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FILE No. 2397
County Clerk, Victoria County, Texas

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
HIDDEN MEADOWS
A PLANNED UNIT DEVELOPMENT IN VICTORIA, VICTORIA COUNTY, TEXAS

CROSSROADS ABST. & TITLE
GF # 17914

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
HIDDEN MEADOWS
A PLANNED UNIT DEVELOPMENT IN VICTORIA, VICTORIA COUNTY, TEXAS

THIS DECLARATION, made on the date hereinafter set forth by Seis Hecho Development, Inc., a Texas corporation, of Victoria County, Texas, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the owner in fee simple of all of the Lots in Hidden Meadows, a subdivision in Victoria County, Texas, according to the map and plat thereof duly recorded in Volume 7, Page 181A-D, of the Map and Plat Records, Victoria County, Texas, to which map and plat reference is here made for all purposes; and

WHEREAS, Declarant desires to create thereon a residential community with designated "Lots" and "Common Area" (as hereinafter defined); and

WHEREAS, Declarant desires to hold, sell and convey said property, and adjacent property, now or hereafter owned by Declarant, subject to the following covenants, restrictions, reservations and easements, which are for the purpose of establishing a uniform plan for the development, improvement and sale of said property, and to insure the preservation of such uniform plan for the benefit of both present and future owners of the Lots within said subdivision:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: In order to preserve the natural setting and beauty of the Lots, to establish and preserve a harmonious and aesthetically pleasing design and to protect and promote the value of the Properties, all improvements within the properties shall be subject to the restrictive covenants and conditions hereinafter set out, and Declarant does hereby make and publish the following limitations, restrictions, covenants and conditions which shall apply to and become a part of all Contracts of Sale, Option Contracts, Deeds and all other legal instruments whereby title and/or possession is divested out of the present Owner of the above described properties and vested in any other person or persons, to all of which the aforesaid Owner does hereby bind itself, as the fee owner of said properties, and all of said limitations, restrictions, covenants and conditions shall extend to and include all the heirs, executors, administrators, assigns, devisees, lessees and holders of every kind, who may purchase or otherwise acquire any real property in said "Hidden Meadows" from the owner thereof.

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ARTICLE I

DEFINITIONS

The following words, when used in this Amended and Restated Declaration, shall have the following meanings:

SECTION 1. "Appointing Authority" shall mean Seis Hecho Development, Inc., until such time as 90% of the Lots have been sold to unrelated third parties. Thereafter, it shall mean the Board. Seis Hecho Development, Inc. shall also have the right and authority at any time to assign to the Board the obligations, authority and position of Appointing Authority. Any such assignment shall be effective upon the expiration of ninety (90) days after receipt by any member of the Board of written notice of such assignment.

SECTION 2. "Architectural Control Committee" or "ACC" or "Committee" or "Architectural Committee" shall refer to the committee established pursuant to the articles and By-laws of the association and this declaration.

SECTION 3. "Architectural Design Guidelines" or "ADG" shall mean the architectural standards, guidelines, objectives and Improvements throughout Hidden Meadows. The Architectural Design Guidelines shall be promulgated by the ACC upon the prior written approval thereof by Declarant and may be revised and updated from time to time by Declarant and the ACC, and shall serve to guide the ACC in its design review and approval process as described in Article V. A copy of the current ADG is available from the ACC upon request.

SECTION 4. "Articles of Incorporation" or "Articles" means the Articles of Incorporation of the Hidden Meadows Homeowners Association, Inc., and any amendments thereto, as filed with the Secretary of State of the State of Texas.

SECTION 5. "Assessment" shall mean the General Assessments, Special Assessments, Individual Assessments and/or any other amounts or sums due by any Owner to the Association pursuant to the provisions of this Declaration, or any combination thereof, levied by the Association for purposes of obtaining funds to pay Association Expenses as provided herein.

SECTION 6. "Association" shall mean and refer to Hidden Meadows Homeowners Association, Inc., a non-profit, non-stock, membership corporation incorporated under the laws of the State of Texas, its successors and assigns.

SECTION 7. "Association Expenses" shall mean and include the actual and estimated expenses of operating the Association, including a reserve for working capital in an amount not in excess of 1/6th of the total annual General Assessments from time to time and other reasonable reserves, all as may be found to be necessary and appropriate by the Board of Directors of the Association pursuant to this Declaration and the Association's By-Laws and Articles of Incorporation.

SECTION 8. "Board of Directors" or "Board" shall mean the governing body of the Association.

SECTION 9. "By-Laws" shall mean the By-Laws of the Association, as they may be amended from time to time.

SECTION 10. "Common Area" shall mean and refer to any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, whether located within or without the boundaries of the Properties, now or hereafter owned by Lot Owners for the common use and enjoyment of the Owners. Said Common Area is currently designated on the subdivision Plat as Lots A and B, Block 1, Lots A and B, Block 2, Lot A, Block 3, and Lot A, Block 4. Said Common Area shall be held by the Lot Owner in the proportion that the number of Lots owned by said Lot Owner bears to the number of Lots subject to this Declaration of Covenants, Conditions and Restrictions. If the number of Lots increase, the pro-rata ownership shall proportionately decrease.

SECTION 11. "Declarant" shall mean and refer to Sais Hecho Development, Inc.

SECTION 12. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Hidden Meadows Homeowners Association Inc., as such document may hereafter be amended and/or restated.

SECTION 13. "General Assessments" shall mean assessments levied for Association Expenses determined by the Board of Directors to benefit all Owners.

SECTION 14. "Improvements" shall mean any sidewalk, driveway, building or other structure, or any portion thereof (including, but not limited to, tenant finish improvements) whether preliminary, temporary or permanent constructed or placed, upon any portion of any Lot by, or on behalf of, any Owner (including the Association) and shall, where appropriate to the context, include clearing, grading, grubbing, landscaping and removal of trees or other significant vegetation and any amendment, modification, expansion, demolition or removal of any existing improvement or any improvement which may be hereafter placed upon any tract within the Properties.

SECTION 15. "Lot" or "Tract" shall have the same meaning as Unit.

SECTION 16. "Member" or "members" shall refer to a Voting Member as hereafter defined.

SECTION 17. "Mortgage" shall mean and refer to a deed of trust, mortgage or other similar security instrument granting, creating, or conveying a lien or security interest in a Unit.

SECTION 18. "Mortgagee" shall mean a beneficiary or holder of a Mortgage.

SECTION 19. "Owner" shall mean and refer to the record owner, whether one or more Persons of the fee simple title to any Unit which is part of the Properties, including contract sellers,

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but excluding those having an interest merely as security for the performance of an obligation or those owning an easement right, a mineral interest, or a royalty interest. If a Unit is subject to a written lease with a term in excess of one (1) year and the lease specifically so provides, then upon filing a copy of the lease with the Board of Directors, the leases (rather than the fee owner) will be considered to be the Owner for the purpose of exercising all privileges of membership in the Association.

SECTION 20. "Person" shall mean any natural person, corporation, joint venture, partnership, association, trust or other legal entity.

SECTION 21. "Properties" shall mean and refer to the real property contained within the subdivision described in the preambles to this Declaration and (i) such additions thereto of all or any portion of the real property described in Exhibit "A" attached hereto as may be brought within the jurisdiction of the Association by Declarant and made subject to this Declaration by Supplemental Declarations, and (ii) such additions thereto of other real property as may be brought within the jurisdiction of the Association in accordance with this Declaration.

SECTION 22. "Street" shall refer to any common area containing a street, drive, boulevard, road, alley, lane, avenue, or thoroughfare as shown on a Subdivision Plat, and, it shall also refer to any street, drive and road as dedicated to the public or City of Victoria, Texas by separate instrument.

SECTION 23. "Subdivision" shall mean and refer to any subdivision of land within the Properties created by the filing of a map or plat thereof in the Office of the County Clerk of Victoria County, Texas, in the Map Records of said County. Where appropriate, it shall include any adjacent property into which the Common Areas are extended.

SECTION 24. "Subdivision Plat" shall mean and refer to the recorded map or plat of a Subdivision.

SECTION 25. "Supplemental Declaration" shall refer to (i) an amendment to this Declaration subjecting additional property to this Declaration and (ii) to an instrument which imposes additional restrictions on a portion of the Properties already subject to this Declaration which may be enforced by the Association.

SECTION 26. "Unit" shall mean a portion of the Properties, whether developed or undeveloped, intended for development, use, and occupancy as an attached or detached residence for a single family, and shall, unless otherwise specified, include, without limitation, single-family detached houses on separately platted Lots, as well as vacant land intended for development with any of the foregoing. Units may be developed, used, and defined as provided in this Declaration or as provided in Supplemental Declarations covering all or a part of the Properties. The term shall include all portions of the real property owned as well as any structure thereon.

SECTION 27. "Voting Member" shall mean one resident or representative of each Unit and shall be responsible for casting all votes attributable to the Unit for election of directors to the Board, amending this Declaration or the By-Laws, and all other matters provided for in this Declaration and in the By-Laws. Each Unit may designate one voting member, but in the absence of such designation, the voting member shall be deemed to be the resident or representative in attendance at any regular or specially called meeting of the Association.

ARTICLE II

EASEMENTS AND COMMON AREAS

Section 1. Appurtenant Easements. Declarant grants to all Owners (and their employees, lessees and invitees) as an appurtenance to and as part of the interest held by such Owner, but subject to this Declaration and the Articles, By-Laws and Rules and Regulations, a perpetual non-exclusive easement for ingress and egress over, across and through and for the use and enjoyment of all Common Areas, which are an intrinsic and appurtenant part of the value of the Lots, Tracts and Parcels; such use and enjoyment to be shared in common with the other Owners, their employees, guests, lessees and invitees as well as the guests, lessees and invitees of Declarant; provided, however, Declarant reserves the right (but not the obligation) to maintain and use all rights-of-way and easements associated therewith and to maintain and place Declarant's signs thereon.

Section 2. Utility Easements. Declarant reserves to itself, and notwithstanding the fact that it may not then own such affected portion of the Properties, the right to grant, and to require any Owner to grant, easements or licenses to any private company, public or private utility or Governmental Agency providing utility and other similar services within the Properties upon, over, under and across those portions of the Properties within the Building Set Back Lines. Such easements shall only be given for the purpose of maintaining, installing, repairing, altering and operating waste-water lines, irrigation lines, water lines, waterworks, sewer works, force mains, water mains, sewer mains, water distribution systems, drainage systems, sewage disposal systems, effluent disposal lines and systems, pipes, wires, power lines, telephone service, gas lines, syphons, valves, gates, pipelines, cable television service, alarm systems and all machinery, licenses, equipment and rights appurtenant thereto and which may be necessary or desirable for the installation and maintenance of utilities and providing such services to Owners, the Properties and Common Areas or any portion thereof. All such easements shall be of a size, width and location so as to not unreasonably interfere with the use of any Improvements which are constructed or have been finally approved by the ACC for construction on the date of the grant of the easement and so as not to unreasonably interfere with the use and enjoyment of any Lot, Parcel or Tract within the Properties.

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Section 3. Service Easements. Declarant hereby grants to delivery, pick-up and fire protection services, police and other authorities of Governmental Agencies, emergency aid services, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by Declarant to service the Properties, and to such other persons as Declarant from time to time may designate, the non-exclusive, perpetual right of ingress and egress over and across the Common Areas, and easements described herein for the purposes of performing their authorized services and investigation. Said service easements are granted at reasonable and necessary times and are not, in the case of non-emergency and/or non-law enforcement companies and agencies, granted except as times agreed upon and determined by the Declarant and/or the Board.

The Association, and all Lot Owners, tenants, guests, and invitees agree to release, indemnify, defend, and hold harmless the City, any governmental entity or public utility for damages to the private streets occasioned by the use of the streets for garbage collections, utility maintenance, and other reasonable use of the private streets by the City, governmental entity or public utility; and for damages and injury (including death) arising from the condition of the private streets.

Section 4. Floodway and Drainage/Easements. All portions of the Properties within the 100-year flood plain ("Floodway") are hereby expressly reserved by Declarant as easements for drainage purposes. Drainage flow shall not be obstructed or diverted from Floodway or drainage easements. The Association may, but shall not be required to, cut drainways for surface water whenever such action may appear to the Association to be necessary to maintain reasonable standards of health, safety and appearance. These easements include the right to cut or trim any trees, bushes or shrubbery, make any gradings of the soil or to take any other action reasonably necessary to install utilities and to maintain reasonable standards of health, safety and appearance, but shall not include the right to disturb any Improvements erected within the Properties which are not located within the specific easement area designated in this Declaration. Except as provided herein, existing drainage and drainage channels, shall not be altered so as to divert the flow of water onto adjacent Tracts or into elevations and slopes within drainage easements and no Owner may alter any such elevations except with the prior written consent of the ACC. Owners may use such portions of their respective properties within the Floodway for any purpose not inconsistent with this Section, or not otherwise restricted by this Declaration, the ADG, or applicable law.

Section 5. Extent of Easements. The rights and easements of enjoyment created in this Article II shall be subject to the following:

(a) Borrowing. The Association shall have the right, in accordance with its By-Laws, to borrow money from any lender for the purpose of improving and maintaining the Common Areas and Common Property and providing services authorized herein and, in aid thereof, and subject to receiving written consent of a majority of the Members of the Association, to encumber such properties.

(b) Fees. The Association shall have the right to charge reasonable admission and other fees for the use of any recreational facility that may be situated on or in the Common Areas and Common Property. This right shall only exist if the Association constructs improvements on the Common Areas and determines, prior to construction that it desires to charge fees or admission to such improvements.

(c) Roadways. The Association shall have the power to place (and remove) any reasonable restrictions upon any common areas, including, but not limited to, the maximum and minimum speeds of vehicles using the roadways in said common areas, all other necessary traffic and parking regulations and the maximum noise levels of vehicles using such roadways and to install speed-bumps and other physical control devices. The fact that such restrictions on the use of such roadways shall be more restrictive than the laws of any applicable Governmental Agencies shall not make such restrictions unreasonable.

(d) Governmental Authority. The Association, upon written consent of a majority of all of the Voting Members of the Association, shall have the right to dedicate, mortgage or sell all or any part of the Common Areas or Common Property (including leasehold interests therein) to any Governmental Agency, Governmental Authority or Public Utility for such purposes, upon and subject to such conditions as may be determined by the Association.

(e) Rules and Regulations; Gate Controls. The Association shall have the right to impose Rules and Regulations upon the use of easements and common areas as may from time to time be deemed appropriate. The Association shall maintain all gates restricting access to the subdivision and shall maintain the computerized controls of the same in a timely manner. The Association shall not incur any liability for failure to make timely changes to access codes or for the inability of third parties to gain access to the subdivision. The Association may employ an individual or individuals or a service to provide such gate maintenance and control.

ARTICLE III

RESERVATIONS

Section 1. Seis Hecho Development, Inc., reserves the utility easements and rights-of-ways shown on the recorded plat of the subdivision for the construction, addition, maintenance and operation of the utility systems now or hereafter deemed necessary by Seis Hecho Development, Inc., for all public utility purposes,

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including systems of electric light and power supply, telephone service, gas supply, water supply and sewer services, and such other utility services as may result from advances in science and technology.

Section 2. Seis Hecho Development, Inc., reserves the right to impose further restrictions and dedicate additional easements and roadway rights-of-way with respect to such Lots which have not been sold by Declarant, by instrument recorded in the office of the County Clerk of Victoria County or by express provisions in conveyances.

Section 3. Subject to the foregoing, Declarant hereby DEDICATES TO THE USE OF THE PUBLIC all utility and drainage easements shown on the recorded plat of the subdivision; provided, however, that the use thereof by any utility company is limited to public utility companies having the right of eminent domain and having agreements in writing with Grantor for the proper provision of utility services.

Section 4. Seis Hecho Development, Inc., reserves the right to make minor changes in and additions to all easements created hereby for the purpose of most efficiently and economically installing utility systems.

Section 5. Neither Seis Hecho Development, Inc., nor any utility company using the utility easements shall be liable for any damages done by them or their assigns, their agents, employees or servants, to shrubbery, trees, flowers or other property of the owner situated on the land covered by said easements.

Section 6. It is expressly agreed and understood that the title conveyed by Seis Hecho Development, Inc., to any Lot or parcel of land in the subdivision by contract, deed or other conveyance shall not in any event be held or construed to include the title to the water, gas, sewer, storm sewer, electric light, electric utility or appurtenances thereto construed by or under Seis Hecho Development, Inc., or its agents or public utility companies through, along or upon said easements or any part thereof to serve said property or any other portions of the subdivision, and the right to maintain, repair, sell or lease such lines, utilities and appurtenances to any municipality, or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved by Seis Hecho Development, Inc.

Section 7. It is further expressly agreed and understood that an underground telephone cable system will be installed in the subdivision. Each residence shall also be provided with conduit, pull wire and outlet boxes, at the owner's or builder's expense, for the installation of telephone wiring and equipment. Trenching, filling, conduit and other items to be performed or provided by the owner or builder, shall comply with specifications provided by the telephone company.

Section 8. Pursuant to a contract executed, or to be executed between Seis Hecho Development, Inc., and the electric company furnishing service, an underground electric distribution system will be installed in the subdivision which underground service area shall embrace all Lots in the subdivision. The owner of each Lot in the subdivision shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the above mentioned contract) the underground service cable and appurtenances from the point of the electric company's metering on customer's structure to the point of attachment at such company's installed transformers of energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each tract. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such owner's Lot. For so long as underground service is maintained, the electric service to each Lot in the underground residential subdivision, shall be uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

Section 9. It is further expressly agreed and understood that Seis Hecho Development, Inc., its successors and assigns may use any of the Lots in the subdivision, for a sales office, a model home or model homes, and parking related to such sales office and model homes. Any portion of the subdivision, including common areas, may be used for sales offices, sales purposes, guardhouses, and for other purposes deemed proper by Seis Hecho Development, Inc.

Section 10. Declarant, should it become the owner of Lot 4, Block 3, reserves the right to re-subdivide, further subdivide or replat Lot 4, Block 3 into no more than 5 Lots which may be townhome lots and, with the exception of the minimum square footage requirements shall be subject to these restrictions in their entirety. In such event, each re-subdivided Lot shall be entitled to one (1) Voting Member per Lot, and all pro-rata liabilities, including Home Owners Assessments, shall proportionately be adjusted accordingly throughout the Subdivision, regardless of Lot size.

Section 11. Seis Hecho Development, Inc., reserves the right to extend the Common Areas into adjacent property owned, or to be owned by it provided such adjacent property shall be used for residential purposes only and provided said usage is governed and controlled by the terms hereof. The streets and roadways located on the Common Areas and use of the same may likewise be extended.

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In the event adjacent property is benefitted by the extension of the Common Areas, each Lot in the adjacent property shall be entitled to one (1) Member and vote in the Association and shall be subject to pro-rata liability including assessments. In that event the pro-rata liability of each Lot in the subdivision and the adjacent and included property shall be proportionately adjusted based on the number and not size of the Lots.

ARTICLE IV

ADMINISTRATION

Section 1. Seis Hecho Development, Inc., shall be responsible for the organization of a Texas non-profit corporation, which may be named "Hidden Meadows Homeowners Association", hereinafter called the "Association", and for the appointment of an ARCHITECTURAL STANDARDS COMMITTEE, hereinafter called "the Committee". The Association and the Committee shall have the rights, powers and duties provided for herein. The Association shall be governed by its Articles of Incorporation and by-laws and the Committee shall be governed by its by-laws. Until such time as Seis Hecho Development, Inc., has sold 90% of the residential Lots in Hidden Meadows within the boundaries shown of the preliminary plat of Hidden Meadows prepared by Urban Engineering, dated July 24, 1996, being 39 Lots as 90%, Seis Hecho Development, Inc., shall name the Directors of the Association and the Members of the Committee.

Section 2. Seis Hecho Development, Inc., shall, upon the sale of all of the residential Lots of Hidden Meadows (except for Lot 4, Block 3, which it does not own but which is currently owned by Charles W. Alcorn, Jr. and Dorothy Jean Alcorn), (or sooner, if it so elects,) issue memberships in the Association to the owners of such Lots as such owners are shown on its records, at the rate of one (1) membership per Lot, including the Lot owned by Charles W. Alcorn Jr. and Dorothy Jean Alcorn. The members of the Association shall thereupon and thereafter elect the Directors of the Association in accordance with its Articles and By-Laws; and the Association shall thereupon and thereafter name the members of the Committee.

Section 3. Each residential Lot in the subdivision shall be subject to an annual maintenance charge, hereinafter called "maintenance charge", not to exceed \$1,800.00 per year or an amount in excess thereof agreed to by a majority of the Lot owners at a regularly or specially called meeting. Each voting member shall be entitled to one (1) vote for each Lot or home site owned. Each Lot shall not be subject to any further maintenance charges unless additional maintenance charges are approved by the Association in accordance with its By-Laws.

In addition, the Board of Directors of the Association may from time to time by the adoption of a resolution for such purpose, subject to ratification by the members of the Association as hereinafter provided, levy and impose a special assessment against

each Lot which is subject to the annual maintenance charge, for a specific amount and in the equal amount for each such Lot, for the purpose of purchasing equipment or facilities for the Common Properties and/or for defraying in whole or in part the cost of constructing new capital improvements or altering, remodeling, restoring or reconstructing previously existing capital improvements upon the Common Properties; provided, however, that before any such resolution shall become effective, it shall be ratified either (i) by the consent in writing of the members of the Association who in the aggregate then own at least Ninety Percent (90%) of the Lots which are then subject to assessment if no meeting of the membership is held for ratification, or (ii) by the consent of Ninety Percent (90%) of the votes of the Voting Members of the Association who are present and voting in person or by proxy at a special meeting of the membership called for this purpose and at which a quorum was present. The owner of each Lot subject to such assessment shall pay his special assessment to the Association at such time or times and in such manner as provided for in such resolution.

In addition, the Association may impose an Individual Assessment upon any Owner whose use or treatment of the Common Areas, Lot or Parcel is not in conformance with this Declaration or the Rules and Regulations or which increases the maintenance cost to the Association above that which would result from compliance by the Owner with the restrictions imposed thereon. The Association may also impose an Individual Assessment upon any Owner as provided in other sections of this Declaration of Covenants, Conditions and Restrictions. The amount of each Individual Assessment shall be equal to the cost incurred with respect thereto plus ten percent (10%) of such costs for administration and may be enforced in the manner provided for any other assessment.

Creation of Lien and Personal Obligation for Assessments

The maintenance charge, individual assessments, and any special assessments (hereafter jointly referred to as "maintenance charge") shall be secured, collected, managed and expended as follows:

1. Individual assessments are due and payable within 60 days after they are billed or January 1, whichever occurs first. Except as provided for individual assessments, the maintenance charge for each Lot shall be due and payable annually, in advance, on the first day of January. It shall be payable by the Unit owner on the first day of January following the sale of such Lot by Declarant, and on the first day of each January thereafter. Prior to a sale to a third party by Seis Hecho Development Inc., no maintenance charge shall be paid by Seis Hecho Development, Inc. The maintenance charge for the year of the sale by Declarant shall be pro-rated and the purchaser's pro-rata share shall be paid to the Association upon the closing of the sale. Maintenance charges not paid when due shall bear interest at the rate of ten (10)

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percent per annum or such greater rate as may be set by the Association, provided the rate shall not exceed the maximum legal rate.

2. The maintenance charge for each calendar year until changed is hereby fixed at \$1,800 per Lot per year. The maintenance charge may be adjusted by the Association from year to year, not to exceed an amount specified as determined by the Association. No maintenance charge will be assessed to Seis Hecho Development, Inc.

3. The maintenance charges shall, when paid, be deposited in a separate maintenance fund bank account. The maintenance fund shall be held, managed, invested and expended by the Association, at its discretion, for the benefit of the Subdivision and the owners of residential Lots therein. The Association shall, by way of illustration and not by way of limitation, expend the maintenance fund for improving and maintenance of streets, roads, esplanades, sidewalks, and vacant Lots in Hidden Meadows; collection of garbage and refuse from the Common Areas; patrol and security services; gate maintenance, upkeep and replacement; fogging and spraying for insect control, if needed, in conjunction with that provided by the City of Victoria; street lighting; enforcement of these Restrictions, by action at law or in equity, or otherwise, paying court costs as well as reasonable and necessary legal fees out of the maintenance fund; and for all other purposes which are, in the discretion of the Association, desirable in maintaining the character and value of Hidden Meadows and the residential Lots therein. The Association shall not be liable to any person with respect to the maintenance fund except for its willful misdeeds. It shall not be required to expend funds at any time but shall have the right to advance money to the fund, or borrow on behalf of the fund, paying then current interest rates.

4. To secure the payment of the maintenance charge (maintenance assessments, individual assessments and special assessments), a vendor's lien is hereby retained on each Lot in favor of the Association and it shall be the same as if a vendor's lien was retained in favor of SEIS HECHO DEVELOPMENT, INC. and assigned to the Association without recourse in any manner on SEIS HECHO DEVELOPMENT, INC. for payment of such indebtedness. Said lien shall be enforceable through appropriate proceedings at law; provided, however, that such lien shall be junior, subordinate and inferior to any first lien mortgage (and renewals and extensions thereof) granted by the owner of any Lot to secure the repayment of sums advanced to cover the purchase price for the Lot or any first or second lien mortgage granted by the owner of any Lot to secure the repayment of sums advanced to cover the cost of any permanent improvement to be placed thereon. All maintenance charge liens as provided for herein may be enforceable through any appropriate proceeding at law or in equity; provided, however, that under no

circumstances shall the Association ever be liable to any owner of any Lot or any other person or entity for failure or inability to enforce or attempt to enforce any such maintenance charge lien.

5. The provisions of Article IV shall remain in effect so long as these Restrictions, and any extensions and/or amendments hereof, are in force.

Section 4. The Association shall function as the representative of the owners of the Lots in the Subdivision for the purposes herein set out as well as for all other purposes consistent with the creation and the preservation of a first-class residential subdivision. The Association shall, by way of illustration, in addition to collecting and managing the maintenance fund and enforcing these Restrictions, act through the Committee to approve or disapprove plans, publish architectural standards guidelines, and perform such functions as herein provided for the Committee. The Association and the Committee may employ a consulting architect or architects to assist in the architectural aspects of subdivision control as they may deem appropriate, compensating such architect or architects out of the maintenance fund.

Section 5. Declarant and the Association and the Committee, as well as their agents, employees and architects, shall not be liable to any owner or any other party for any loss, claim or demand asserted on account of their administration of these Restrictions and the performance of their duties hereunder, or any failure or defect in such administration and performance. These Restrictions can be altered or amended only as provided herein and no person is authorized to grant exceptions or make representations contrary to these Restrictions. No approval of plans and specifications and no publication or architectural standards Guidelines shall ever be construed as representing or implying that such plans, specifications or standards will, if followed, result in a properly designed residence. Such approvals and standards shall in no event be construed as representing or guaranteeing that any residence will be built in a good, workmanlike manner. The acceptance of a deed to a residential Lot in the subdivision shall be deemed a covenant and agreement on the part of the grantee, and grantee's heirs, successors and assigns, that Declarant and the Association and the Committee, as well as their agents, employees and architects, shall have no liability under these Restrictions except for willful misdeeds.

Section 6. No improvements of any kind or character whatsoever shall be erected, or the erection thereof begun, or change made in the exterior design thereof after original construction, on any residential Lot in the subdivision until the complete plans and specification and plot plan showing the location of the structure have been approved by the Committee or its designated coordinating architect in accordance with the following procedure:

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1. Two (2) complete sets of plans drawn to scale and specifications along with applicable examination fee as set forth in Architectural Guidelines shall be delivered to the coordinating architect (or the Committee if there is no coordinating architect). Such plans and specifications shall be reviewed as to quality of design, harmony of exterior design and materials with existing or approved structures, and location with respect to topography, finish grade elevations and set-back restrictions. Such approval is to be based on the applicable requirements and restrictions set out herein.

2. If found to be in compliance with these restrictions, a letter of approval with any qualifications or modifications will be prepared for countersignature by the builder and/or owner. Such approval shall be dated and shall not be effective for construction commenced more than six (6) months after such approval.

3. If found not to be in compliance with these Restrictions, one set of such plans and specifications shall be returned marked "Disapproved". Disapproved plans and specifications shall be accompanied by a reasonable statement of items found not to comply with these Restrictions.

4. If no action is taken on plans and specifications within thirty (30) days after their delivery to the coordinating Architect or Committee, they shall be deemed approved on the 30th day after such delivery.

5. The Committee shall from time to time promulgate and publish Architectural Standards Guidelines. A copy of the Guidelines in effect at the time will be furnished to owners and builders on request. Such Guidelines supplement these Restrictions and are hereby incorporated herein by reference. The Architectural Standards Guidelines may make other and further provisions as to the approval and disapproval of plans and specifications, prohibited materials and other matters relating to the appearance, design and quality of improvements.

Section 7. Lighting. The Association shall have the power, but not the obligation to provide lighting of Common Areas.

Section 8. The Association may construct improvements on Common Areas. Any construction of Improvements by the Association shall be subject to the same approval process and procedures as are provided for approvals of increases in the maintenance charge.

Section 9. The Association, by a vote of a majority of the Voting Members at a regularly held meeting may create and adopt maintenance guidelines for the Lots and then provide exterior maintenance upon any Improvement or Lot located within the Properties which, in the Association's opinion requires such maintenance because such Improvement or Lot is not being maintained in accordance with the Maintenance Guidelines. The Association shall notify the Owner of any such Lot in writing, specifying the nature of the condition to be corrected, and if the Owner has not

corrected such condition within fifteen (15) days after the date of such notice, the Association may correct such condition; provided, however, the Association may immediately correct such condition, without giving the Owner such notice if, in the Association's opinion, an emergency or hazardous condition exists. The cost of such maintenance shall be assessed against the Lot and Owner as an Individual Assessment. For the purpose of performing the exterior maintenance authorized by this provision, the Association, through its duly authorized agents or employees, shall have the right to enter upon any Lot or Improvements.

ARTICLE V

ARCHITECTURAL CONTROL COMMITTEE

SECTION 1. Establishment of Architectural Control Committee.

The Association shall establish and maintain an Architectural Control Committee, (the "Committee" or the "ACC") in accordance with its Articles, By-Laws and this Declaration.

SECTION 2. Composition and Designation of Committee. The ACC shall consist of (3) regular members: the chairman of the ACC ("Chairman") and two (2) regular members. So long as any Lot in Hidden Meadows is owned Seis Hecho Development, Inc. or Donald A. Elder, one member of the ACC shall be the president of Seis Hecho Development, Inc. or its appointee. Until such time as 90% of the lots of Hidden Meadows are sold, the said President or his appointee and a second appointee of Seis Hecho Development shall serve on the ACC and it shall be limited to three members. After 90% of the lots of Hidden Meadows are sold to unrelated third parties, and subject to the continuing membership on the committee by President of Seis Hecho Development, Inc. or its appointee, each member shall be appointed by the Appointing Authority. The ACC may also include up to two (2) alternate members, each of whom shall be appointed by the Appointing Authority and may be authorized by the Appointing Authority to attend any meeting of the ACC in the absence of any regular member and to vote on all matters that come before the ACC at such meeting. The ACC also may include up to two (2) associate members, which will be appointed by the Appointing Authority, any or all of whom may be authorized to attend such meetings as the Appointing Authority shall specify to participate in any discussion at such meetings, but not to vote on any matters. The Appointing Authority shall have the right to remove the Chairman and any and all other members from the ACC at any time for any reason, with or without cause. In the event one (1) of the members of the ACC resigns or is no longer able to serve as a member, the Appointing Authority shall appoint a new member of the ACC so that there will continue to be three (3) regular members of the ACC. The Appointing Authority may also appoint staff and consultants to the ACC, including, but not limited to architects, planners, engineers, attorneys and other individuals whose knowledge or skills will assist the ACC in carrying out its functions. Each member of the ACC, regular, associate or

alternate, shall hold office from the date of his appointment until January 31 of the succeeding calendar year and thereafter until such time as a successor has been appointed, unless, such member sooner resigns or is removed. As of January 31 of each year, the Appointing Authority shall review the composition of the members of the ACC and shall either re-appoint such members or shall remove one or more members and appoint new members. A record of the members of the ACC shall at all times be kept at the offices of the Association and such information shall be provided to any Owner or prospective purchaser of any Tract, Lot or Parcel upon request. Members of the ACC need not be officers, directors or Members of the Association. Initially, members of the ACC shall not receive compensation for acting as such, but shall be reimbursed for reasonable out-of-pocket expenses incurred in their capacity as members of the ACC.

SECTION 3. Duties and Functions of ACC. The duties, powers and responsibilities of the ACC shall be as follows:

(a) Plan Approval. The ACC shall have the right of specific approval or veto of all architectural, engineering, platting, planning and landscaping of any Improvement, as well as the general plan for development of any individual Lot, subdivision, Tract or Parcel within the Properties. All construction and development within the Properties is subject to local government control; provided further that the ACC may, in its sole discretion, but prior to the construction plan approval, described below, impose standards of architectural and landscaping design, Building Setback Lines or a general plan for development, which standards are greater or more stringent than standards prescribed in applicable building, zoning, planning or other governmental codes. Such approval may be subject to special conditions or requirements, including, without limitation, the date upon which all improvements are to be completed. In the event of any conflict between the standards imposed by local governmental zoning and other controls and the standards imposed by the ACC, the more restrictive standards shall control; provided, however, that, if any standards imposed by the ACC are violative of any local governmental ordinances, then the standards imposed by the ACC shall control only to the extent that they are not violative of the local ordinances.

(b) Construction. Except as hereinafter expressly provided, no Improvements shall be constructed, erected, removed, planted or maintained, nor shall any addition to or any change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme and the location of same shall have been submitted to and approved in writing by the ACC in accordance with the terms hereof. Any change in the outward appearance of any Improvement, including, but not limited to, repainting the same in a different color, adding decorative sculptures or art work, wrought iron

grills, changing in any manner the exterior appearance or the like, shall also require approval in writing by the ACC before any work is commenced. Any Improvement constructed or made without the required ACC approval or constructed or made in a manner which is not consistent with the approval granted by the ACC shall be subject to removal by the ACC. The foregoing provisions to the contrary notwithstanding, approval by the ACC shall not be required for (1) installation by Seis Hecho Development, Inc., of roads, utilities, security gates and fencing and other infrastructure improvements; or (2) demolition and removal by Declarant of any improvements located on the Properties as of the date of this Declaration.

(c) Disapproval. The ACC shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in its sole opinion and absolute discretion, for aesthetic or any other reasons. In approving or disapproving such plans and applications, the ACC shall consider the suitability of the proposed Improvements and materials of which the same are to be built, the site upon which it is proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring Lots.

(d) Period for Construction. Unless specifically excepted in writing by the ACC, all Improvements shall be completed within a reasonable time from the date of commencement of such Improvements (not to exceed 270 days) or within the time established by the ACC in the event that the approval is so conditioned. In the event that any Improvements are not so completed, the approval thereof by the ACC shall lapse and such Improvements shall thereafter be deemed to be unapproved Improvements and the ACC may exercise its authority with respect thereto as hereinafter provided; provided, however, prior to exercising its rights with respect to any Improvement for which construction has not been completed within a reasonable time (or the time established by the ACC in the event that the approval is so conditioned), the ACC shall give Notice of such failure to any interim construction lender providing financing for such construction who has given written notice to the Association of its desire to receive such Notice together with the address to which such requested Notice is to be sent. Thereafter the ACC shall give such interim construction lender an additional reasonable period of time to complete such construction prior to exercising its rights hereunder. If such interim construction lender completes such Improvement within such additional reasonable period of time such completion shall be as effective as if the Owner had completed such Improvement within the original period of time granted by the ACC.

(e) Setback Lines. The ACC shall in all cases have the right to determine and designate Building Setback Lines necessary to conform to the subdivision plat, the ADG and this Declaration in order to preserve the integrity of the Properties. Without

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limiting the generality of the foregoing, a ten (10) foot minimum front Building Setback Line is established for each Lot except Lots 1, 2, 3, 5, 6, 7, and 8, Block 3, which shall have a 15' front building setback line and Lot 4, Block 3 shall have a 25' front building setback line at the point that said Lot abuts Meadow View, directly across from Lots 12 and 13, Block 2 and a part of Lot B, Block 2.

(f) Inspection. There is specifically reserved unto the ACC the right of entry and inspection upon any Tract, Lot or Parcel for the purpose of determination by the ACC whether there exists any construction of any Improvement which violates the terms of any approval by the ACC or the terms of this Declaration, the ADG, or any Supplemental Declaration. The ACC is specifically empowered to enforce the provisions of this Declaration, the ADG, the conditions of all ACC approvals and all Supplemental Declarations by any legal or equitable remedy (including, but not limited to, the right to remove any unapproved Improvement which has not been completed within the time period provided herein, and charge the offending Owner for the cost therefor), and in the event it becomes necessary to resort to litigation to determine the propriety of any constructed Improvement, or to remove any unapproved Improvement, the prevailing party shall be entitled to recovery of all court costs, expenses and reasonable attorney's fees in connection therewith.

(g) Authority. A majority of the ACC may take any action of the ACC and may designate a representative to act for it. In the event of death, disability, removal or resignation of the Chairman of the ACC, the Appointing Authority shall designate a successor.

(h) Release. In each instance where Improvements have been erected, or the construction thereof is substantially advanced, in such manner that the same violates the restrictions contained in this Declaration, the ADG, ACC approvals or any other covenants which the ACC has the power to enforce, or in such manner that the same encroaches on any easement, Common Area, or Building Setback Line, or upon request by an Owner in advance of construction, the ACC reserves the right (but shall not be obligated in any manner) to release such Lot from the restriction which it violated and to grant an exception to permit the encroachment or violation so long as the ACC, in the exercise of its good faith discretion, determines that the release or exception will not materially and adversely affect the health, safety and appearance of Hidden Meadows. All such modifications, releases or exceptions shall be within the sole opinion and absolute discretion of the ACC. The ACC has the right but not the obligation, to grant waivers for minor deviations and infractions of this Declaration, any Supplementary Declaration, or the ADG.

(i) Architectural Design Guidelines. The ACC shall promulgate the ADG by a majority vote together with the written

consent of Declarant. All amendments, supplements, revocations and modifications shall also require a majority vote of the ACC together with the written consent of Declarant. The ADG shall be made available to all Owners and persons making application for approval to the ACC. At a minimum, the ADG shall require that exterior of all dwellings and out buildings be as a minimum 80% masonry (brick or rock); that all fences be masonry, wrought iron, wood picket or a combination, that all driveways and sidewalks be brick, rock, bomanite or smoothed finished concrete - no asphalt or exposed aggregate concrete shall be allowed; that all driveway approaches be colored and stamped concrete to match the stamped concrete of the crosswalks and entry areas; that each dwelling have as a minimum a two-car garage and a maximum four-car garage, in all cases equipped with automatic garage door openers; that garage doors facing the street be limited to single car opening; that no composition roofs, no wood shingles and no wood shakes be used for roofing material; that the maximum height for houses be two and one half stories or thirty five feet which ever is less; that all dwellings be guttered with down spouts and colors matching the paint or brick as appropriate; that the interior walls and ceilings of garages must be finished; that the paint colors and brick colors and roof colors be approved by the ACC. The ADG shall be consistent with this Declaration and any Supplemental Declaration and shall supplement the Rules and Regulations of the Association. Additionally, in all instances where the ADG is in conflict with the development regulations of applicable Governmental Agencies, the most rigorous standard shall apply. In no event shall the ADG act to exempt any applicant or Owner from the regulations of any applicable Governmental Agency, including, without limitation, the City of Victoria. The ADG will further set forth the application requirements, filing fees relative to seeking ACC approval, charges and other related matters for an Owner or prospective Owner to follow in connection with receiving approval for any development of any portion of the Properties. In the event of a conflict between the provisions of this Declaration and the provisions of the ADG, the provisions of the Declaration shall control.

Section 4. Submittals to ACC. The following procedures shall be followed by all Owners or prospective Owners in connection with obtaining ACC approval for constructing Improvements in Hidden Meadows. No construction of Improvements shall be commenced unless all required approvals have been obtained from the ACC and all fees established pursuant to the ADG shall have been paid.

(a) **Schematic Design Submission.** A schematic design package shall be submitted to the ACC. This package shall consist of (1) a site plan, (2) building elevations, (3) preliminary clearing, grading and drainage plans, (4) preliminary layout of all parking, loading, service and vehicular use areas, and (5) building "footprints" and locations, together with programmatic data regarding Lot coverage, building height(s) and total building

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square footage. The ACC shall review all schematic design submissions and respond, in writing, to the applicant within thirty (30) days. The failure of the ACC to respond within such period shall constitute approval of the schematic design submission. Written approvals for schematic design submissions shall be valid for a period of six (6) months from the date of approval. In the event approval is based on the ACC's failure to respond, approval shall be valid for a period of six (6) months from the thirtieth (30th) day following the date of complete submission to the ACC.

Additional Submittals, Modified Submittals, Approvals and Inspections.

(1) Additional Submittal Requirements. In addition to the submittal requirements set forth in the foregoing provisions, the ACC shall have the authority to adopt, as part of the ADG, additional submittal requirements.

(2) Modified Submittal Requirements. The ACC may waive in writing or excuse compliance with certain of the submittal requirements if the ACC determines that some or all of the information or materials required by the ACC is not necessary or appropriate in specific situations, and in such situations the ACC may establish and permit compliance with alternative submittal requirements.

(3) Extension. The ACC may, due to unforeseen circumstances, notify the applicant of the need to extend review deadlines for any or all steps of the review procedure. This extension is not to exceed an additional sixty (60) days from the original review deadline.

(4) Approvals. Any approval of plans, specifications or proposed construction given by the ACC shall be only for the purpose of permitting construction of proposed improvements strictly in accordance with the terms thereof and within the effective dates for such approvals. ACC approval shall not constitute an approval, ratification or endorsement of the quality of architectural or engineering soundness of the proposed improvement and neither the ACC, its members nor the Declarant shall have any liability in connection with, or related to, approved plans, specifications or improvements, the Association, Declarant, ACC or any officer, employee, director or member thereof shall not be liable for damages to any persons submitting plans and specifications for approval by reason of mistake in judgment, negligence or non-feasance arising out of or in connection with the approval, disapproval or failure to approve any submittals. Every person who submits plans and specifications for approval agrees, by submission of such plans and specifications, that it will not bring any action or suit against the Association, Declarant or its Affiliates, or ACC or any officer, employee, director or member thereof to recover any such damages. The Association shall indemnify, defend and hold harmless the ACC and its members from all costs, expenses and liabilities, including attorneys' fees,

incurred by virtue of any member serving thereon and shall provide insurance coverage against such costs, expenses and liabilities at the expense of the Association.

(5) Inspections. Members of the ACC or its agents may inspect the Improvements during and after construction. Such right shall include inspection for conformance to the relevant submittal documents. The responsibility for the inspection of structural components, including, but not limited to, concrete, mechanical, and electrical systems shall remain with the contractors, subcontractors and Owner. To the extent the ACC actually determines that significant field discrepancies exist, the ACC may notify the Owner of the nature and extent of the discrepancy, if known. The ACC shall have no obligation to notify the Owner of any such discrepancy. If any member of the ACC has actual knowledge that such discrepancy exists and the ACC fails to bring such discrepancy to the attention of the Owner within thirty (30) days after learning of such discrepancy, then the ACC may not require such Owner to correct such discrepancy. Written clarification of such discrepancies must be supplied by the Owner to the ACC within ten (10) days of receipt of any such notification. In the event this clarification is not forthcoming or is determined to be inadequate by the ACC, the ACC may, in its sole opinion and absolute discretion, retain a private consultant for the purpose of obtaining an opinion with respect to such construction. The consultant's opinion shall be binding on the ACC and the Owner. All reasonable professional fees and expenses associated with this procedure may be assessed by the Declarant or the Association against the Owner. The Owner shall promptly correct, at its sole cost and expense, all such discrepancies. At the request of the ACC, the Owner shall promptly provide the ACC with copies of any inspection reports, architect's reports, engineer's reports, building inspector reports, and other similar reports in Owner's possession.

(e) Construction and Occupancy. Building materials shall either be used or removed from such Tract within thirty (30) days from the date such building materials are first delivered to the Tract. All construction debris, trash and garbage shall be stored in enclosed containers and removed from the site weekly. Landscaping in accordance with the approved landscaping plans shall be completed within ninety (90) days following completion of construction of Improvements and shall be maintained thereafter in a sightly and well-kept manner. Construction delays due to weather conditions and related circumstances shall not excuse compliance with the time limitations set forth herein and imposed by the ACC unless a written exception is obtained from the ACC. No one may occupy the improvements as residence until a Certificate of Occupancy is issued by the City of Victoria for said improvements.

Section 5. Architectural Approval. To preserve the architectural and aesthetic appearance of Hidden Meadows, no

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construction of improvements, or modifications, additions, or alterations to existing improvements, shall be commenced or maintained by any Owner with respect to any of the Units, including, without limitation, the construction or installation of sidewalks, driveways, parking Lots, mail boxes, decks, patios, courtyards, swimming pools, tennis courts, greenhouses, playhouses, awnings, walls, fences, exterior lights, garages, guest or servants' quarters, or other outbuildings, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface), unless and until two (2) copies of the plans and specifications and related data (including, as applicable, a survey showing the location of trees of four (4) inches in diameter at a height of four (4) feet above ground and other significant vegetation) showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the appropriate Architectural Control Committee as to the compliance of such plans and specifications with such design guidelines (the "Design Guidelines") as may be published by the Architectural Committee from time to time including the harmony of external design, location, and appearance in relation to surrounding structures and topography. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the appropriate Architectural Committee, and the other copy shall be returned to the Owner marked "approved," "approved with conditions as noted," or "disapproved." The Architectural Control Committee may establish a reasonable fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, urban designers, inspectors, or attorneys retained in accordance with the terms hereof. Notwithstanding the foregoing, no permission or approval shall be required to paint in accordance with an originally-approved color scheme, or to rebuild in accordance with originally-approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired. The Architectural Control Committee shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association.

In the event the Architectural Control Committee fails to approve or disapprove in writing any proposed plans and specifications within thirty (30) days after such plans and specifications shall have been submitted, such plans and specifications will be deemed to have been expressly approved, provided the proposed improvements are generally in harmony with the scheme of Hidden Meadows as set forth in this Declaration. Upon approval of plans and specifications, no further approval under this Article shall be required with respect thereto, unless

such construction has not substantially commenced within six (6) months of the approval of such plans and specifications (e.g. clearing and grading, pouring of footings, etc.) or unless such plans and specifications are materially altered or changed. Disapproval of plans and specifications may be based by the Architectural Control Committee upon any ground which is consistent with the objects and purposes of this Declaration as defined in Design Guidelines which shall be promulgated by the Architectural Control Committee from time to time, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

Section 6. Landscaping Approval. To preserve the aesthetic appearance of Hidden Meadows, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed on a Unit by any Owner unless and until the plans therefor have been submitted to and approved in writing by the Architectural Control Committee. The provisions hereof regarding time for approval of plans, right to inspect, right to enjoin and/or require removal, and so forth shall also be applicable to any proposed landscaping, clearing, grading, excavation, or filling.

Section 7. Approval Not A Guarantee. The review and approval of plans pursuant to this Article is made on the basis of aesthetic considerations only and no approval of plans and specifications and no publication of Design Guidelines shall be construed as representing or implying that such plans, specifications, or Design Guidelines will, if followed, result in properly designed improvements. Such approvals and design guidelines shall in no event be construed as representing or guaranteeing that any improvements built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, the Association, nor the Architectural Control Committee shall be responsible or liable for any defects in any plans or specifications submitted, revised, or approved pursuant to the terms of this Article, any loss or damages to any person arising out of the approval or disapproval of any plans or specifications, any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances and regulations, nor any defects in construction undertaken pursuant to such plans and specifications. The purpose of such reviews primarily seeks to conform the aesthetic appearance of development within the Properties.

Section 8. Appeal to the Board of Directors. In the event that plans and specifications submitted for approval in accordance with the provisions hereof are disapproved by the Architectural Control Committee, the Owner shall have the right to appeal the decision to the Board of Directors by written notice of appeal received by the manager of the Association or the President or Secretary of the Board within thirty (30) days after the date of disapproval. Procedures for such an appeal shall be determined by

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the Board of Directors. No action may be brought against the Association, its officers or directors, or the Architectural Control Committee or their members unless and until an appeal is made by the Owner and a decision on such an appeal is made by the Board of Directors.

Section 9. Right To Inspect. Any member of the Board of Directors or the Architectural Control Committee and their representatives shall have the right, but not the obligation during reasonable hours to enter upon and inspect any Unit with respect to which construction is underway to determine whether or not the plans and specifications therefor have been approved and are being complied with. Such Person or Persons shall not be deemed guilty of trespass by reason of such entry. In the event the Architectural Control Committee shall determine that such plans and specifications have not been approved or are not being complied with, the Architectural Control Committee shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. In addition to any other remedies available to the Association, the Board may record in the appropriate land records a notice of violation naming the violating Owner.

Section 10. No Waiver of Future Approvals. The approval by the Architectural Control Committee or the Board of Directors of any plans and specifications for any work done or proposed, or in connection with any other matter requiring the approval and consent of such committees or the Board, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 11. Variance. The Architectural Control Committee and the Board of Directors may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Architectural Control Committee or Board from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing, shall not be considered a hardship warranting a variance.

Section 12. Compliance with Guidelines. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the Architectural Control Committee may be excluded by the Board from the Properties without liability to

any person, subject to the notice and hearing procedures contained in the By-Laws.

ARTICLE VI

SPECIFIC USE AND ARCHITECTURAL RESTRICTIONS

Section 1. Residential Use. All Units shall be used for single family residential purposes exclusively. The term "family" as used herein shall mean one or more persons related by blood, adoption, or marriage, living and cooking together as a single housekeeping unit, exclusive of household servants or a number of persons but not exceeding two (2) living and cooking together as a single housekeeping unit though not related by blood, adoption, or marriage shall be deemed to constitute a family.

Residences constructed on one lot shall have a minimum square footage, exclusive of porch and garage area, of 1800 if one (1) story, or if more than one (1) story, a minimum of 1600 square feet on the first floor and a minimum of 2300 square feet for the dwelling.

Only one residence shall be constructed on each Lot. This provision shall not, however, prohibit the construction of a residence on a portion of two or more Lots as shown by the plat of the subdivision, provided such portion constitutes a home site as defined in the succeeding paragraph.

Parts of two (2) adjoining Lots facing the same street in the same Block may be designated as one home site, provided the Lot frontage shall not be less than the minimum frontage of Lots in the same Block facing the same street and the minimum square footage of home constructed on the Lot shall not be less than 2500 square feet on the first floor and that said Lots have been platted into one (1) Lot in the event construction is contemplated to cross existing building lines.

(a) Permitted Use. The Properties shall be used only for single family residential, recreational and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business, sales or real estate offices for the Declarant or the Association) as shall more particularly be set forth in this Declaration and in Supplemental Amendments hereto. The Association, acting through its Board of Directors, shall have the power to enforce such standards.

(b) Prohibited Use. No use of the Properties shall be permitted which is offensive by reason of odor, fumes, dust, smoke, noise or pollution, or which is hazardous by reason of excessive danger of fire or explosion. No activity or use shall be permitted on or with respect to the Properties which is obnoxious to or out of harmony with a distinctive community including, but not limited to any trailer houses or, junk or scrap metal in the yard. No burning of rubbish or trash shall be permitted at any time within the Properties. In addition to, and without limiting the foregoing, the following specific conditions and covenants apply to the Subdivision.

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1. Air Conditioners. No window air conditioning units shall be permitted. Permanently mounted wall air conditioning units shall not be permitted unless first approved by the ACC.

2. Animals. No horses, cattle, swine, goats, poultry, fowl or any other animals not commonly considered household pets shall be kept on the Properties. Except in cases where prior approval from the ACC has been obtained, under no circumstances shall any commercial or business enterprise involving the use, care or treatment of animals be conducted on the Properties. Only ordinary household pets may be kept within the Properties and only by Owners of Residential Units. Such pets shall be kept on a leash when not on the pet owner's Lot and no permitted household pet shall be allowed to roam unattended. Owners of permitted household pets shall be required to carry and utilize "pooper scoopers" (or similar container capable of collecting and removing animal feces) when walking their pets on the Properties. Upon written request, Owners must produce written evidence of rabies vaccination and other such vaccinations as the Board may from time to time require. The Board may, from time to time, publish and impose reasonable regulations setting forth the type and number of animals that may be kept on the Properties, if any, which shall become a part of the Rules and Regulations upon promulgation.

3. Antennas and Satellite Dishes. No exterior antennas of any type including, without limitation, satellite dishes (except those 2 feet or less in diameter that are not visible from the streets) shall be erected, constructed, placed, or permitted to remain on any Unit without the prior written consent of the ACC. If approved, the installation shall be subject to such conditions or restrictions as the ACC specifies in granting consent such as, for example, a requirement that an antenna be located to the rear of the roof ridge line, that a freestanding antenna be located behind the rear wall of a Unit and screened from view by installation of approved fencing or other screening devices, or that no antennas, either freestanding or attached, exceed a particular specified height. The right is hereby reserved to the Board of Directors to erect master antennas, satellite dishes or similar master systems for the benefit of one (1) or more of all the Properties.

4. Burial of Utility Connections, Pipes and Tanks. Except as approved in writing by the ACC, no electric, water, wastewater, gas, telephone, cablevision, utility or drainage lines or pipes of any sort or storage tanks shall be installed or maintained on the Properties above the surface of the ground, except temporary hoses and movable pipes used for irrigation purposes. All such lines and tanks shall be buried in accordance with the requirements of the ADG and the ACC. No property (other than property owned by Declarant or its Affiliates) shall be used for the purpose of boring, drilling, mining, quarrying, exploring for or removing oil, gas, coal, coal tar or other hydrocarbons,

minerals, gravel, rock, cement, limestone, sand or earth; provided, however, that nothing contained herein shall prohibit or restrict removal of fill or earth materials to construct or create approved drainage structures or landscaped berms.

5. Business. No business or business activity shall be carried on, in or upon any Unit at any time except with the written approval of the Board. However, the Board may permit a Unit to be used for business purposes so long as such business, in the sole discretion of the Board, does not otherwise violate the provisions of this Declaration, does not create a disturbance and does not unduly increase traffic flow or parking congestion. Written approval for one (1) business shall not be construed as approval for any other business, whether or not of a similar kind. The Board may issue rules regarding permitted business activities. Leasing of a Unit shall not be considered a business or business activity.

6. Cablevision. Declarant shall have the right to install, or permit the installation by others of, a cablevision system providing cablevision entertainment, business and safety services to and within the Properties. In connection with the installation, maintenance and operation of such systems, Declarant reserves access, installation and service easements over, across and under Common Areas and Lots necessary to provide the same, however, such easements shall be located by Declarant within the Building Setback Lines. All such easements shall be designated by written document upon Declarant's determination of the precise location thereof.

7. Clothes Drying Area. No portion of any of the Properties shall be used as a drying or hanging area for laundry of any kind unless the area is fully screened, by fencing or landscaping, from view from adjacent property or streets, in a manner approved by the ACC.

8. Clotheslines, Garbage Cans, Woodpiles, Etc. All clotheslines, garbage cans, woodpiles, swimming pool pumps, filters and related equipment and other similar items shall be located or screened so as to be concealed from view of neighboring common areas and property.

9. Decorations. Except as provided herein, on front lawns of Units and on any portion of a Unit visible from any Street, there shall be no decorative appurtenances placed, such as sculptures, birdbaths and birdhouses, fountains or other decorative embellishments unless such specific items have been approved in writing by the ACC. Holiday yard decorations and holiday lighting shall not violate this section. Additionally, non-commercial yard signs indicating the residence of a currently enrolled public or parochial middle school or high school student and their extra curricular school sanctioned affiliation shall not violate this section.

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10. Disposal of Trash. No trash, rubbish, garbage, manure (except reasonable quantities used as fertilizer in landscaping vegetation) debris, or offensive material of any kind shall be kept or allowed to remain on any Unit, nor shall any Unit be used or maintained as a dumping ground for such materials. All such matter shall be placed in closed areas or in sanitary refuse containers constructed of metal, plastic, or masonry materials with tight fitting sanitary covers or lids and placed in an area adequately screened from public view by planting or fencing. All rubbish, trash, and garbage shall be regularly removed and not allowed to accumulate. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all current laws and regulations and those which may be promulgated in the future by any federal, state, county, municipal or other governmental body with regard to environmental quality and waste disposal. In a manner consistent with good housekeeping, the Owner of each Unit shall remove such prohibited matter from his Unit at regular intervals at his expense. The Association after written notice to an Owner may remove any rubbish or trash held on any Lot in violation of this section and may be reimbursed any expense incurred as an individual assessment.

11. Drainage. Catchbasins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or occupant of a Unit may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers or storm drains.

12. Driveways and Approaches. Driveway approaches shall be of stamped and colored concrete matching the colored and stamped concrete of the surrounding roadway. Driveways and sidewalks are to be constructed of brick, rock or bomanite. No driveway or sidewalks may contain asphalt or exposed aggregate concrete.

13. Enforcement. Failure of an Owner to comply with this Declaration or the ADG, Articles, By-Laws or Rules and Regulations shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief or any combination thereof, including costs and attorneys' fees incurred in bringing such actions, and if necessary, costs and attorneys' fees for appellate review. The Association shall also have the right to amend the Rules and Regulations in order to provide for the imposition of fines for failure to comply with this Declaration or the Rules and Regulations.

14. Exterior of Dwellings. The exterior of all dwellings and corresponding out buildings shall be, at a minimum, 80% brick or stone veneer, or a combination of the same. The brick and stone colors shall be approved by the ACC as shall corresponding paint, stain or vinyl colors. No flagstone, rock, or other item except brick, stone, vinyl or wood siding may be constructed on exterior walls of dwellings or corresponding out

buildings. All homes must be guttered with downspouts matching the background paint, stone or brick, as appropriate.

15. Fences, Swimming Pools, Tennis Courts and Sport Courts. Any swimming pool, tennis court or sport court, and the screening or fencing of such, and/or any fence, dog run or arbor or similar landscape structure to be constructed on any Tract shall be subject to the approval and requirements of the ACC, which shall include, but which shall not be limited to, the following: (1) above ground swimming pools will not be allowed, (2) lighted tennis courts or sports courts normally will not be allowed except in Common Areas, (3) the materials, design and construction thereof shall meet standards generally accepted by the industry and shall comply with regulations of all applicable Governmental Authorities, and (4) the location thereof shall be approved by the ACC. The materials for fences are limited to masonry, wrought iron, wood picket or a combination of the same. Any other fence materials must be approved, in writing, by the ACC. Fences that separate the Lot from common areas, or that are located adjacent to lot lines that border common areas shall not be greater than four (4) feet in height.

16. Garages and Garage Sales. All dwellings must have a two (2) car garage as a minimum and a four (4) car garage as a maximum. The interior walls and ceilings of all garages must be finished with a minimum of taped, floated and painted sheetrock. All garages must be equipped with automatic door openers. Garage doors facing Meadow View or Cotswold Lane are limited to a single car opening.

No garage sale, rummage sale, estate sale, surplus sale or yard sale shall ever be held on any Lot or Common Area unless prior written approval has been granted by the Board, which approval shall be communicated to each Lot Owner prior to the sale and prominently displayed at all times of the sale.

17. Grass and Shrubbery. After approval by the ACC, the Owner of each Unit shall landscape in accordance with local ordinances, or solid sod with grass the area between the front of his residence and the curb line of the abutting Street and the side yard of such Unit out to the curb on all corner Units. The Owner shall be responsible for maintenance of all parts of the Lot. The Association shall mow certain parts of the Lot, as described below. However, the Lot Owner has primary responsibility for the neat, attractive and healthy appearance of all plants on the Lot. Grass and weeds throughout the lot shall be kept mowed to prevent unsightly appearance, and all curbs, drives and walkways shall be kept edged. Dead or damaged trees, which might create a hazard to property or persons, shall be promptly removed or repaired, and if not removed by the Owner upon request, then the Association may remove or cause to be removed such trees at the Owner's expense and shall not be liable for damage caused by such removal. The Association may plant, install and maintain shrubbery and other

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screening devices around boxes, transformers and other above-ground utility equipment, and mow and maintain the grass around such areas. The Association shall have the right to enter upon the Units to plant, install, maintain and replace such shrubbery or other screening devices, and mow and maintain grass around such areas following reasonable advance notice to the Owner of such Unit. If the Association incurs expense on behalf of the Owner, such expense shall be paid by the Owner as an Individual Assessment.

After a home has been constructed and the front yard has been sodded and/or appropriately landscaped, the Association shall mow the grass of all front yards and the side yard abutting the streets for corner lots. Such mowing shall be at the expense of the Association.

18. Guns. The use of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and small firearms of all types. Nothing contained herein or in the By-Laws shall be construed to require the Association to take action to enforce this Section.

19. Height Limitation. No dwelling shall be taller than thirty five feet (35') from the ground to the highest peak of the roof, or two and a half (2 1/2) stories, whichever is less.

20. Insurance. Nothing shall be done or kept by any Owner on any portion of the Properties which shall increase the rate of insurance on any other Lot, Parcel or Tract or any part of the Common Areas or Common Property without the approval of the Board, nor shall anything be done or kept by any Owner on any portion of the Properties which would result in the cancellation of insurance on any other Lot, Tract or Parcel or any part of the Common Areas or Common Property or which would be in violation of any law or which would in any manner adversely affect the Association.

21. Liability for Damage to Common Areas. Each Owner shall be legally liable to the Association for all damages to the Common Areas or to any Improvements thereon, caused by such Owner, his guests, invitees, tenants, licensees or any occupant of such Owner's Tract in proportion to the number of Lots owned. Nothing contained herein shall make any Owner liable for any debt or obligations of any other Lot Owner.

22. Mailboxes, Cluster Boxes. Mailboxes, house numbers and similar matter used in the Subdivision must be harmonious with the overall character and aesthetics of the community. Cluster Boxes will be utilized whenever and wherever possible.

23. Mineral Production. No oil drilling, oil development operations, refining, quarrying or mining operations of any kind shall be permitted within the Lots, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Lot.

24. Mobile Homes and Temporary Residences. No mobile homes, trailer houses, pre-fabricated homes or modular units shall be placed on the Properties or used as temporary residences. No garage shall be used as a residence or for any purpose except to house vehicles and household items commonly stored in garages.

25. Non-Waiver. No delay in enforcing these covenants and restrictions as to any breach or violation thereof shall impair, damage or waive the right of the Association to enforce the same, to obtain relief against or recovery for continuation or repetition of such breach or violation or of any similar breach or violation thereof at a later time or times.

26. Nuisance. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No property within the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause such property to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Properties, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Properties. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any Unit unless required by law.

27. Owner's Maintenance. Each Owner of a Unit shall at all times be obligated to maintain his property and all improvements thereupon (and the area between the boundary lines of adjacent property and adjacent Streets if such area is not otherwise maintained), so as to keep same in a clean, sightly and safe condition and to conform with any specific standards which the Board of Directors may adopt by resolution for the Properties. Unless expressly assumed by the Association, an Owner's maintenance obligation shall include, but not be limited to: the maintenance of all visible exterior surfaces of all buildings and other improvements; the prompt removal of all paper, debris, and refuse; the removal and replacement of dead and diseased trees and plantings (including trees located within the Street right-of-way adjacent to the Unit); the removal of all snow and ice from paved areas; the repair, replacement, cleaning and relamping of all signs

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and lighting fixtures; the maintenance and repair of the sidewalks within or adjacent to the Unit; the mowing, watering, fertilizing, weeding, replanting and replacing of all approved landscaping; and, during construction, the cleaning of dirt, construction debris and other construction-related refuse from Streets and storm drains and inlets. In the event an Owner fails to maintain his Unit as herein provided, the Association may, in addition to all other remedies specified herein, perform the maintenance work which such Owner has failed to perform and assess all costs against such Owner as an individual assessment.

28. Playground Equipment. All playground equipment on a Unit must be placed at the rear of the Unit and must be placed behind a fence or otherwise screened from public view from any abutting Street. Prior to the installation of any outdoor play equipment, approval must be obtained from the ACC in same manner as for new construction or additions.

29. Private Utility Lines. All electrical, telephone, and other utility lines and facilities which are located on a Unit and are not owned by a governmental entity or a public utility company shall be installed in underground conduits or other underground facilities unless otherwise approved in writing by the Association.

30. Renting or Leasing. Units may be rented or leased only by written leases and subject to the following restrictions:

All tenants shall be subject to the terms and conditions of this Declaration and the rules and regulations promulgated by the Association as though such tenant were an Owner. Each Owner of a Unit agrees to cause his lessee or the persons living with such Owner to comply with this Declaration and the rules and regulations promulgated pursuant hereto, and is responsible and liable for all violations and losses caused by such tenants or occupants, notwithstanding the fact that such tenants or occupants of the Unit are fully liable for any such violation. All provisions of this Declaration and of any rules and regulations promulgated pursuant hereto which govern the conduct of Owners of a Unit and which provide for sanctions against Owners shall also apply to all occupants of Units even though such occupants are not specifically mentioned. Fines and assessments may be levied against Owners or occupants. If a fine or assessment is first levied against an occupant and is not paid timely, the fine or assessment may then be levied against the Owner.

31. Roof and Stacks. All roof stacks and flashings on each Unit must be painted to match the color of the roof, the brick or the exterior paint of the Unit unless otherwise approved by the ACC. Roofs shall not be composed of composition shingles or wood shingles, no built up or flat roofs shall be allowed, no tar or rock roofs shall be allowed.

32. Signs. No signs, billboards, posters, or advertising devices of any kind shall be permitted on any Unit

without the prior written consent of the ACC other than (a) one sign not in excess of a size prescribed by the Design Guidelines advertising a particular Unit on which the sign is situated for sale or rent, or (b) one sign to identify the particular Unit during the period of construction of a residence thereon as for sale; provided, however, no sign advertising a Unit for sale shall contain the word "foreclosure" or any derivative of such word. The right is reserved by Declarant to construct and maintain signs, billboards and advertising devices on land it owns and on the Common Area as is customary in connection with the sale of developed tracts and newly constructed residential dwellings. In addition, the Declarant and the Association shall have the right to erect and maintain identifying signs and monuments at each entrance to the subdivisions.

In addition to any other remedies provided for herein, the Board of Directors or its duly authorized agent shall have the power to enter upon a Unit to remove any sign which violates this Section provided the violating Owner has been given forty-eight (48) hours' written notice by the Board of Directors of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of assessments.

33. Temporary Building. No tents, trailers, vans, shacks, tanks or temporary or accessory buildings or structures (except those accessory structures approved by the ACC in accordance with the terms contained in this Declaration) shall be erected or permitted to remain on the Properties; provided, however, that the foregoing shall not restrict or prevent the construction and maintenance of temporary sales models and such other temporary facilities as are essential to the development, construction and sale or lease of the facilities constructed or to be constructed on any of the Tracts as long as such temporary facilities are in compliance with the requirements of applicable Governmental Agencies and have been approved by the ACC.

34. Time Shares. No Tract or Improvement shall be owned or used in time share ownership.

35. Traffic Sight Areas. All Units located at Street intersections shall be landscaped so as to permit safe sight across the Street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where this would create a traffic or sight problem.

36. Vehicles. The term "vehicles", as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go-carts, trucks, campers, buses, vans, all terrain vehicles, and automobiles. No vehicle may be left upon any Unit, except in a closed garage or other area designated by the Board, for a period longer than two (2) days if it is unlicensed or unregistered or if it is in a condition such

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that it is incapable of being operated upon the public highways. After such two (2) day period, such vehicle shall be considered a nuisance and may be removed. No boat, recreational vehicle, motor home, or mobile home shall be parked or stored on a Unit for a period longer than twenty-four (24) hours, except in a garage or other area designated by the Board. In such event the garage door shall be kept closed at all times except times of actual ingress or egress from said garage. After twenty-four (24) hours any such vehicle shall be considered a nuisance and may be removed by the Board. Trucks with mounted campers which are an Owner's or occupant's primary means of transportation shall not be considered recreational vehicles, provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal. No motorized vehicles shall be permitted on pathways or unpaved Common Area except for public safety vehicles and vehicles authorized by the Board. No vehicles may be parked in the paved streets in the common areas. Off street parking spaces are provided in specific parts of the common areas.

37. Vehicle Parking. No vehicles may be parked on streets located in the common areas at any time. The Board may from time to time promulgate rules which restrict, limit or prohibit the use of any driveway or parking area which may be in front of, adjacent to or part of any tract as a parking place for personal passenger vehicles, commercial vehicles, trailers, recreational vehicles, self-propelled motor homes, motorcycles and boats. Such rules, if and when promulgated, shall become a part of the Rules and Regulations and shall have the same force and effect as if promulgated and initially made a part of this Declaration. Except in cases where prior approval from the ACC has been obtained, overnight parking or storage of trucks or commercial vehicles in excess of three-quarter ton rated capacity is prohibited.

38. Weeds and Underbrush. No weeds, underbrush or other unsightly growths shall be permitted to grow or remain upon the Lots and no refuse pile or unsightly objects shall be allowed to be placed or permitted to remain anywhere thereon. In the event an Owner shall fail or refuse to keep his Lot and any Improvements thereon free of weeds, underbrush, sight obstruction, refuse piles or other unsightly growths or objects, and such failure or refusal shall continue for ten (10) days after Notice thereof, then the Association may enter upon said property and remove the same at the expense of the Owner (costs of which shall constitute and be governed by the provisions of this Declaration relating to Individual Assessments), and such entry shall not be deemed a trespass.

39. Yard Lights. Each owner shall construct (at the same time that the dwelling is constructed) and continually maintain a yard light which shall be a free standing lamppost with a lamp fixture affixed at the top. The lamp shall be either a gas

light or an electric light activated by a photo-electric type timer which turns the light on at sundown and off at sunrise. The lamp shall be of the same design as other lamps in the neighborhood. The maximum height and location of the lamp post shall be determined by the ACC. No bypass switch shall be installed for the yard light.

Section 2. All dwellings located on Lots 15 through 18, Block 1, inclusive must have a rear entry garage with the entry access being located on Macgruder Street.

The dwelling located on Lot 4 Block 3 is hereby approved in its current condition. Any changes in the exterior of the property of the dwelling must be approved by the ACC. At the time any changes are approved, the dwelling exterior may be altered to have a stucco wash.

Section 3. At the time the construction plans are submitted, the same must mark any trees with the diameter in excess of four (4) inches which will be cut down during the construction process. All trees are to be protected during the construction of a dwelling or any improvements.

ARTICLE VII

LANDSCAPE DEVELOPMENT STANDARDS

Section 1. Design Precepts. Due to the existing natural vegetation at Hidden Meadows, a naturalistic approach to landscape architectural treatments is desired. The intent is the implementation of a simple, strong landscape setting, in scale with streets, entries, structures and parking areas. This result will be achieved through the use of a limited plant palette and clean, simple groupings of trees and shrub masses.

Section 2. Landscape Development Standards.

(a) Installation. Each Owner shall be responsible for the design, installation and maintenance of landscape material in accordance with accepted nursery practice by qualified contractors using the quality and type of plant materials approved by the ACC.

(b) Irrigation. Each Owner shall be responsible for the design, installation, maintenance and proper utilization of automatically controlled landscape irrigation systems for at least the front yard of each Lot and for the side yards of Lots abutting streets on the side (corner Lots). Irrigation devices shall not be installed above finished grade or in such a manner as to be hazardous to pedestrian traffic.

(c) General Landscaping Standards. Landscape lighting, plant materials and planting categories shall be consistent with the landscape design precepts set forth herein and in the ADG and conforming to the landscaping plan component of the plans approved by the ACC.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the

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Properties, and shall inure to the benefit of and be enforceable by the Association, Declarant and any Owner, their respective legal representatives, heirs, successors and assigns, for a period of fifty (50) years from the date this Declaration is recorded. Upon the expiration of such fifty (50) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial fifty (50) year period, or during the last year of any subsequent ten (10) year renewal period, a majority of the total eligible votes of the membership of the Association cast at a duly held meeting of Members of the Association vote in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least thirty (30) days and no more than sixty (60) days in advance of such meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution and the total number of votes cast against such resolution. The certificate shall be recorded in the Real Property Records and Deed and Plat Records of Victoria County, Texas, and may be prima facie evidence of the correctness of the facts contained therein as they relate to the termination of this Declaration.

Section 2. Amendment. Provided that there is no adverse affect on the title to any Owner's property and that any such Owner shall consent thereto, this Declaration may be amended unilaterally at any time and from time to time by Seis Hecho Development, Inc. (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property subject to this Declaration; or (c) if such amendment is necessary to enable any

governmental agency or reputable private insurance company to insure mortgage loans on the property subject to this Declaration. In addition, so long as it still owns property for development as part of the Properties, Seis Hecho Development, Inc. may unilaterally amend this Declaration for any other purpose, provided that the amendment has no material adverse effect upon any right of any Owner or the Owner or Owners so affected have consented thereto.

In addition to the amendments described above, and those provided by law, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, at a regular or special meeting of Voting Members representing a majority of the total eligible members in the Association. No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant. Any amendment to this Declaration must be recorded in the Office of the County Clerk of Victoria County, Texas.

Section 3. Assignment of Rights and Duties. Any and all of the rights, powers and reservations of the Association or Declarant may be assigned to any person, corporation or association which will assume the duties of the Association or Declarant, as applicable, pertaining to the particular rights, powers and reservations assigned. Upon such assignee's evidencing its consent in writing to accept such assignment and assume such duties, it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Association or Declarant, as is applicable. Further, the Association or Declarant may from time to time delegate any and all of its rights, powers, discretion and duties hereunder to such agent or agents as it may designate.

Section 4. Authority of Declarant. Until and unless Seis Hecho Development, Inc. shall have resigned as a Declarant in the manner hereinabove provided, Donald A. Elder shall have full authority to act on behalf of all Declarants, including the Alcorns. Any action taken by Donald A. Elder as Declarant shall be binding upon all Declarants. Further, Declarants hereby designate and appoint Donald A. Elder as agent and attorney-in-fact to execute any and all documents or instruments necessary to fully effectuate the provisions of this Declaration or the ADG. This power is coupled with an interest and, thus, is irrevocable. The authority granted Donald A. Elder may be assigned by Donald A. Elder to any entity acquiring all or substantially all of Seis Hecho Development, Inc.'s interest in the Properties.

Section 5. Power of Attorney. The Association is hereby granted an irrevocable power of attorney to represent the Owners in any proceedings, negotiations, settlements or agreements relating to the damage, destruction or condemnation of the Common Areas.

Section 6. Enforcement. Each Owner and occupant shall comply strictly with the covenants, conditions, and restrictions set forth

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in this Declaration, as may be amended from time to time, and with the rules and regulations adopted by the Board. The Board may impose fines or other sanctions, which shall be collected as provided herein for the collection of assessments. Failure to comply with this Declaration or the rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board, on behalf of the Association, or by an aggrieved Member. Failure of the Board or any other Person to enforce any of the provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall also have the right to enforce, by any proceeding at law or in equity, any other restrictions, conditions, covenants and liens imposed upon any portion of the Properties which by the terms of the instrument creating same grant the Association the power to enforce same, and failure of the Association to enforce such provisions shall in no event be deemed a waiver of the right to do so thereafter. Any party successful in any court proceeding for the enforcement of this Declaration or any other provisions contained herein or in the related documents and instruments shall be entitled to recovery of reasonable attorney's fees and costs of court.

In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon a Unit to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates this Declaration, its rules and regulations. Except in the case of emergency situations, and as otherwise specified herein, the Association shall give the violating Owner ten (10) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner and shall be collected as provided for herein for the collection of individual assessments.

Section 7. Right of Entry. The Association shall have the right, but not the obligation, to enter into any Unit for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and the Association rules, which right may be exercised by the Associations, Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

Section 8. Severability. Should any covenant, condition or restriction herein contained, or any Article, Section, subsection,

paragraph, sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court of other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Declaration a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

Section 9. Interpretation. The Board shall have the right except as limited by any other provisions of this Declaration or Articles or By-Laws, to determine all questions arising in connection with this Declaration and to construe and interpret its provisions, and its good faith determination, construction or interpretation shall be final and binding.

Section 10. Authorized Action. All actions which the Association is permitted to take under this instrument shall be authorized actions of the Association and to the extent approved by the Board in the manner provided for in the By-Laws of the Association, unless the terms of this Declaration provide otherwise.

Section 11. Termination of Declaration. Should the Members of the Association vote not to renew and extend this Declaration as provided for herein, all Common Areas owned by the Association at such time shall be transferred to another association or appropriate Governmental Agency having similar purposes. If no other association or agency will accept such property then it will be conveyed to a trustee appointed by a court of competent jurisdiction, which trustee shall sell the Common Areas free and clear of the limitations imposed hereby upon terms established by such court, subject, however, the ingress and egress easement of each Owner over the Common Areas. The proceeds of such a sale shall first be used for the payment of any obligations incurred by the trustee in the operation, maintenance, repair and upkeep of the Common Area, then for the payment of any debts or obligations constituting a lien on the Common Area. The excess of proceeds, if any, from the Common Area shall be distributed among Owners in a proportion which is equal to their then current voting allocation if such distribution does not affect the non-profit status of the Association or otherwise result in adverse tax consequences. If such distribution would impair any tax benefits then available to the Association, the excess proceeds will be distributed to a qualifying charitable organization chosen by the trustee.

Section 12. Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Association will perform no act nor undertake any activity which will cause it to lose its non-profit status under applicable state or federal law.

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Section 13. Number and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 14. Construction. The provision of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation and development of the Properties.

Section 15. Mineral Reservation. Declarant hereby reserves and retains all rights, title and interest in all oil, gas, coal, coal tar, cement, limestone, gravel, sand, rock, caliche and other minerals in and to the Properties; provided, however, Declarant shall not have the right to use any of the surface area of any portion of the Properties other than the Common Areas and those portions of the Properties which it owns at the time of any exploring, mining, or drilling activity in connection with such minerals. No conveyance of any interest in the Properties subsequent to the date hereof shall convey any of such interests. The minerals herein reserved include all minerals regardless of the method of mining or exploitation.

Section 16. Incorporation. The Articles, By-Laws and Rules and Regulations, as such may, from time to time, be amended or modified, are incorporated herein for all purposes.

Section 17. Titles. The titles of this Declaration of Articles and Sections contained herein are included for convenience only and shall not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.

Section 18. Merger and Consolidation. Upon a merger or consolidation of the Association with another non-profit corporation organized for the same or similar purposes, the Association's properties, rights, and obligations may be transferred to the surviving or consolidated association, or alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants, conditions and restrictions established by this Declaration, together with the covenants, conditions and restrictions applicable to the properties of the other association as one scheme. No merger or consolidation shall be permitted except with the consent of Voting Members representing seventy-five (75%) of the total membership of the Association.

Section 19. Dissolution. The Association may be dissolved with the consent of Voting Members representing seventy-five percent (75%) of the total membership of the Association and, if it is an Owner of any property in the subdivision, Seis Hecho Development, Inc. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was

created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

Section 20. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 21. Cumulative Effect; Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of any Supplemental Declarations; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of any Supplemental Declaration shall be subject and subordinate to those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Association.

Section 22. Use of the Words "Hidden Meadows" or "Hidden Meadows Homeowners Association, Inc". No Person shall use the words "Hidden Meadows" or "Hidden Meadows Homeowners Association, Inc." or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the terms "Hidden Meadows" or "Hidden Meadows Homeowners Association, Inc." in printed or promotional matter where such term is used solely to specify that particular property is located within Hidden Meadows and the Association shall be entitled to use the words "Hidden Meadows" in its name.

Section 23. Compliance. Every Owner and occupant of a Unit shall comply with all lawful provisions of this Declaration and rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Owner or Owners.

Section 24. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, HOWEVER, AND NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY UNITS, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR

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DECLARANT AND THE ARCHITECTURAL CONTROL COMMITTEE DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE ARCHITECTURAL COMMITTEES MAY NOT BE COMPRISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY UNIT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, THE BOARD OF DIRECTORS, THE ARCHITECTURAL CONTROL COMMITTEE, THE DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, THE BOARD OF DIRECTORS, THE ARCHITECTURAL COMMITTEES, THE DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATION OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

Section 25. Notice of Sale or Transfer of Title. In the event that an Owner sells or otherwise transfers title to his or her Lot, unless a Deed is recorded in Victoria County which identifies such new transferee's name and address, such Owner shall give the Association written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Association, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Unit hereunder, including payment of Assessments, notwithstanding the transfer of title to the Lot.

ARTICLE IX

INSURANCE, CASUALTY, LOSSES AND CONDEMNATION

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority, but not the obligation to obtain blanket all-risk casualty insurance, if reasonably available, for all insurable improvements on the Common Area. It also has the authority but not the obligation to obtain an insurance policy providing fire and extended coverage for any improvement placed upon the common area. The face amount of such insurance should be sufficient to cover the full replacement cost

of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also have the authority, but not the obligation to obtain a public liability policy covering the Common Area, insuring the Association and its Members for all damages or injury caused by the negligence of the Association, its agents, the Members or Occupants. The public liability policy shall have coverages in amounts acceptable to the Board.

Premiums for all insurance described herein shall be Association Expenses and shall be included in the General Assessments;

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the Association, Board, Declarants and Owners and their Mortgagees. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company authorized to do business in Texas which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating which is available.

(b) All policies on the Common Area shall be for the benefit of the Association and its members.

(c) Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no Mortgagees having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees.

(e) The Association's Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) a statement that no policy may be canceled, invalidated, suspended, or subject to nonrenewal on account of any one or more individual Owners;

(iv) a statement that no policy may be canceled, invalidated, suspended, or subject to nonrenewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior

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demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

(v) a statement that any "other insurance" clause in any policy excludes individual Owners' policies from consideration; and

(vi) a statement that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section, the Board shall have the authority, but not the obligation to obtain, as an Association Expense payable from General Assessments, directors' and officers' liability coverage, if reasonably available, and a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available. The amounts of directors' and officers' liability coverage and fidelity coverage shall be determined in the Board's best business judgment.

Section 2. Individual Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and the Association that each Owner shall carry blanket all-risk casualty insurance on his property and the structure constructed thereon meeting the same requirements as set forth in Section 1 of this Article IX for insurance on the Common Area. Proof of such insurance shall be given to the Association upon request. Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of the structure or structures on his property, the Owner shall proceed promptly to repair or to reconstruct the damaged structure(s) in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. In the event that a structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear his property of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction within thirty (30) days after said destruction.

Nothing contained herein shall be construed to require any Owner to bear greater than their pro-rata share of liability for injuries or damages occurring in the Common Areas, which liability should be insured by the public liability policy maintained by the Board.

Section 3. Damage and Destruction.

Immediately after damage or destruction by fire or other casualty of all or any part of the property covered by insurance written in the name of the Association, the Board of Directors or

its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition which existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

Section 4. Condemnation. Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least two-thirds (2/3rds) of the members of the Association and of the Declarant, as long as the Declarant owns any of the property), by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

(i) If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, (so long as the Declarant owns any property), and Members representing at least seventy-five (75%) percent of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association; or

(ii) If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions is executed effective as of the 1st day of March, 1996.

LIENHOLDER:

Victoria Bank & Trust Company

By: David C. Edwards

David C. Edwards, Vice-President

DECLARANT:

Seis Hecho Development, Inc.

By: Donald A. Elder

Donald A. Elder, President

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The undersigned hereby acknowledge and agree to this Declaration of Covenants, Conditions & Restrictions for Hidden Meadows and agree that their property, being Lot 4, Block 3, shall be subject to all of the provisions contained herein.

LIENHOLDER:
Victoria Bank & Trust Company

By: David C. Edwards
David C. Edwards, Vice-President

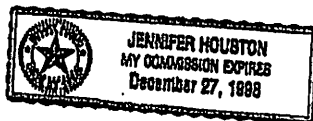
Charles W. Alcorn, Jr.
Charles W. Alcorn, Jr.

Dorothy Jean Alcorn
Dorothy Jean Alcorn

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on the 1st day of March, 1996 by Seis Hecho Development, Inc., on behalf of Donald A. Elder, its President.



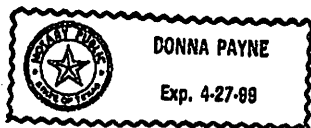
Jennifer Houston
NOTARY PUBLIC, STATE OF TEXAS

Jennifer Houston
TYPED/PRINTED NAME OF NOTARY
MY COMMISSION EXPIRES: 12-27-98

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on the 29th day of February, 1996 by Victoria Bank & Trust Company, a Texas Banking corporation, on behalf of David C. Edwards, Vice-President.



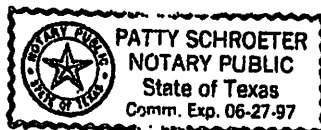
Donna Payne
NOTARY PUBLIC, STATE OF TEXAS

Donna Payne
TYPED/PRINTED NAME OF NOTARY
MY COMMISSION EXPIRES: 4-27-99

THE STATE OF TEXAS §

COUNTY OF VICTORIA §

This instrument was acknowledged before me on the 16th day of February, 1996 by Charles W. Alcorn, Jr. and wife, Dorothy Jean Alcorn.



Patty Schroeter
NOTARY PUBLIC, STATE OF TEXAS

TYPED/PRINTED NAME OF NOTARY
MY COMMISSION EXPIRES: _____

Case: 2397
97.00
5.00