit. All outbuildings shall comply with all applicable ordinances, restrictions, and requirements imposed by the City of Palm Coast. Metal or prefabricated outbuildings of any type or size are absolutely prohibited.

Section 4. No Temporary Structures. No structure of a temporary nature or character, including, but not limited to, a trailer, house trailer, mobile home, camper, tent, shack, shed, barn, or other similar structure or vehicle, shall be used or permitted to remain on any Lot as a storage facility or residence, or other living quarters whether temporary or permanent. The Declarant is authorized to provide a temporary construction trailer on any lot owned by the declarant. Any temporary trailer must be removed within 10 days of the C.O. date of the last home being constructed.

Section 5. Parking Restrictions. No automobile, truck, van, or other type of motorized vehicle, house trailer, motor home, recreational vehicle, camper, or other similar vehicle, boat, boat trailer or any other type of trailer, shall be parked in any front yard driveway or, on any street (including the right-of-way thereof) overnight or for a continuous period of time in excess of eight (8) consecutive hours, or on any Common Area of Hidden Lakes Subdivision at any time. The Association may cause all such vehicles to be towed away at the expense of the Owner

of the Lot involved. No body work, painting, restoration or major repair or mechanical work may be performed on any camper, house trailer, recreational vehicle, vessel, motor home, boat, or other type of vehicle on any Common Area or right-of-way of the Property, or on any Lot, except in a garage attached to a residence.

Section 6. Storage Restrictions. No vessel, boat, boat or other type of trailer, motor home, recreational vehicle, camper, house trailer, or other type of vehicle shall be parked overnight, stored, or otherwise permitted to remain on any Lot except in a garage attached to a residence, or unless screened on all sides by a fence or other material so that the screened object is not visible from the street or any adjoining Lot, which screening must be approved in advance by the ARC. No inoperative motorized vehicle of any kind may be parked or stored on any Lot, except in a garage attached to the residence. No automobile, truck or other vehicle or trailer which contains lettering or advertising thereon or which is identified with a business or commercial activity, shall be parked overnight or stored or otherwise permitted to remain on any Lot except in a garage attached to a residence.

Section 7. Livestock and Animals. No livestock, poultry, or animal of any kind or size shall be raised, bred, or kept on any Lot: provided, however, that dogs, cats, or other domesticated household pets may be raised and kept provided such pets are not kept, bred or maintained for any commercial purposes. Such approved pets shall be kept on the Owner's Lot and shall not be permitted on any of the Landscaped areas, Entry medians, Cul-de-sac islands or any Common Areas as shown on any plat relating to Hidden Lakes Oak Subdivision.

Section 8. Signs. No sign of any kind shall be erected, permitted to remain on or displayed to public view on or from any Lot, except a sign approved by the Association giving the name of the occupant of the residence located on such Lot or an approved sign advertising the premises for sale or rent, provided, however, that nothing herein shall prohibit the Declarant from erecting and displaying such informational and advertising signs as the Declarant may deem appropriate or desirable.

Section 9. Restricted Activities. No activity which is deemed to be obnoxious or offensive in the sole and absolute discretion of the Board of Directors of the Association shall be conducted or permitted to exist upon any Lot, nor shall anything be done or permitted to exist on any Lot that may be or may become an annoyance or private or public nuisance. No building or construction materials shall be stored on any Lot outside of a dwelling or garage, other than during periods of actual construction or remodeling.

Section 10. Dumping Prohibited. No Lot shall be used or maintained for dumping or discharge of rubbish, trash, garbage, or other waste material. All Lots shall be kept free of the accumulation of rubbish, trash, garbage, other solid waste materials, and all unsightly weeds and underbrush. No incinerators or other fixed equipment shall be used for the collection, storage or

disposal of solid waste material. All trash, garbage or waste materials shall be kept in sanitary containers either inside the garage or, when outside, in enclosures adjacent to the Owner's dwelling, suitably screened from view from streets and adjoining Lots by a decorative structure or landscaping materials not less than 36 inches in height, approved in advance of construction or installation by the ARC. All exterior pumps, motors, air conditioner compressors and other mechanical appurtenances shall also be screened from view as provided hereinabove.

Section 11. Walls, Fences or Hedges. No wall, fence, or hedge, shall be erected, placed, altered, maintained, or permitted to remain on any Lot unless and until the height, type, and location thereof have been approved by the ARC. No chain-link fence shall be erected on any Lot. No fence, wall or hedge may be erected on any Lot adjoining a stormwater retention area or other open space visible to other property owners as declared by the ARC and shall not be higher than four (4) feet and must not be solid. All fences must be of white vinyl, PVC or aluminum.

Section 12. Swimming Pools. No above ground pools shall be permitted on any Lot. All swimming pools proposed to be erected, altered or modified on any Lot require the approval of the ARC.

Section 13. Antennas. No external transmitting or receiving antennae or other similar devices or structures shall be erected on any Lot without the prior approval of the ARC. Satellite receiving dishes must be installed in accordance with the applicable governmental ordinances, and with the approval of the ARC. No such installation shall be allowed on rooftops. All must be completely screened from any adjacent property and street by fencing and/or landscaping as approved by the ARC.

Section 14. Natural Vegetation. No unimproved Lot or that portion of any improved Lot which is left with the natural vegetation and undergrowth intact shall be considered to be in violation of these restrictions. Maintenance of natural vegetation and undergrowth on all Lots shall remain undisturbed without the written approval of the City of Palm Coast.

Section 15. Water Conservation. The Association and all property owners shall use the best management practices available and follow the City of Palm Coast's Comprehensive Plan in regard to water conservation.

ARTICLE VII EXTERIOR MAINTENANCE

Section 1. Owners Responsibility. Each Owner shall be responsible for the exterior painting and maintenance of improvements constructed upon such Owner's Lot, including the maintenance, repair, and replacement of roofs, windows, doors, gutters, downspouts and all exterior building surfaces. The type of materials and the colors for all repairs and maintenance

shall be as approved by the ARC. Each Owner shall also be responsible for the maintenance and care of all sodded and landscaped areas located on the Owner's Lot, including that which is located on any utility or drainage easement situated on such Lot, as may be necessary to keep such areas in a sanitary, orderly and attractive condition. Such care and maintenance shall include without limitation, irrigating, mowing and trimming all sodded areas and the prompt removal of weeds, leaves, dead landscaping and debris. Street trees shall be required over and above the trees required for each lot and shall be maintained and replaced, if necessary by the property owner of the lot on which they front.

Section 2. Failure to Maintain. In the event an Owner of any Lot shall fail to maintain the Lot and the improvements situated thereon as required by the Declaration to the satisfaction of the Board of Directors, the Association, after approval by two thirds (2/3) vote of the Directors and ten (10) days written notice to the non-complying Owner, shall have the right to enter upon the Lot and to repair, maintain and restore the Lot and the exterior of the building and any other improvements erected thereon to a condition complying with the requirements of this Declaration. The cost of such maintenance and repairs performed by the Association shall be an additional assessment which shall be added to and become a part of the annual assessment to which the Lot is subject. Such additional assessment shall be due and payable within thirty (30) days after the Association mails the non-complying Owner notice of such additional assessment.

ARTICLE VIII FUTURE ADDITIONS

Section 1. Future Additions. Declarant for itself and its successors and assigns as "Declarant" hereunder, reserves the right, privilege, and option, but not the obligation or duty, to include the Additional Lands or any part thereof under the jurisdiction of the Association, which annexed lands shall be subject to this Declaration, except as otherwise provided in the Supplemental Declaration effectuating such annexation as hereafter described. Such future additions may be from time to time annexed and submitted to this Declaration, by filing in the Public Records of Flagler County, Florida, a Supplement to this Declaration describing the annexed property and the covenants and restrictions applicable to such property. Such Supplement to this Declaration shall not require the execution or consent of the Association, or its members, or any other party. A & S Investments, Inc., shall have the right to assign and transfer to any other party or parties the right, privilege and option to annex the Additional Lands which is reserved herein to A & S Investments, Inc., in whole or in part, provided that such transferee is the owner of the lands to be annexed. It is the intention of Declarant that such future additions together with Hidden Lakes - Phase I shall constitute a single planned unit development

under the jurisdiction of the Association utilizing a common street, Stormwater Management System, sanitary sewer, and potable water system.

**ARTICLE IX
GENERAL PROVISIONS/TURNOVER**

Section 1. Enforcement. The Declarant, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charge now or hereafter imposed by the provisions of this Declaration. The St. Johns River Water Management District and the City of Palm Coast shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Stormwater Management System and the Conservation Easement Areas. In addition, the City of Palm Coast shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance and repair of the common areas. Failure of any party to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. All costs and expenses, including reasonable attorney's fees, incurred by any moving party in any action or legal proceeding which results in the enforcement of any of the provisions hereof, shall be paid by the party compelled to comply with such provisions.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Turnover The Association will initially be operated by the Declarant. The Declarant has formed the corporation and a copy of the Articles of Incorporation of the "Hidden Lakes of Palm Coast Homeowners Association, In." and a Certificate from the Florida Secretary of State is attached hereto and marked Exhibit "B". Until such time as the Declarant has sold and closed ninety per cent (90%) of the lots in the subdivision, the Declarant shall remain in control of the Homeowners' Association. When ninety per cent (90%) of the lots in the subdivision have been conveyed to third party purchasers and deeds so reflecting have been recorded in the Public Records of Flagler County, Florida, or sooner, at the discretion of the Declarant, the Declarant if he so desires, will schedule a meeting of the lot owners for purposes of electing a Board of Directors for the Association. Until such time, the Declarant will appoint a Board of Directors, who will in turn elect officers of the Association until ninety per cent (90%) of the lots are sold. After lot owners are entitled to elect the Board of Directors, the Directors and Officers will be selected in accordance with the By-Laws or the Corporation. The Declarant shall always be

entitled to vote the total number of lots owned by the Declarant at any regular or special meeting of the lot owners. Further, nothing shall prohibit the Declarant from continuing to serve on the Board of Directors after ninety per cent (90%) of the lots are sold to third party purchasers provided he is duly elected by the membership pursuant to the By-Laws. The method of transferring control of the Homeowners' Association from the Declarant to the lot owners may sometimes herein be referred to as "turnover of association control".

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the Property, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Declarant hereby reserves the right to amend, modify, or rescind this Declaration in whole or in part as it in its sole discretion deems necessary, so long as (a) Declarant is a Class B Member, and (b) such amendment, modification, or rescission does not substantially change the character, nature, or general scheme of development of the Property as set forth in this Declaration. Specifically, but not by way of limitation, Declarant has the right to amend such parts of this Declaration as it deems necessary to comply with the guidelines and requirements of the Federal National Mortgage Association or any other mortgage insurer, and such amendments shall not be deemed to substantially change the character, nature, or general scheme of development of the Property. In addition to the manner of amendment set forth above, this Declaration may also be amended by an instrument signed by the Owners of not less than two-thirds (2/3) of the Lots then subject to this Declaration. All amendments or modification of this Declaration must be recorded in the Public Records of Flagler County, Florida. Notwithstanding any contrary provision, any amendment to this Declaration which alters the Stormwater Management System previously approved by the St. Johns River Water Management District and the City of Palm Coast, or the Conservation Easement Areas beyond maintenance in their original condition or as hereafter modified pursuant to plans approved by the governmental authorities having jurisdiction, shall require the prior approval of the St. Johns River Water Management District and the City of Palm Coast. So long as Declarant is the owner of the Additional Lands or any part thereof, no amendment shall be adopted which impairs or prejudices the rights of Declarant hereunder without its prior written consent.

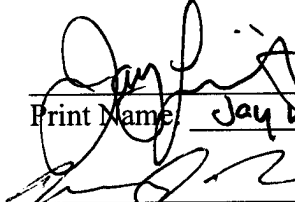
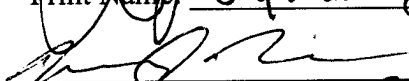
Section 4. Effective Date. This Declaration shall become effective upon recording in the Public Records of Flagler County, Florida.


IN WITNESS WHEREOF, the Declarant herein, has caused this Declaration to be executed in its name and its corporate seal affixed by its proper officers thereunto duly authorized on the day and year first above written.

Witnesses:

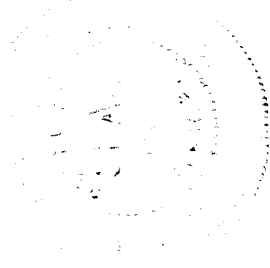
“Declarant”

A & S INVESTMENT GROUP, INC., a Florida corporation


Print Name: Jay W. Livingston

Print Name: ANAND JOBALIA

By: 
Name: Dipak Jobalia
Title: President

(Corporate Seal)



STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 20th day of January, 2007, by Dipak Jobalia, as President, of A & S Investments, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me.


Notary Public, State of Florida, at Large

