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THE DECLARATION OF CONDOMINIUM
OF
HANOVER CIRCLE CONDOMINIUM

Fiscal year - Jan. 1, to Dec. 31
Annual meeting - ~~Sept~~ December

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THE DECLARATION OF CONDOMINIUM
OF
HANOVER CIRCLE CONDOMINIUM

This Declaration made this 8th day of JAN, 1986, by Highland Associates, Ltd., an Alabama limited partnership, ("Developer"), for itself and its respective successors, grantees and assigns, pursuant to the Condominium Ownership Act of Alabama, Code of Alabama, 1975, Section 35-8-1, et seq., for the purpose of creating a condominium and establishing certain easements, covenants and restrictions to run with the land.

WHEREAS, Developer is the fee simple owner of certain improved real property situated in Jefferson County, Alabama, described in detail on the attached Exhibit A;

WHEREAS, the said real property has been improved by the construction thereon of two (2) Buildings of brick construction, on concrete footings, with brick exterior walls and consisting of seventy-six (76) units; as said improvements have been fully and accurately depicted as to layout, location, unit numbers, and dimensions; identifying the Common Elements and Private Elements of each Unit as built, by the site plan and by the floor plans, identified as the Plans for Hanover Circle Condominium, a Condominium project, dated DEC 16, 1985, consisting of 9 (9) pages and bearing a certification that said site plan and floor plan are filed in the Office of the Judge of Probate of Jefferson County, Alabama, at Map Book 148, Page 1, and contain, in addition to the site and floor plans, typicals for paving, steps, walls and floors, and cross-section of the Buildings and the location, elevation, area and dimensions of each Unit with reference to established geographical points (said drawings and specifications in said site and floor plans and other plans are hereinafter collectively referred to as "Plans"), a copy of which is attached hereto as Exhibit "B".

NOW, THEREFORE, the Developer hereby makes the following Declaration, and specifies that the provisions hereof shall constitute covenants running with the land and shall be binding upon the Developer, its successors and assigns and all subsequent purchasers of all or any part of the Property together with their grantees, successors, heirs, executors, administrators, devisees or assigns:

I. PURPOSE

The purpose of this Declaration is to submit the Property to the condominium form of ownership and use in the manner provided by the Condominium Ownership Act, Code of Alabama, 1975, Section 35-8-1, et seq., (the "Act"), and the Property is hereby submitted to the condominium form of ownership as provided for in the Act.

II. NAME

The name by which this Condominium is to be identified is Hanover Circle Condominium (the "Condominium").

III. STREET ADDRESS

The street address of the Property is 55-1 through 57-234 Hanover Circle, Birmingham, Alabama 35201.

IV. DEVELOPMENT

The improvements constructed on said Property are the improvements set forth and described in the Plans.

V. DEFINITIONS

The terms used herein and in the By-Laws shall have the meaning stated in the Act and as follows:

"Act" means the Condominium Ownership Act, Code of Alabama, 1975, Section 35-8-1, et seq.

"Articles of Incorporation" means the Articles of Incorporation of the Association, recorded in the Office of the Judge of Probate of Jefferson County, Alabama.

"Association" means Hanover Association, Inc., an Alabama not-for-profit corporation, and its successors.

"Board" means the Board of Directors of the Association.

"Building" means the buildings of the Condominium.

"By-Laws" means the duly adopted By-Laws of the Association.

"Common Elements" means common areas and facilities as defined in said Act and shall include all parts of the Condominium Property not included within the Unit boundaries, as more particularly described in Section VI-2 hereafter, and the tangible personal property required for the maintenance and operation of the Condominium.

"Common Expenses" include those as defined by the Act, together with the expenses for which the Unit Owners are liable to the Association, actual or estimated, pursuant to the By-Laws and such other expenses as are agreed upon as Common Expenses by the Association. The term Common Expenses shall not include any fee, expenses of bill which is assessed against a Unit as a result of

Utility Services provided to a Unit or ad valorem taxes or assessments levied against a Unit by any governmental entity.

"Condominium" means Hanover Circle Condominium.

"Condominium Property" or "Property" means and includes the land situated in Jefferson County, Alabama, described on the attached Exhibit A and shall also include all improvements and structures now existing or hereafter placed on the Property, all easements, rights and appurtenances thereto, and all personal property provided by the Developer and intended for use in connection therewith.

"Control Period" means the period of time commencing four months after 75% of the Units in the Condominium Property have been conveyed to Unit purchasers or 2-1/2 years following first conveyance of a Unit, whichever shall first occur, or until the Developer elects to terminate its control of the Condominium and the Association, whichever shall first occur.

"Declaration" means and refers to this Declaration of Condominium of Hanover Circle Condominium, and all amendments thereto.

"Developer" means Highland Associates, Ltd., an Alabama limited partnership, and its respective successors and assigns, but the term shall not include persons who purchase individual condominium units from Highland Associates, Ltd.

"Member" means a member of the Association. Membership in the Association shall be confined to those persons who hold a fee-type ownership interest in any Unit.

"Plans" mean all drawings and specifications in the site and floor plans and other plans as recorded in the Office of the Judge of Probate of Jefferson County, Alabama, at Map Book 148, Page 1.

"Private Elements" means all parts of the Condominium Property included within the boundaries of each Unit and all personal property installed in each Unit by the Developer and intended for private use by the Unit Owner.

"Rules and Regulations" means the duly adopted rules and regulations of Hanover Association, Inc. made for the purpose of regulating the Condominium Property, as they may be amended from time to time.

"Unit" means a condominium unit as described by the Act, and shall include the elements of a condominium which are not owned in common with the Unit Owners. The boundaries of each Unit are as set out hereafter.

"Unit Owner" means a condominium owner and shall include his heirs, successors and assigns and shall include the Developer as to those Units of which it is the Owner of record.

"Utility Services" shall include but not be limited to electric power, water, heating, air conditioning, garbage and sewage disposal and any other governmental or public utility assessment, fee, or bill.

Singular, plural, gender. Whenever the context so permits, the use herein of the plural shall include the singular, the use of the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

VI. IMPROVEMENTS AND PRINCIPAL MATERIALS OF WHICH CONSTRUCTED;
COMMON ELEMENTS DEFINED

The Developer will furnish as part of the Property the following:

1. Building: Two (2) Buildings have been constructed primarily of brick construction, on concrete footings, with brick exterior walls. The Buildings are described as to location, type and number of rooms in the Plans.

2. Common Elements: The Common Elements of the Condominium will include the common areas and facilities located substantially as shown on the Plans. Such common areas and facilities will include the following, unless specifically included within a Unit:

- (a) The Land.
- (b) The foundations and footings, exterior walls, elevators, roofs, girders, beams, supports, stairwells, stairs leading to each Unit and all entry walks, ceiling walls separating the Units, stoops, and entry porches of the Buildings.
- (c) All storage areas.
- (d) All roadways, the yard, streets, swimming pool and pool area, clubhouse area, walkways, all parking areas, and landscaping.
- (e) The mechanical and utility systems and installations providing service to the Buildings, or to more than one Unit, including all lines, pipes, ducts, flues, chutes, conduits, cables, wires and other apparatus and installations in connection therewith.
- (f) All maintenance facilities.

(g) All easements, rights or appurtenances affecting or relating to the use of the Property unless specifically included in any Unit.

3. No Dedication: The recording of the Plans and Plot Plan for the Condominium shall in no way be construed to be a "dedication" of the ingress and egress areas as public right-of-ways.

VII. UNITS

Each Unit shall include the part of each Building which lies within the boundaries of the Unit. All parts of each Building lying within the boundaries of each Unit shall constitute the Private Elements assigned to each Unit by this Declaration, which boundaries are graphically depicted on the Plans and described as follows:

1. Horizontal Boundaries: The upper and lower boundaries of each Unit shall be the following boundaries extended to intersection with the perimeter boundaries:

(a) The upper boundary shall be the horizontal plane of the lowermost surface of the dry-wall of plaster wall, which serves as the ceiling of each Unit, excluding any paint or other substance or fixture affixed to the ceiling.

(b) The lower boundary for the Units (as shown on the Plans) shall be the upper surface of the concrete slab which serves as the Unit's floor, excluding all floor coverings.

2. Perimeter Boundaries: The perimeter boundary of each Unit shall be the vertical planes of the exposed/outer surface of the gypsum wall which encloses a Unit, or serves as the common wall separating Units, extended to the upper and lower horizontal boundaries, all of which are graphically depicted on the Plans. All interior walls within a Unit are Private Elements.

3. Equipment: Each Unit shall include all bathroom fixtures, window glass, interior doors, exterior and interior air conditioning and heating equipment (including all ducts, lines, tanks, or other such apparatus related thereto), plumbing, hot water and electrical equipment serving a particular Unit exclusively (whether located inside or outside the Unit boundaries), the stove, dishwasher, refrigerator, sink, floor and wall coverings, and all other kitchen appliances or fixtures, including cabinets.

4. Easements: The Developer hereby reserves for and grants to the Unit Owner the following easements.

(a) Unit Owner's Easements: (i) An easement in common with others is granted to all Unit Owners, their guests and lessees, to have the exclusive use and enjoyment of the basement and parking spaces which are a part of the Property, and which are appurtenant to the Building. The parking areas have not been allocated on a Unit by Unit basis but may be at a later time in the discretion of the Board. (ii) An easement in common with the other Unit Owners is granted to a Unit Owner for the use of the swimming pool and pool area, the clubhouse, and all storage areas within the Building, subject to the Rules and Regulations as they may be from time to time amended. (iii) Developer herewith reserves a "construction easement" for so long as the Control Period exists for the purpose of allowing the Developer, its agents, servants and employees, access to all or any part of the Condominium Property for construction and renovation of the Common and Private Elements of the Condominium. Each Unit Owner by acceptance of a deed to a unit herewith waives any and all claims, demands or causes of action which he may have as a result of construction activity, structural and cosmetic, or changes to the Common and Private Elements during the Control Period. This waiver includes claims for annoyance or aggravation as a result of construction work on the Condominium Property. The construction easement herein includes, but is not limited to, the following types of activity: alterations of the Common and Private Elements; paving and landscaping work; and all other types of construction activity which Developer, in the exercise of its sole discretion, may undertake to beautify or improve the Condominium Property during the "Control Period". Control Period is defined as follows: until the expiration of four months after 75% of the Units in the Condominium Property have been conveyed to Unit purchasers or 2-1/2 years following first conveyance of a Unit, whichever shall first occur, or until the Developer elects to terminate its control of the Condominium and the Association, whichever shall first occur.

(b) The Association's Easements: Developer hereby reserves for and grants to the Association for the benefit of its Members, their guests and lessees, the following easements, rights and privileges: (i) An easement in common with others for ingress and egress, by vehicle or on foot, in, to, upon, and over all public and private roads, walks and passage ways located on the Property. (ii) An easement for the placement and maintenance of all roadways and utilities, including sewer, gas, electricity and telephone lines, pipes, sewers and conduits, in and through the Property, including the right of access thereto, such easements being in common with and subject to the terms and conditions of all easements and rights of way heretofore granted by Developer to

companies furnishing utilities to the Property. (iii) An easement in common with the Owner of each Unit served through other Units for the conduits, ducts, water tanks, plumbing, wiring and other facilities and systems furnishing utility services to the Unit served, including the right of access thereto for the purpose of maintenance, repair and replacement.

5. Identification. Each Unit within the Condominium is assigned the Unit number which is set forth on the attached Exhibit C.

6. Encroachments: If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements as a result of the construction of the Buildings, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Buildings, a valid easement for the encroachment and for the maintenance of same, so long as the Building stands, shall exist. In the event a Building, any Unit, any adjoining Unit, or any adjoining Common Element shall be partially or toally destroyed as a result of fire, or other casualty, or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of part of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements, due to such construction and maintenance thereof, shall exist so long as the Building shall stand.

VIII. PERCENTAGE IN COMMON ELEMENTS AND ALLOCATION OF COMMON EXPENSES AND PROFITS

Any surplus shall be distributed among, and the Common Expenses shall be charged to, the Unit Owners according to the percentage ownership share in the Common Elements assigned to the particular Unit. The percentage ownership share of each Unit in the Common Elements is as set forth with particularity on Exhibit C.

IX. UNITS SUBJECT TO DECLARATION, BY-LAWS AND RULES AND REGULATIONS

The acceptance of a deed or conveyance or the entering into a lease or the entering into of occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant, or occupant, and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

X. EXCLUSIVE OWNERSHIP

Each Unit Owner shall have exclusive ownership and possession of his Unit. He shall have an undivided interest in the Common Elements in the percentage interest expressed in this Declaration, which undivided percentage interest of each Unit Owner shall have a permanent character and shall not be altered without the consent of all Unit Owners expressed in an amended Declaration, duly recorded. The undivided percentage interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

XI. ENFORCEMENT

Failure of any Unit Owner to comply strictly with the provisions of this Declaration, the By-Laws and the Rules and Regulations, shall be grounds for an action to recover sums due, or damages, or injunctive relief or any or all of them. Such actions may be maintained by the Association on its own behalf or on behalf of the Unit Owners aggrieved. In any case of flagrant or repeated violation by a Unit Owner, he may be required by the Association to give sufficient surety or sureties for his future compliance with the provisions of this Declaration, the By-Laws and the Rules and Regulations. Nothing herein contained shall prevent, in a proper case, an independent action by an aggrieved Unit Owner for such relief.

XII. MAINTENANCE

1. Association Maintenance: The Association, as a Common Expense, shall maintain, repair and replace if necessary the following:

- (a) All portions of the Common Elements, together with all load bearing walls of the Condominium Property, notwithstanding the fact that the same constitute Private Elements pursuant to this Declaration.
- (b) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of Utility Services which are contained within a Unit but which service part or parts of the Condominium other than the Unit within which contained and which are not the responsibility of a Unit Owner under Section XII-2 hereof.

The Association may enter into a contract with any firm, person or corporation, including the Developer or any entity affiliated with the Developer, or may join with other entities in contracting for the maintenance and repair of the Property and may delegate to such agent all or any portion of the powers and duties of the Association, except such as are specifically required by this Declaration or the

(d) Not to make any addition or alteration to his Unit or to the Common Elements or do any act that would impair the structural soundness or safety of any part of the Property. Structural alterations within a Unit may be made only with the written consent of the Association.

(e) To make no alterations, additions, improvements, decoration, repair replacement or change to the Common Elements, or to any outside or exterior portion of a Building, specifically including but not limited to, painting the exterior bricks, or affixing out-shutters to windows, without the prior written consent of the Association. If consent is granted, the Unit Owner shall use only a licensed contractor who shall comply with all Rules and Regulations with respect to the work which may be adopted by the Association. The Unit Owner shall be liable for all damages to another Unit and to Common Elements caused by any contractor employed by such Unit Owner or by the subcontractors or employees of such contractor, whether said damages are caused by negligence, accident or otherwise.

(f) To allow the Association, its delegates, agents, or employees at all reasonable times to enter into any Unit for the purpose of maintaining, inspecting, repairing, or replacing Common Elements; or for repairing, maintaining or replacing plumbing, heating, ventilation or air conditioning systems located within such Unit but serving other parts of the Condominium Property; or in order to determine in case of emergency, the circumstances threatening Units or Common Elements and to correct the same; or, to determine compliance with the provisions of this Declaration and the By-laws.

(g) To promptly report to the Association any defects or all needed repairs for which the Association is needed.

4. Facade: The Association shall be responsible for the maintenance of the exterior perimeter walls. No Unit Owner shall paint any exterior brick or wood surface.

XIII. DECORATING

Each Unit Owner shall furnish and be responsible for, at his own expense, all of the decorating in his own Unit from time to time, including painting, wallpapering, paneling, floor coverings, draperies, window shades, curtains, windows, glass, screens, lamps and other furnishings and interior decorating.

The use of and the covering of the interior surfaces of the windows, whether by draperies, shades or other items visible from the exterior of a Building, shall be subject to the Rules and Regulations of the Association. The exterior surface of all windows and doors forming part of the perimeter wall of a Building shall be cleaned or washed (but not replaced) as a Common Expense.

XIV. ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments: All assessments shall be payable to the Association. Each Unit Owner, by acceptance of the deed to such Unit, covenants and agrees to pay:

- (a) An annual assessment in an amount which equals a proportionate share of the Common Expenses, such share being the same as such Unit Owner's fractional share of ownership in the Common Elements;
- (b) Supplemental assessments if required by the Board of Directors of the Association in accordance with the By-Laws of the Association; and
- (c) Special assessments for capital improvements fixed, established and collected from time to time as hereinafter provided.

The annual, supplemental and special assessments, together with interest thereon and costs of collection thereof, shall be charged against, and the Association shall have therefor a continuing lien upon each Unit against which such assessment is made. Such lien shall also secure all assessments which come due thereafter until the lien is satisfied. Each Unit Owner shall be liable for his portion of each assessment coming due while he is the Owner of a Unit, and his successor in title shall be jointly and severally liable with the grantor for such portion thereof as may be due and payable at the time of a conveyance or which may thereafter become due and payable although applicable to the period prior to the conveyance, but without prejudice to the rights of such successor to recover from the grantor the amounts paid by such successor therefor. Each assessment against a Unit shall also be the personal obligation of the Unit owner at the time the assessment fell due. Each Unit owned by the Developer shall be exempt from any and all assessments for Common Expenses during the Control Period as set forth in Section XXV. If the holder of a first mortgage of record or other purchaser of a Unit obtains title to such Unit as a result of foreclosure of the first lien or by means of a deed in lieu of foreclosure, such acquirer of title, his

successors and assigns, shall not be liable for the share of annual and special assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to the acquisition of title as a result of the foreclosure. Such unpaid share of the annual and special assessments shall be deemed to be a Common Expense collectible from all the remaining Unit Owners, including such acquirer, his successors and assigns. The Association shall, immediately upon foreclosure or other arrangement in lieu of foreclosure, satisfy and release its assessment lien of record.

2. Priority of Lien: The lien against any Unit for assessments in favor of the Association shall be prior and superior to all other liens except any lien for taxes, the lien of any mortgage of record and any other lien recorded prior to the time of recording of the claim of the Association's lien. The sale or transfer of any Unit shall not affect the assessment lien; provided, however, that upon the sale or transfer of any Unit pursuant to foreclosure of a first mortgage or by means of a deed in lieu of foreclosure, the lien of such assessment shall be satisfied and released of record as provided in Section XIV-1 above.

3. Annual Assessment for Common Expenses: The annual assessments levied by the Association shall be collected and held by the Association for the payment of the Common Expenses which shall include, but not be limited to, administrative, insurance repair, replacement, reserve funds and maintenance expenses of the Property, in accordance with this Declaration, the By-Laws of the Association and the Act. A Unit Owner shall by acceptance of title be conclusively presumed to have agreed to pay his proportionate share of the Common Expenses accruing while he is the Owner of a Unit, and no Unit Owner may exempt himself from liability for such share of the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by abandonment of his Unit or otherwise. The provisions of the attached By-Laws relating to assessments are incorporated herein by reference as if fully set forth.

4. Capital Account or Reserve Fund: There shall be required, as an item included in the Common Expenses, a contribution to a capital account or reserve fund to cover unforeseen contingencies or deficiencies arising from unpaid assessments or liens and to cover expenditures in connection with maintenance and repair of capital improvements upon the Common Elements. The portion of the annual assessment which is allocated for such contribution shall be maintained by the Association in a separate capital account with separate records maintained therefor. Except to the extent that a portion of such capital account must be maintained for a reasonable reserve to cover ~~future estimated costs of replacement and reconstruction of the capital improvements upon the Common Elements~~, any surplus remaining in said capital account at the end of any fiscal year of the Association shall

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be carried over to the next fiscal year and applied by the Association in preparing its estimated annual budget for that next year to reduce the amount of such capital contributions required to be assessed against the Unit Owners as an item of Common Expense for such year.

5. Determination of Annual Assessments and Collection and Disbursements of Proceeds: The Association shall have the responsibility for payment of the Common Expenses in connection with the administration and management of the Condominium Property according to this Declaration and the By-Laws of the Association. The Board of Directors shall annually prepare an estimated annual budget for each fiscal year of the Association and shall determine and notify the Association and each Unit Owner of the annual assessment for each Unit for such coming year. The annual assessment allocable to each Unit shall be in proportion to such Unit Owner's undivided percentage interest in the Common Elements as set forth in this Declaration. After the time the Unit Owners obtain control of the Association, the Association shall have the responsibility for determining the amount of all assessments provided for herein, the collection of such assessments from the Unit Owners, and the disbursement from the proceeds of such assessments of all the Common Expenses incurred by the Association in the administration and maintenance of the Common Elements, including the contribution to the capital account as provided for in Section XIV-4 above.

Board
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6. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Association may levy, in any fiscal year, special assessments for the purpose of defraying, in whole or in part, the costs or any portion thereof of any construction or reconstruction, repair or replacements of a capital improvement upon the Common Elements, including the necessary fixtures and personal property related thereto, which the Association cannot pay out of the funds held in the capital account; provided that any such assessment shall have the assent of not less than a two-thirds (2/3) vote of the total vote of the Condominium cast by Unit Owners voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Owners, including the Developer in the event it is the owner of record of a Unit, not less than ten (10) days nor more than sixty (60) days in advance of the meeting, which notice shall set forth the purpose of the meeting. Each Unit Owner's share of any special assessment shall be in proportion to his percentage share of undivided interest in and to the Common Elements.

7. Date of Commencement of Annual Assessments and Due Dates: The annual assessments shall be established on a fiscal year basis and shall commence as to each Unit conveyed to an Owner on the date of each such conveyance, with adjustment for the first assessment according to the number of days remaining in the fiscal year. That portion of each such adjusted assessment attributable to the number of days remaining in the month of conveyance and the portion of the assessment attributable to the month following the month of conveyance

shall be due and payable at the time of such conveyance, and the balance of such adjusted assessment shall be paid, except as provided in Section XIV-8 below, by the Owner in equal monthly installments commencing on the first day of the second month following such conveyance. Unless otherwise provided by the Board of Directors and except as provided in Section XIV-8 below, one-twelfth (1/12) of the annual assessment for each Unit shall become due and payable on the first day of each month during the assessment period. The Association shall, upon demand by any Owner or purchaser of a Unit prior to the completion of a voluntary sale or upon demand by any holder of a mortgage or other lien on any Unit at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on such Owner's Unit have been paid as of a specified date within ten (10) days after request therefor. A reasonable charge may be made by the Board for the issuance of such certificate, which shall be conclusive evidence of payment of any assessment therein stated to have been paid, and any person other than the Unit Owner at the time of issuance of any such certificate who relies upon such certificate shall be entitled to rely thereon and his liability for such unpaid assessments shall be limited to the amounts set forth in such certificate.

8. Effect of Non-Payment of Assessments payable Directly to the Association and Remedies of the Association: Any assessment which is not paid when due shall be delinquent. If a monthly payment of an assessment for a Unit is not paid within ten (10) days after the due date, the Owner of such Unit shall be in default and the Association may declare the balance of the entire annual assessment for such Unit immediately due and payable. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of fifteen percent (15%) per annum, and the Association may bring suit to recover a money judgment for the unpaid assessment against the owner personally obligated to pay the same without waiving the lien, and/or file a lien claim against such Owner's Unit, in either of which events, interest, costs and attorney's fees equal to fifteen percent (15%) of the principal and interest due shall be added to the amount of such assessment as may then be due. Further, if the assessment is not paid within thirty (30) days after the date of default, the Association shall give prompt notice of default to the holder of a first mortgage, if any, upon such Unit. The establishment of any such lien and the satisfaction thereof shall be in accordance with Section 35-8-17 of the Act. Each Owner, by his acceptance of a deed to a Unit from the Developer or from any subsequent Owner of a unit, vests in the Association or its agents the right and power to bring all actions against him personally for the collection of such charges as a debt and to file and foreclose a lien in a suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. The lien provided for in this Paragraph shall be in favor of the Association and shall be for the benefit of all other Unit Owners. The Association, acting on behalf of the Unit Owners, shall have the power to bid-in the Unit at

any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. The Association shall provide written notice of its intention to foreclose any such lien to the holder of a first mortgage lien upon such Unit, not less than sixty (60) days prior to the date of the foreclosure sale. Non-use of Common Elements or abandonment of a Unit shall not constitute a defense against any action on account of any unpaid assessment.

9. Mechanic's Liens: Each Unit Owner shall only be liable for the cost of repairs and replacements to his Unit, and for his proportionate share of the Common Expenses. In the event any mechanic's or other lien is filed which, in the opinion of the Board, may constitute a lien against the Property, the Common Elements, or any Unit, the Board may cause the Association to discharge such lien, and the Association shall thereupon assess each Unit Owner or Unit Owners in the amount of their proportionate share of the Association's expenses in discharging such lien, including any costs and attorney's fees incurred in connection therewith, such assessment to be secured by a lien on each Unit responsible for payment thereof in accordance with the Act, said lien to be enforced in accordance with the provision of the Act, Declaration, and By-Laws. No Unit Owner shall be liable for the liens of other Unit Owners except as provided for by the Act and this Declaration.

10. Repairs and Improvements by First Mortgagee: Any first mortgagee of a Unit shall be entitled to cause repairs to be made and routine maintenance to be performed with respect to a Unit, or the Common Elements, in the event said mortgagee provides said Unit Owner and other Unit Owners affected, and the Association, with thirty (30) days prior written notice of repairs or routine maintenance required to be performed. In the event such repairs shall not have been made or such routine maintenance satisfactorily performed within any such thirty (30) day period, then such mortgagee is hereby deemed authorized by such Unit Owner and any other Unit Owner affected, and by the Association, to complete such repairs or perform such maintenance, and such mortgagee shall be promptly reimbursed by the Association for the costs thereof. In the event any payments are made by the Association to the mortgagee of a Unit in accordance with the terms of this Paragraph, the Association shall thereupon assess the Unit Owner or Unit Owners based upon the Board's determination of the proportion of such expense to be allocated to the Unit Owner or Unit Owners or to the Common Expenses, in accordance with the terms of the Act, this Declaration and the By-Laws, such assessment to be made in the form of a special assessment for the month following the month in which such payment was made.

11. Working Capital Fund: A working capital fund will be established for the initial months of the condominium's operation equal to at least two months' assessments for each Unit. Each Unit's share of the working capital fund will be collected and transferred to the Association at the time of closing of the sale of each Unit and

maintained in an account for the use and benefit of the Association. The purpose of the fund is to insure that the Association board will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered as advance payment of regular assessments. To the extent that any funds deposited are not needed for this purpose, the same shall be transferred to the capital account for the uses therein expressed.

XV. ASSOCIATION

The operation and administration of the Condominium shall be performed by the Association, pursuant to the provisions of the Act, which shall be incorporated as a not-for-profit corporation, and which shall be organized and shall fulfill its functions pursuant to the following provisions:

1. Name: The name of the Association shall be: Hanover Association, Inc. ("Association).
2. Powers: The powers and duties of the Association shall include those set forth in the Code of Alabama, this Declaration and the By-Laws of the Association, and it shall have the power to purchase a Unit of the Condominium.
3. Members: The members of the Association shall consist of the record Owner of each Unit. Change of membership in the Association shall be established by recording in the public records of Jefferson County, Alabama, of a deed or other instrument establishing a record title to a Unit of the Condominium, and the delivery to the Association of a certified copy of such instrument, the Owner designated by such instrument thereby becoming a member of the Association. Membership of the prior Owner shall be thereby terminated. The vote for a Unit shall be cast by the Unit Owner thereof, or the duly authorized proxy of the Unit Owner, or the Unit Owner's certified voting representative in the manner provided by the By-Laws.
4. Board of Directors: The affairs of the Association shall be conducted by a Board of Directors of not less than three (3) nor more than seven (7) directors, who shall be designated in the manner provided by the By-Laws.
5. Indemnification: Every director and every officer of the Association shall be indemnified by the Association against expenses and liabilities, in the manner provided for in the Articles of Incorporation of the Association and the By-Laws.
6. Fidelity Bond: The Association shall obtain fidelity bond coverage for any person or entity handling funds of the

Association, including employees of professional managers, if any, retained by the Association.

7. Limitation of Liability: Notwithstanding the liability of the Association to maintain and repair parts of the Property, the Association shall not be liable for injury or damage caused by a latent condition of the Property to be maintained and repaired by the Association nor for injury or damage caused by the elements or Unit Owners or other persons.

8. By-Laws and Articles of Incorporation: By-Laws of the Association shall be in the form attached hereto as Exhibit "D"; and Articles of Incorporation shall be in the form attached hereto as Exhibit "E".

9. Agent to Receive Service of Process: The following person, whose place of business is located in Jefferson County, Alabama, is designated as an agent to receive service of process upon the Association:

Name: Gerald A. Drennen, Jr.
Address: Suite 113, 1608 13th Avenue, South
Birmingham, Alabama 35205

XVI. INSURANCE

Insurance (other than title insurance) which shall be carried upon the Property shall be governed by the provisions of Article II, Section 10 of the By-Laws and the proceeds thereof shall be distributed in accordance herewith.

1. Association as Trustee; Share of Proceeds: All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering casualty losses shall be paid to the Association, as Trustee for each of the Unit Owners and their mortgagees. The Association, for the purpose of Sections XVI, XVII, and XVIII, shall be herein sometimes referred to as the Insurance Trustee. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Unit Owners and their mortgagees, as follows:

(a) Common Elements and Proceeds: Proceeds on account of damage to Common Elements and facilities — an undivided share for each Unit Owner, such share being the same as his undivided percentage interest in the Common Elements appurtenant to his Unit.

(b) Units: Proceeds on account of Units shall be held for the Owners of damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Association.

(c) Mortgages: In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear.

2. Distribution of Proceeds: If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be used to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

3. Association as Agent: The Association, as Insurance Trustee, is hereby irrevocably appointed agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of claims.

XVII. CONDEMNATION

In the event of condemnation of all or a portion of the Property, the disposition of proceeds of the award shall be governed by the following provisions:

1. Entire Property: In the event of condemnation of the entire property, the Association shall be entitled to receive the proceeds of the award, which shall be distributed by the Association to the Unit Owners and their mortgagees, as their interests may appear, in proportion to their undivided interests in the Common Elements.

2. Partial Taking: In the event of condemnation of a portion of the Property, the Association shall be entitled to receive the proceeds of the award, which shall be distributed in accordance with the findings of a panel of three (3) arbitrators to be selected by the Board which shall proceed in accordance with the then existing rules of the American Arbitration Association to determine the portion of the award due to be distributed to each of the several Unit Owners and their mortgagees, as their interest may appear, by virtue of the Unit Owner's interest solely in the Units or portions thereof taken and the portion of the award allocable to the Common Elements taken by condemnation. The portion of the award allocable to the Common Elements shall be retained by the Association, which shall treat the same as insurance proceeds and proceed pursuant to Section XVIII hereof to reconstruct and restore the affected portion of the Property to a

complete architectural unit if the Board determines that such is feasible. The panel or arbitrators shall also determine the percentage of undivided interest of the remaining Unit Owners in the Common Elements following the condemnation and each Unit Owner shall be deemed to have consented to the amendment of this Declaration in accordance with such findings and the continuation of the Condominium regime with respect to the Property remaining following condemnation. If it is determined not to be feasible to restore the Property to a complete architectural unit, the portion of the award allocable to the Common Elements shall be distributed to the Unit Owners and their mortgagees, as their interests may appear, in proportion to their undivided percentage interest therein. The expense of the arbitration shall be paid by the Association, and shall constitute a Common Expense.

XVIII. RECONSTRUCTION OR REPAIR AFTER CASUALTY

In the event of the damage or destructions of all or part of the Property, then, unless it be determined by a two-thirds (2/3) vote of the total vote of the Association not to repair or reconstruct such damaged or destroyed Property, in which event Section XVIII-6 shall apply, the following provisions shall apply:

1. Reconstruction or Repair: If any part of the Property shall be damaged by casualty, the same shall be reconstructed or repaired in accordance with this paragraph.

(a) Common Elements and Facilities: If the damaged improvement is a Common Element or Building, the damaged property shall be reconstructed, replaced or repaired.

(b) Plans and Specifications: Any such reconstruction or repair must be substantially in accordance with the Plans, specifications, number of Units, exterior appearance and the like for the original Common Element or Building, or as the Building or Common Element was last constructed.

2. Responsibility: If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

3. Estimates of Cost: Immediately after a casualty causing damage to property for which the Association has the responsibility of maintenance and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair so as to place the damaged property in condition as good as that before the casualty.

4. Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, assessments shall be made against the Unit Owners who own the damaged property, and against all Unit Owners in the case of damage to Common Elements, in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Unit Owners who own the damaged property, and against all Unit Owners in the case of damage to Common Elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against Unit Owners for reconstruction or repair of damage to Units shall be in proportion to the cost of reconstruction and repair of their respective Units. Such assessments for reconstruction or repair of damage to Common Elements shall be in proportion to the Unit Owner's percentage share in the Common Elements.

5. Construction Funds: The funds for payment of costs of reconstruction and repair after casualty, for which the Association is responsible, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against Unit Owners, shall be disbursed in payment of such costs in the following manner.

(a) Association: The proceeds of insurance collected on account of a casualty, and the sums deposited with the Association from collections of assessments against the Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(i) Unit Owner: The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the Unit Owner shall be paid by the Insurance Trustee to the Unit Owner, or if there is a mortgagee endorsement, then to the Unit Owner and the mortgagee jointly, who shall use such proceeds for reconstruction of the damaged Private Elements. (ii)

Association - Lesser Damage: If the amount of the costs of reconstruction and repair which is the responsibility of the Association is less than the total of the annual assessments for recurring expense to be made during the year in which the casualty occurs, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage. (iii) Association - Major Damage: If the amount of estimated costs of reconstruction and repair which is the responsibility of the Association is more than the total of

the annual assessments for recurring expense to be made during the year in which the casualty occurs, then the construction fund shall be disbursed in payment of such costs in the manner required by the Association and only upon approval of an architect qualified to practice in Alabama and employed by the Association to supervise the work. (iv) Surplus: It shall be presumed that the first moneys distributed in payment of costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the Unit Owners and their mortgagees as beneficial owners of the fund and as their interests may appear.

6. Decision Not to Reconstruct: In all cases of partial or total destruction of the Condominium Property or a particular Building, the same shall be repaired or reconstructed, unless a two-thirds (2/3) vote of the total vote of the Association shall decide within sixty (60) days after the casualty not to so repair or reconstruct. If, for any reason, the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of cost for the repair thereof are not available to the Association within said period of sixty (60) days after the casualty, then such period shall be extended until such information shall be made available to the Association; provided, however, that said extension of time shall in no event exceed an additional ninety (90) days beyond the date of the casualty. No mortgagee shall have any right to participate in the determination as to whether the damage or destruction shall be repaired or reconstructed.

(a) Removal: In the event that it is determined by the Association in the manner prescribed above that the damage or destruction shall not be repaired or reconstructed, then in that event (i) any Unit Owner may petition a court of equity for a removal of the Condominium Property from the provisions of the Act, and upon removal of the Condominium Property from the provisions of said Act, the property shall be deemed to be owned in common by those who were Unit Owners at the time of such removal, (ii) the undivided share in the property owned in common by each Unit Owner with respect to the previous Common Elements and with respect to the private elements shall be the undivided interest previously owned by such Owner in the previous Common Elements, (iii) any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the percentage of undivided interest of the Unit Owner in the previous Condominium Property, and (iv) the previous Condominium Property shall be subject to an action for partition and sale at the instance of any Unit Owner, in which event the net proceeds of sale shall be paid to a court appointed Trustee.

Said net proceeds of sale, together with the net proceeds of the insurance on the previous Condominium Property shall be considered as one fund which, after paying all expenses of the Trustee, shall be divided among all of the Unit Owners in a percentage equal to the percentage of undivided interest owned by each Owner in the previous Condominium Property, after first paying out of the respective share of each Unit Owner, to the extent available, all liens of record including mortgage liens (according to their existing priorities) on the undivided interest in the previous Condominium Property owned by each Unit Owner.

XIX. USE RESTRICTION

The use of the Property of the Condominium shall be in accordance with the following provisions:

1. Residences: The Property shall be used solely for residential purposes.
2. Nuisances: No nuisances shall be allowed upon the Property nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. All parts of the Property shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist.
3. Lawful Use: No immoral, improper, offensive or unlawful use shall be made of the Property nor any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.
4. Leasing: Units may be leased or rented for such terms as the Unit Owner thereof may deem appropriate; provided, however, the Association shall have the power to prescribe reasonable rules and regulations regarding the leasing and rental of the Units.
5. Regulations: Reasonable regulations concerning the use of the Property not inconsistent with the provisions of this Declaration may be made by the Association and amended from time to time by the Board provided, however, that all such amendments thereto shall be approved by not less than a majority of the votes of the Association before such shall become effective. Members not present at meetings considering such regulations or amendments thereto may express their approval or disapproval in writing. Copies of such regulations or amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Condominium.

XX. NOTICE OF LIEN OR SUIT

1. Notice of Lien: A Unit Owner shall give notice to the Association of every lien upon his Unit, including taxes and special assessments, within five (5) days after the Unit Owner's receipt of notice thereof.

2. Notice of Suit: A Unit Owner shall give notice to the Association of every suit or other proceeding which may affect the title to his Unit, such notice to be given within five (5) days after the Unit Owner received knowledge thereof.

3. Failure to Comply: Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

4. Notice to First Mortgagee: The Association shall within ten (10) days of receipt of such notice, forward a copy thereof to the first mortgagee of the Unit affected.

XXI. COMPLIANCE AND DEFAULT

Each Unit Owner shall be governed by and shall comply with the terms of the Act, Declaration, Articles of Incorporation, By-Laws and Rules and Regulations adopted pursuant thereto and said documents and Regulations as they may be amended from time to time. A default shall entitle the Association or other Unit Owners to the following relief in addition to the remedies provided by the Act:

1. Negligence: A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, negligence or carelessness or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances.

2. Costs and Attorneys' Fees: In any proceeding arising because of an alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney fees as may be awarded by the Court.

XXII. COVENANT AGAINST PARTITION

There shall be no judicial or other partition of the Property, any part thereof or any Unit, nor shall Developer, any Unit Owner or any person acquiring any interest in the Property or any part thereof seek any such partition unless the Property has been removed from the provisions of the Act in accordance with the terms thereof.

XXIII. AMENDMENT

1. Amendment - By Developer: Amendments to this Declaration for the purpose of correcting drafting or typographical errors or conforming the documents to the requirements of the Act, or the requirements of VA, FHA, FNMA or other lending agency, or insuring conformity of the private and Common Elements, as built, to the Declaration, the Plans and the By-Laws shall be made by the Developer as and when necessary. In the event that any amendment materially affects the rights of any then existing mortgagees of record or Unit Owners, the amendments shall be valid only upon the written consent thereto of all such then existing lienholders and a majority of the Unit Owners affected thereby. The Developer's rights to amend as herein stated shall not be deemed to materially affect the rights of any Unit Owner or mortgagee. Such an amendment shall be certified by Developer as having been duly approved and shall be effective when recorded properly.

2. Amendment - Other: Amendments to this Declaration, other than those provided for in Section XXIII-1 above, which are authorized by this Declaration and the Act, shall be proposed and adopted in the following manner:

(a) Notice: Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered.

(b) Resolution: A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the membership of the Association, and after being proposed and approved by one of such bodies, it must be approved by the other. Directors and members not present at the meeting considering the amendment may express their approval in writing. Such approvals must be by not less than a majority of Directors, and unless otherwise specified in this Declaration or the Act, by not less than a two-thirds (2/3) vote of the total vote of the Association.

(c) Recording: A copy of each amendment provided for in this paragraph shall be certified by the Board of Directors of the Association as having been duly adopted and shall be effective when recorded in the public records of Jefferson County, Alabama.

3. Termination: The Condominium may be terminated and the Condominium Property removed from the provisions of the Act in the following manner:

(a) Agreement: All of the Unit Owners may remove the Condominium Property from the provisions of the Act by an instrument to that effect, duly recorded, provided that the holder of all liens affecting any of the Units consent

thereto or agree, in either case by instruments duly recorded, that their liens be satisfied or transferred so as to effect and be a lien upon only the percentage of undivided interest in the property of the Unit Owner whose Unit had been subject to such lien.

(b) Destruction: In the event it is determined in the manner provided in Section XVIII-6, that the Property shall not be repaired or reconstructed after casualty, the Condominium will be terminated and the Condominium documents revoked. The determination not to repair or reconstruct after casualty shall be evidenced by a certificate of the Association certifying as to facts effecting the termination, which certificate shall become effective upon being recorded.

(c) Ownership After Termination: After termination of the Condominium, the rights of the Unit Owners and their respective mortgagees and lienholders shall be determined in the manner provided in Section XVIII-6.

(d) Incorporation: The provisions of XVIII-6(a) are incorporated herein by reference as if the same were fully set out.

XXIV. POWER OF ATTORNEY

Each Unit Owner shall be deemed by his acceptance of a deed to a Unit to have consented to the powers of amendment herein reserved by Developer and to any amendments previously or hereafter executed by Developer pursuant thereto. Such power shall be coupled with an interest so that the aforesaid power of attorney is irrevocable. Each Unit Owner shall further be deemed by his acceptance of a deed to a Unit to have appointed Developer his attorney-in-fact to give, execute and record the consent of the Unit Owner to any and all amendments to this Declaration which Developer may wish to exercise pursuant to the powers herein reserved.

XXV. PERIOD OF DEVELOPER CONTROL

In view of Developer's financial commitment to the Condominium Property, Developer's obligations as an initial owner of the Units to pay the expenses of the Property and Developer's need to insure the success of the Condominium, Developer hereby reserved unto itself, its successors and assigns, the right to manage all of the affairs of the Condominium and all decisions of the Association, the exclusive right to elect the directors of the Association (who need not be Unit Owners) and the right to amend the By-Laws of the Association until the expiration of four months after 75% of the Units in the Condominium Property have been conveyed to Unit purchasers or 2-1/2

years following such conveyance of a Unit, whichever shall first occur, or until the Developer elects to terminate its control of the Condominium, whichever shall first occur. This period of time shall be known as the "Control Period". Developer may terminate its management rights and responsibilities by relinquishing control of the Association in writing to the Unit Owners at any time prior to the expiration of said Control Period. During said Control Period, Developer shall be exempt from payment of any assessments provided for in this Declaration. The Developer shall have the sole and exclusive right to take all actions and do all things in behalf of the Association. During said Control Period, Developer shall pay all Common Expenses and as reimbursement therefor and as compensation for its management services, Developer shall be entitled to receive and retain all of the assessments payable by the Unit Owners during said Control Period, and Developer shall have all of the rights of the Association to levy and enforce payment of assessments; provided, however, that Developer shall be responsible for all maintenance expenses on the Condominium Property chargeable to unsold Units. During said Period, Developer shall not be required to assess or create any reserves and at the termination of said period and the assumption of the operation of the Association by the members, Developer shall not be required to render an accounting of income and expenses incurred during said Control Period.

XXVI. MISCELLANEOUS PROVISION

1. Proportionate Changes in Common Elements and Common Surplus: In the event any one or more of the Units are not rebuilt by reason of loss as a result of condemnation, casualty or otherwise, and therefore the number of Units is reduced, then the proportionate share of the common expense and of the common surplus attributable to each Unit shall be increased as each Unit's ownership interest in the Common Elements by adding to each remaining Unit their proportionate percentages of ownership out of the percentages of ownership of the Units so reduced.

2. Association's Acceptance of Terms: The Association, by its execution of this Declaration, approves the foregoing and all of the covenants, terms and conditions, duties and obligations of this Declaration and Exhibits attached hereto. The Unit Owners, by virtue of their acceptance of the Deed of conveyance as to their Units, and other parties, by virtue of their occupancy of Units, hereby approve the foregoing and all of the terms and conditions, duties and obligations set forth in the Condominium Documents.

3. Pets: The Association shall have the right to establish in its Rules and Regulations the terms and conditions upon which pets may be kept or maintained by Unit Owners in their Units or on the Common Elements. All such regulations shall provide that any dog owned by a Unit Owner shall be kept on a leash when outside the Unit.

4. Blanket Mortgage: The entire Condominium Property, or some or all of the Units included therein, may be subject to a single or blanket mortgage constituting a first lien thereon created by a recordable instrument duly executed by all of the Owners of the Units affected thereby, and any Unit included under the lien of such mortgage may be sold or conveyed subject thereto. An instrument creating any such mortgage shall provide a method whereby any Unit Owner may obtain a release of his Unit from the lien of such mortgage and a satisfaction and discharge in recordable form upon payment to the holder of the mortgage of a sum equal to the proportionate share attributable to his Unit of the then outstanding balance of unpaid principal and accrued interest and any other charges then due and unpaid.

5. Interpretation: The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

6. Severability: The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration and the By-Laws shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, Highland Associates, Ltd., by its duly authorized officers, has executed this instrument on the day and year first written above.

HIGHLAND ASSOCIATES, LTD.,
an Alabama Limited Partnership

By: The Park Corporation, an Alabama
corporation - General Partner

ATTEST:

By: [Signature]
Its: [Signature]

By: [Signature]
GERALD A. DRENNEN
Its President

APPROVED:

HANOVER ASSOCIATION, INC.
a not-for-profit corporation

ATTEST:

By: [Signature]
Its: [Signature]

By: [Signature]
Its: [Signature]

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that GERALD A. DRENNEN, whose name as President of The Park Corporation, an Alabama corporation, as General Partner of Highland Associates, Ltd., an Alabama Limited Partnership, is signed to the foregoing Declaration, who is known to me, acknowledged before me on that date, that, being informed of the contents of said instrument, he, as such officer, and with full authority, executed the same voluntarily for and as the act of the said corporation, acting in its capacity as General Partner of said Limited Partnership as aforesaid.

Given under my hand this the 8th day of January, 1986
1985.

[Seal]

John A. Drennen
NOTARY PUBLIC

My Commission Expires: 6-22-89

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that Gerald A. Drennen, whose name as President of the Hanover Association, Inc., a not-for-profit corporation, is signed to the foregoing Declaration of Condominium, and who is known to me, acknowledged before me on this date that, being informed of the contents thereof, he as such official and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal of office this 8th
day of January 1986, 1985.

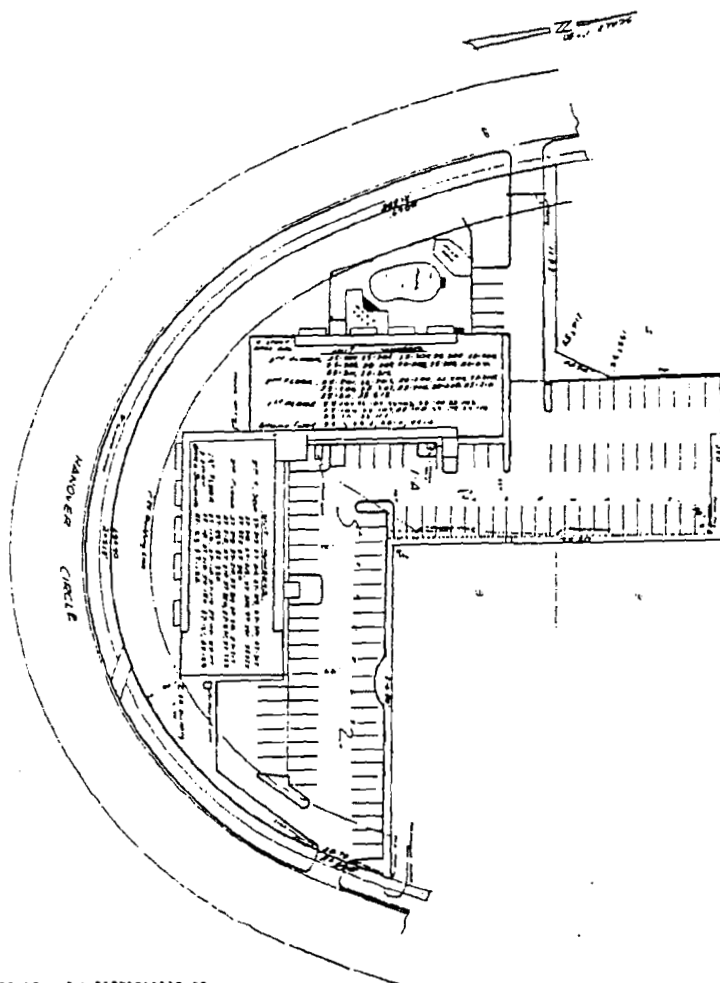
[Seal]

John A. Drennen
Notary Public

My Commission Expires: 6-22-89

EXHIBIT "A"

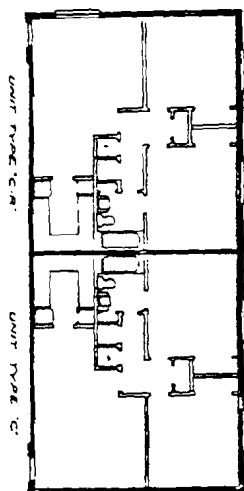
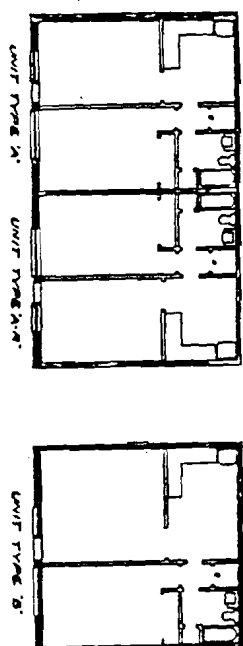
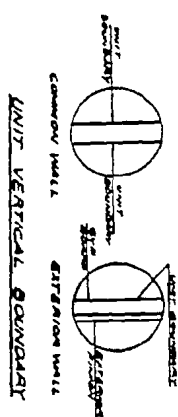
Lot 1-A, Block 891, Hanover Circle Condominium, as recorded in Map Book
147, Page 29, Office of the Judge of Probate of Jefferson
County, Alabama.



WILLIAM L. GARDNER
 Director, American Council on Education
 1200 Connecticut Avenue, N.W.
 Washington, D.C. 20036
 202/462-6000

[illegible]

MANOVER CIRCLE
CONDOMINIUMS

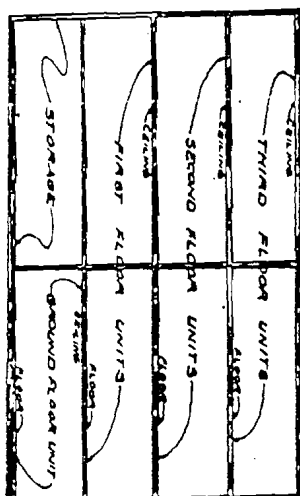


1. The following information is for your information only.

BUILDING "A"

WPT No.	WPT Name	CR	CR	CR	CR	CR	CR	CR	CR	CR	CR
1-1	2-2	3-3	4-4	5-5	6-6	7-7	8-8	9-9	10-10	11-11	12-12
15-1	1-2	1-3	1-4	1-5	1-6	1-7	1-8	1-9	1-10	1-11	1-12
15-11	1-1	1-2	1-3	1-4	1-5	1-6	1-7	1-8	1-9	1-10	1-11
15-12	1-12	1-13	1-14	1-15	1-16	1-17	1-18	1-19	1-20	1-21	1-22
15-13	1-23	1-24	1-25	1-26	1-27	1-28	1-29	1-30	1-31	1-32	1-33
15-14	1-34	1-35	1-36	1-37	1-38	1-39	1-40	1-41	1-42	1-43	1-44
15-15	1-45	1-46	1-47	1-48	1-49	1-50	1-51	1-52	1-53	1-54	1-55
15-16	1-56	1-57	1-58	1-59	1-60	1-61	1-62	1-63	1-64	1-65	1-66
15-17	1-67	1-68	1-69	1-70	1-71	1-72	1-73	1-74	1-75	1-76	1-77
15-18	1-78	1-79	1-80	1-81	1-82	1-83	1-84	1-85	1-86	1-87	1-88
15-19	1-89	1-90	1-91	1-92	1-93	1-94	1-95	1-96	1-97	1-98	1-99
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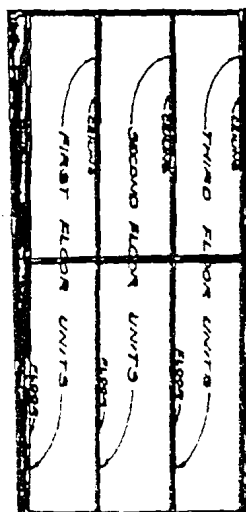
-BUILDING "A"



BUILDING CROSS SECTION
FOR THE RECORD

[illegible]

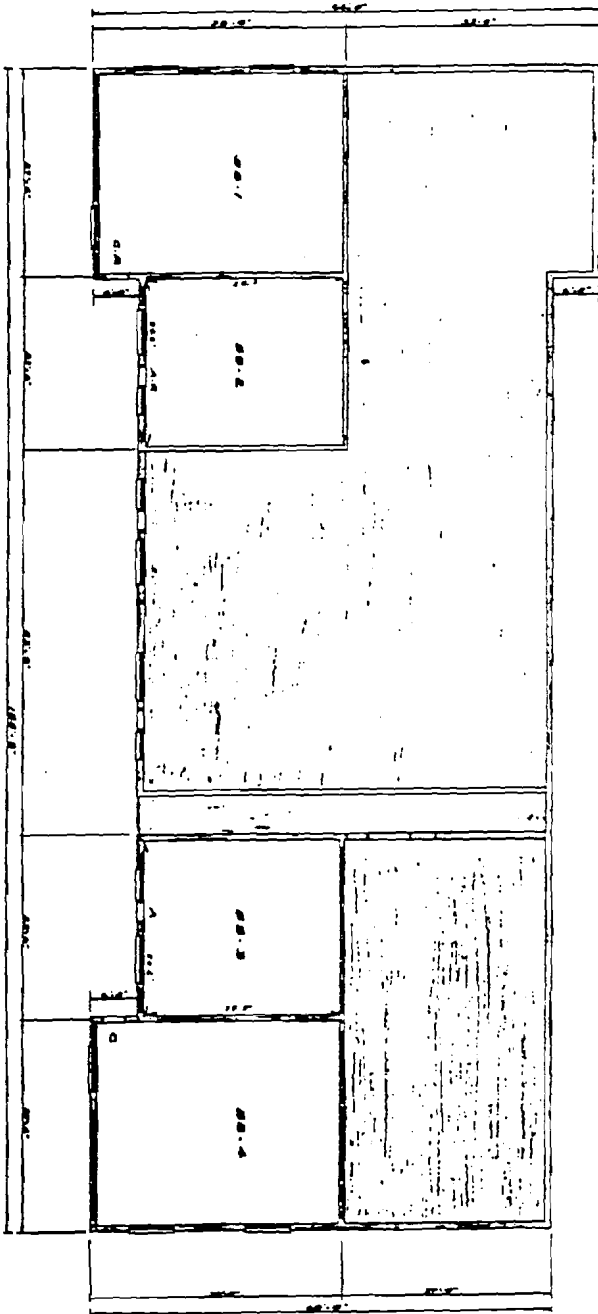
BUILDING B



BUILDING CROSS SECTION
NOT TO SCALE BUILDING 7A

HANOVER CIRCLE
CONDONVILLE

[illegible]



GROUND FLOOR PLAN - BUILDING A

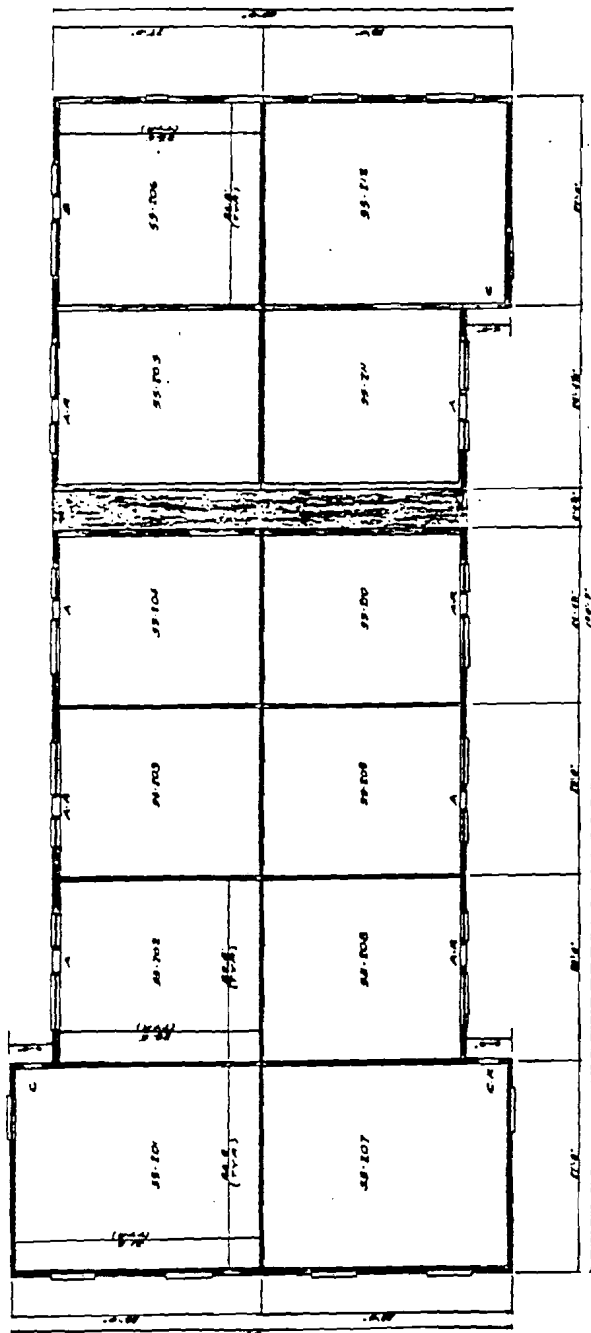
NOTE:
The owner shall provide the following: the building shall be constructed in accordance with the building code of the city of New York, and the building shall be completed in accordance with the building code of the city of New York.

The undersigned, James B. Thompson, being a licensed professional architect, hereby certifies that the drawings, consisting of the ground floor plan of Building A, are a true and correct representation of the building as shown on the ground floor plan of Building A, and that the same comply with the building code of the city of New York, and the building shall be completed in accordance with the building code of the city of New York.

James B. Thompson
Architect
100-10 100th Ave. S.E.
Bellevue, WA 98004
100-10 100th Ave. S.E.
Bellevue, WA 98004

HANOVER CIRCLE
CONDOMINIUM

As shown on the drawings, the building shall be constructed in accordance with the building code of the city of New York, and the building shall be completed in accordance with the building code of the city of New York.



2ND FLOOR PLAN - BUILDING 'A'

The undersigned, [Name], being a licensed and registered Professional Engineer, do hereby certify that the above is a true and correct copy of the original plans and specifications for the construction of the above building, and that the same comply with all applicable laws, ordinances, and regulations, and that the same are in accordance with the requirements of the [Authority].

Witness my hand and seal this [Date] day of [Month], 19[Year].

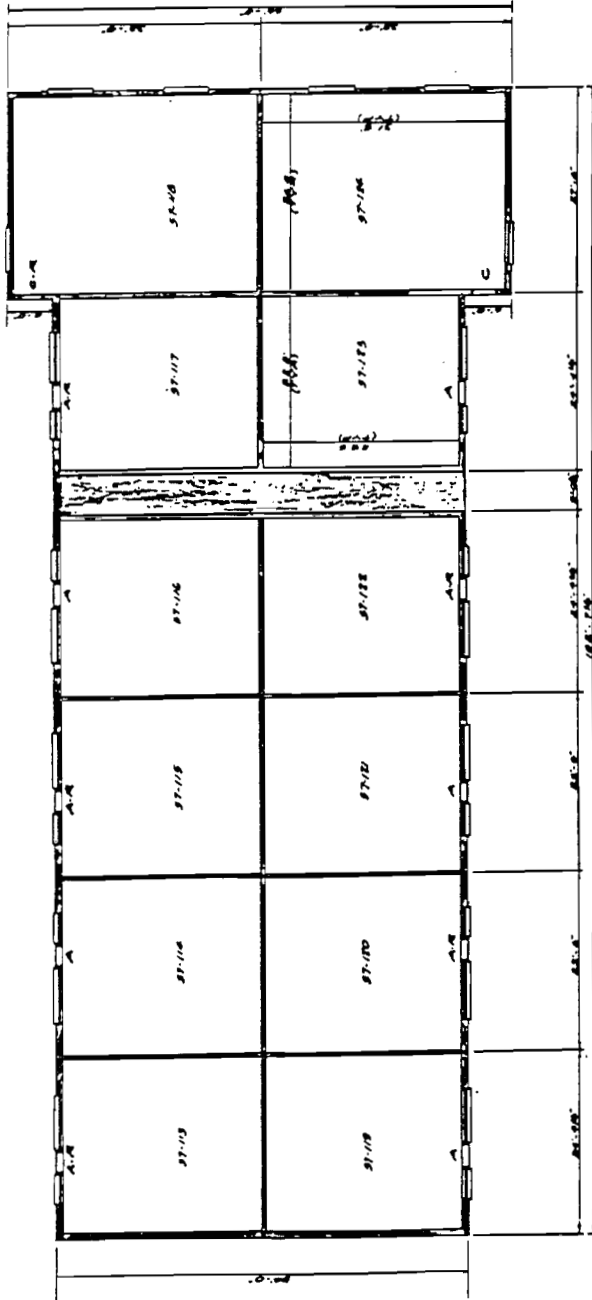
[Signature]

Engineer

HANNOVER CIRCLE
CONDOMINIUM

PREPARED BY: [Name]
DATE: [Date]
SCALE: [Scale]
SHEET NO. [Number]

NOTES:
1. All dimensions are in feet and inches.
2. All walls are 12 inches thick unless otherwise noted.
3. All doors are 36 inches wide and 80 inches high.
4. All windows are 48 inches wide and 72 inches high.
5. All floors are finished with carpet.



1ST FLOOR PLAN - BUILDING 'B'

Scale 1/8" = 1'-0"

The undersigned, Lorraine S. Weyand, being a licensed or registered Professional Engineer and Surveyor, do hereby certify that the drawings, consisting of paper 200-100, are true and correct copies of the original drawings, and that the same have been prepared by me or under my direct supervision and in accordance with the provisions of the laws of the State of California, and that the same are not intended to be used for any other purpose than that for which they were prepared.

Dated this 20th day of June, 1978 at San Francisco, California.

Lorraine S. Weyand
Professional Engineer No. 11111

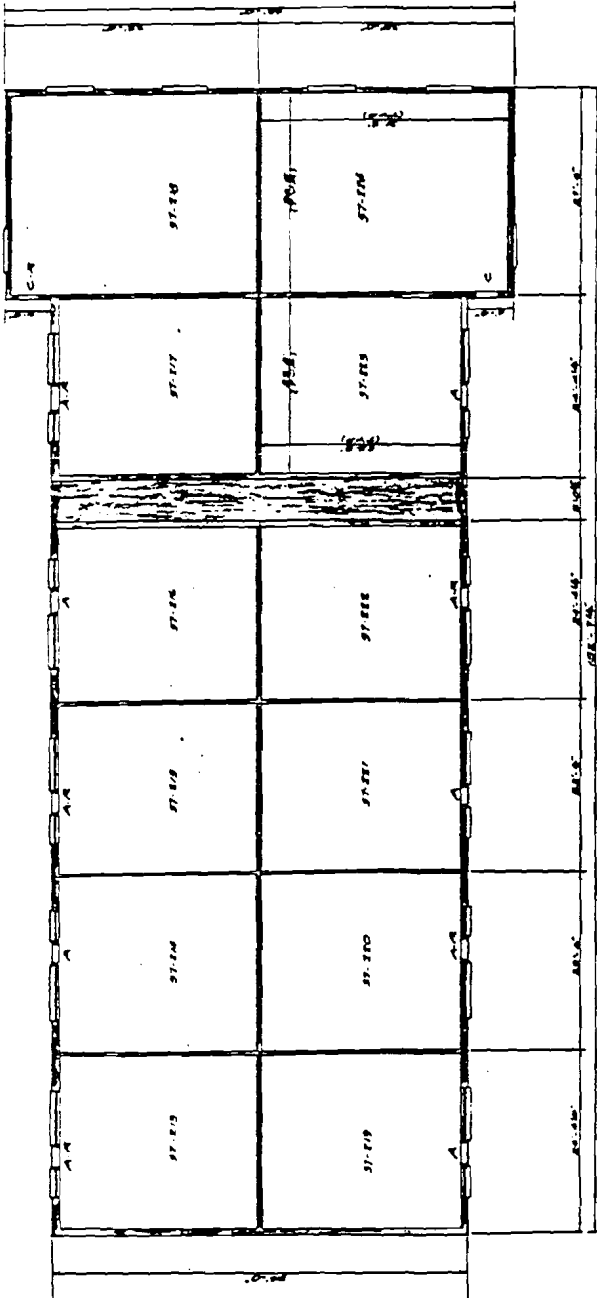
Drawn and submitted to before me, this 20th day of June, 1978.

George L. Weyand
Notary Public

NOTES:
The owner shall include the drawings, the shaded areas and those areas identified in the Application for a Building Permit, in the final plans submitted for building is completed of substantial work on the building.

HANOVER CIRCLE
CONDOMINIUM

PREPARED BY: LORRAINE S. WEYAND
DATE: 6/20/78
PROJECT NO. 11111



2ND FLOOR PLAN - BUILDING B
DATE 8-1-73

The undersigned, I, Edward J. O'Connell, being a licensed professional engineer, do hereby certify that the drawings, specifications and notes hereon were prepared by me or under my direct supervision and that I am a duly licensed professional engineer in the State of New York. I am not aware of any falsification of the drawings, specifications and notes hereon. I am not aware of any falsification of the drawings, specifications and notes hereon. I am not aware of any falsification of the drawings, specifications and notes hereon.

Done at New York City, New York, this 1st day of August, 1973.
Edward J. O'Connell
Professional Engineer, No. 123456789
State of New York

HANDOVER CIRCLE
CONDOMINIUM

Handover Circle Condominium
100 Handover Circle
New York, New York 10001
Handover Circle Condominium
100 Handover Circle
New York, New York 10001

SEAL

<u>Unit Number</u>	<u>Unit Address</u>	<u>Percentage Interest in Common Elements</u>
55-111	55-111 Hanover Circle Birmingham, AL 35201	.0122%
55-112	55-112 Hanover Circle Birmingham, AL 35201	.0167%
55-201	55-201 Hanover Circle Birmingham, AL 35201	.0167%
55-202	55-202 Hanover Circle Birmingham, AL 35201	.0122%
55-203	55-203 Hanover Circle Birmingham, AL 35201	.0122%
55-204	55-204 Hanover Circle Birmingham, AL 35201	.0122%
55-205	55-205 Hanover Circle Birmingham, AL 35201	.0122%
55-206	55-206 Hanover Circle Birmingham, AL 35201	.0122%
55-207	55-207 Hanover Circle Birmingham, AL 35201	.0167%
55-208	55-208 Hanover Circle Birmingham, AL 35201	.0122%
55-209	55-209 Hanover Circle Birmingham, AL 35201	.0122%
55-210	55-210 Hanover Circle Birmingham, AL 35201	.0122%
55-211	55-211 Hanover Circle Birmingham, AL 35201	.0122%
55-212	55-212 Hanover Circle Birmingham, AL 35201	.0167%
55-301	55-301 Hanover Circle Birmingham, AL 35201	.0167%
55-302	55-302 Hanover Circle Birmingham, AL 35201	.0122%
55-303	55-303 Hanover Circle Birmingham, AL 35201	.0122%
55-304	55-304 Hanover Circle Birmingham, AL 35201	.0121%

<u>Unit Number</u>	<u>Unit Address</u>	<u>Percentage Interest in Common Elements</u>
55-305	55-305 Hanover Circle Birmingham, AL 35201	.0121%
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55-307	55-307 Hanover Circle Birmingham, AL 35201	.0167%
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55-309	55-309 Hanover Circle Birmingham, AL 35201	.0121%
55-310	55-310 Hanover Circle Birmingham, AL 35201	.0121%
55-311	55-311 Hanover Circle Birmingham, AL 35201	.0121%
55-312	55-312 Hanover Circle Birmingham, AL 35201	.0167%
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57-122	57-122 Hanover Circle Birmingham, AL 35201	.0121%

<u>Unit Number</u>	<u>Unit Address</u>	<u>Percentage Interest in Common Elements</u>
57-123	57-123 Hanover Circle Birmingham, AL 35201	.0121%
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57-215	57-215 Hanover Circle Birmingham, AL 35201	.0121%
57-216	57-216 Hanover Circle Birmingham, AL 35201	.0121%
57-217	57-217 Hanover Circle Birmingham, AL 35201	.0121%
57-218	57-218 Hanover Circle Birmingham, AL 35201	.0167%
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57-223	57-223 Hanover Circle Birmingham, AL 35201	.0121%
57-224	57-224 Hanover Circle Birmingham, AL 35201	.0167%
57-313	57-313 Hanover Circle Birmingham, AL 35201	.0121%
57-314	57-314 Hanover Circle Birmingham, AL 35201	.0121%
57-315	57-315 Hanover Circle Birmingham, AL 35201	.0121%
57-316	57-316 Hanover Circle Birmingham, AL 35201	.0121%

<u>Unit Number</u>	<u>Unit Address</u>	<u>Percentage Interest in Common Elements</u>
57-317	57-317 Hanover Circle Birmingham, AL 35201	.0121%
57-318	57-318 Hanover Circle Birmingham, AL 35201	.0167%
57-319	57-319 Hanover Circle Birmingham, AL 35201	.0121%
57-320	57-320 Hanover Circle Birmingham, AL 35201	.0121%
57-321	57-321 Hanover Circle Birmingham, AL 35201	.0121%
57-322	57-322 Hanover Circle Birmingham, AL 35201	.0121%
57-323	57-323 Hanover Circle Birmingham, AL 35201	.0121%
57-324	57-324 Hanover Circle Birmingham, AL 35201	.0167%

EXHIBIT "D"

BY-LAWS
OF
HANOVER ASSOCIATION, INC.

These By-Laws of Hanover Association, Inc., are promulgated pursuant to the Alabama Condominium Ownership Act, Code of Alabama, 1975, Section 35-8-1, et seq., as amended, for the purposes of governing Hanover Association, Inc., a not-for-profit corporation ("Association") organized under the provisions of the Alabama Nonprofit Corporation Act, Code of Alabama, 1975, Section 10-3A-1 et seq., as amended, as an association of members of Hanover Circle Condominium (the "Condominium").

The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land made subject to the Declaration of the Condominium (subject to the easements and restrictions therein set forth or reserved), and all improvements and structures now existing or hereafter placed thereon, all easements, rights or appurtenances thereto, and all personal property now or hereafter provided by Developer and intended for use in connection therewith.

All present and future owners, mortgagees, lessees and occupants of the units in the Condominium and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration of the Condominium, the Rules and Regulations and all covenants, agreements, restrictions and easements of record ("title conditions"). The acceptance of a deed or the occupancy of a unit shall constitute an agreement that these By-Laws and the title conditions, as they may be hereafter amended, are accepted and ratified, and will be complied with.

The address of the office of the Association shall be Suite 113, 1608 13th Avenue, South, Birmingham, Alabama 35205.

The fiscal year of the Association shall end on the last day of November of each year, unless otherwise determined by the Board of Directors.

ARTICLE I

Membership and Membership Meetings

1. Qualifications: The members of the Association shall consist of all of the record owners of units in the Condominium located in Jefferson County, Alabama, and established by the Declaration as recorded in the Office of the Judge of Probate of Jefferson County,

Alabama, and appended to which Declaration as Exhibit "D" thereto is a copy of these By-Laws.

2. Change of Membership: Change of membership in the Association shall be established by the recording on the public records of Jefferson County, Alabama of a deed or other instrument establishing a record title to a unit in the Condominium, and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated. If a unit is owned by more than one (1) person, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit and filed with the Association.

3. Voting Rights: Each Unit Owner shall have a vote for his Unit equal to the percentage of the ownership in the Common Elements assigned to the Unit by the Declaration of Condominium,. The vote for a unit shall be cast by the owner thereof, or by his proxy designated in the manner hereinafter provided for. Votes cast in any election of directors shall be cumulative.

4. Annual Meetings: Annual meetings of members shall be held at the condominium in the month of September of each year, on a date and at such time as the Board of Directors shall designate in the notice of such meeting provided to the members; subject, however, to the provisions of Section 14 of this Article I. The annual meeting shall be held for the purpose of electing directors and of transacting any other business authorized to be transacted by the members.

5. Special Meetings: Special meetings of the members may be called by the board of directors, the president or by a member of the Association, for the purpose of considering and acting upon any matters of interest to the Association and its membership, and taking any other action not inconsistent with these By-Laws and the Articles of Incorporation, including the adoption of resolutions declaring the desirability of any further action recommended by the membership.

6. Notice of Meetings: Notice of all members' meetings stating the date, time, place and object for which the meeting is called shall be mailed to each member not less than ten (10) nor more than thirty (30) days prior to the date of such meeting. Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, postage prepaid. Notice of meetings may be waived either before or after meetings.

7. Voting in Person or by Proxy: A member may vote in person or by proxy executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid except for the particular meeting designated therein, and no proxy shall be honored unless filed

with the secretary of the Association before the appointed time of the meeting.

8. Quorum: At a meeting of members, a quorum shall consist of persons entitled to cast half of the votes of the entire membership.

9. Vote Required to Transact Business: When a quorum is present at any meeting, the holders of a majority of the voting rights present in person or represented by written proxy shall decide any questions brought before the meeting, unless the question is one upon which, by express provision of law, the Declaration of Condominium, Articles of Incorporation, or the By-Laws, a different number is required, in which case the express provision shall govern and control the decision in question.

10. Consents: Any action which may be taken by a vote of the members may also be taken by written consent to such action signed by the members required to take such action if such members were present and voting.

11. Adjourned Meetings: If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

12. Order of Business: The order of business at annual members' meetings and, as far as practical, at all other members' meetings shall be according to the latest addition of Robert's Rules of Order.

13. Parliamentary Rules: The latest edition of Robert's Rules of Order shall govern the conduct of members' meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation and these By-Laws.

14. Developer Control: Notwithstanding anything contained herein to the contrary, there shall be no meetings of the membership of the Association and none shall be lawful until four months after 75% of the Units in the Project have been conveyed to unit owners or two and one-half years from the date hereof or until Highland Associates, an Alabama Limited Partnership, its successors or assigns, elects to terminate its control of the Association and the Condominium operated by it, whichever shall first occur. This period shall be known as the "Control Period".

ARTICLE II

Board of Directors

1. Members: The board of directors of the Association shall consist of not less than three (3) nor more than seven (7), as shall,

from time to time, be determined and fixed by the vote of a majority of the voting rights present at any annual meeting of the members. Any responsible person, who need not be a member of the Association, shall be eligible to be a director. The first board of directors named in the Articles of Incorporation of the Association shall hold office until their successors shall have been elected. Each person on the board of directors shall hold office until his successors shall be elected and qualified. The word "director" as sometimes used herein shall mean a person elected to and serving on the board of directors.

2. Removal: Any director may be removed for cause by the vote of the holders of a majority of the voting rights present in person or represented by written proxy at any annual or special meeting of the members of the Association at which a quorum is present.

3. Vacancies: Any vacancy occurring in the board of directors, including vacancies occurring from the removal of a director, may be filled by majority vote of remaining members of the board of directors at any annual or special meeting.

4. Annual Meeting: The annual meeting of the board of directors shall be held during the month of November of each year at the office of the Association. Notice of the place and hour of each such meeting shall be given to each director at least five (5) days prior to each such meeting. Such notice may be given either in writing or by telephone.

5. Special Meetings: Special Meetings of the board of directors for any purpose may be called by the president or upon the written request of any two (2) directors, upon at least five (5) days notice to each director and shall be held at such place or places as may be determined by the directors, or as shall be stated in the call of the meeting. Such notice may be given either in writing or by telephone.

6. Waiver of notice: Any director may waive notice of a meeting either before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

7. Quorum: A quorum shall consist of the directors entitled to cast a majority of the votes of the entire board of directors. The acts of the board of directors approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the board of directors. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

8. Powers and Duties: The board of directors shall have the following powers and duties:

- (a) To elect the officers of the Association as hereinafter provided.
- (b) To administer the affairs of the Association and the Property of the Condominium.
- (c) To estimate the amount of the annual budget and to make and collect assessments, including annual, special and supplemental assessments as set forth in the Declaration, against unit owners to defray the costs, expenses, and losses of the Condominium.
- (d) To use the proceeds of assessments in the exercise of its powers and duties.
- (e) To maintain, repair, replace and operate the Condominium Property.
- (f) To purchase insurance upon the Property and insurance, including fidelity bond coverage, for the protection of the Association and its members.
- (g) To reconstruct improvements after casualty and to further improve the Property.
- (h) To make and amend reasonable rules and regulations respecting the use of the Property and the operation of the Condominium ("Rules and Regulations").
- (i) To enforce by legal means the provisions of the Alabama Condominium Ownership Act, the Declaration, the Articles of Incorporation, these By-Laws, and the Rules and Regulations for the use of the Property.
- (j) To contract for the management of the Property of the Condominium and to delegate to such managing agent all powers and duties of the Association except such as are specifically required by the Declaration to have approval of the board of directors or the membership of the Association.
- (k) To contract for the management or operation of portions of the common elements of the Condominium susceptible to separate management or operation.
- (l) To retain legal counsel.

(m) To employ personnel to perform the services required for proper operation of the Condominium.

(n) To purchase units of the Condominium.

(o) Unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the members, as expressed in the resolution duly adopted at any annual or special meeting of the members.

(p) To give notice to first mortgagees of certain events or occurrences as set forth in the Declaration.

(q) To exercise all other powers and duties of the board of directors of an association referred to in the Alabama Condominium Ownership Act, and all powers and duties of the board of directors of a corporation organized under the Alabama Nonprofit Corporation Act, and all powers and duties of the board of directors referred to in the Declaration or these By-Laws, and any other powers and duties consistent with Alabama law.

9. Compensation: No director shall be compensated for his services as such.

10. Insurance: The board of directors shall obtain insurance for the Property which shall include the following: (1) fire insurance with extended coverage insuring the buildings containing the units and covering the interests of the Condominium and all unit owners and their mortgagees, as their interests may appear, in the amount determined by the board of directors, in accordance with the requirements set forth in the Declaration, each of which policies shall contain standard mortgagee clauses in favor of each mortgagee of a unit, as its interest may appear; (2) public liability insurance in such amounts and with such coverage as the board of directors may determine; and (3) such other insurance, including fidelity bond coverage, as the board of directors may determine. Such insurance shall be written on the Property in the name of the Association as Trustee for the unit owners and their mortgagees as their interest may appear. The premiums shall be common expenses. Provisions for such insurance shall be without prejudice to the right of each unit owner to insure his unit for his own benefit. The shares and disposition of the proceeds of insurance shall be as set forth in the Declaration.

All insurance on the Condominium Property shall provide for the following in so far as the same is applicable to the physical improvements on the Property:

(a) That the Property insured shall mean all of the Common Elements and units comprising the

Condominium Property as defined in the Declaration, including all bathroom and kitchen cabinet work and fixtures, and all appliances, inlaid carpeting and wall coverings originally installed within a Unit by the Developer, together with all mechanical systems and installations providing service to any building and any other items comprising Common Elements as more particularly described in the Declaration. The Property insured shall not include furniture, furnishings, appliances and other personal property supplied or installed by the Unit Owners, unless the same constitute like kind replacements for Property originally installed within the Unit by the Developer, or improvements and betterments made by any Unit Owner within his Unit.

(b) That the insurer waives its rights of subrogation of any claims against directors, officers, the managing agent, the individual owners and their respective household members.

(c) That the Master Policy on the Condominium cannot be canceled, invalidated, or suspended on account of the conduct of any director, officer or employee of the Association or the managing agent without a prior written demand in writing delivered to the Association and to all mortgagees of units to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(d) That the Master Policy will be primary even if the Unit Owner has a policy that covers the same loss and any "no other insurance" clause contained in the Master Policy shall expressly exclude individual unit owners policies from its operation.

(e) That until the expiration of thirty (30) days after the insurer gives notice in writing to the mortgagee of any unit, the mortgagee's insurance coverage will not be affected or jeopardized by the act or conduct of the owner of such unit, the other unit owners, the board, or any of their agents, employees, or household members nor canceled for nonpayment of premiums.

(f) That the Master Policy may not be canceled or substantially modified without at least sixty (60) days' prior notice in writing to the board of directors and all mortgagees of units.

At the time of issuance of each policy of insurance, the agent providing same shall furnish the Association a certification that such policy complies with the above provisions.

11. Liability of the Board of Directors: The members of the board of directors shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each of the members of the board of directors on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws. It is also intended that the liability of any unit owner arising out of any contract made by the board of directors or out of the aforesaid indemnity in favor of the members of the board of directors shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the unit owners in the common elements.

ARTICLE III

Officers

1. Election: At each annual meeting, the board of directors shall elect the officers of the Association, any two (2) or more of which may be held by one person, except that the president shall not also be the secretary. The officers of the Association shall be as follows:

(a) A president, who shall be a director and who shall preside over the meetings of the board of directors and of the members, and who shall be the chief executive officer of the Association.

(b) A vice-president, who shall be a director and who shall, in the absence or disability of the president, perform the duties and exercise the powers of the president.

(c) A secretary, who shall keep the minutes of all meetings of the board of directors and of the members, and the minute book wherein resolutions enacted at such meetings shall be recorded, and who shall, in general, perform all the duties incident to the office of secretary.

(d) A treasurer, who shall keep the financial records and books of account.

(e) Such additional officers as the board of directors shall see fit to elect.

2. Powers: The respective officers shall have the general powers usually vested in such officer of a not-for-profit corporation; provided that the board of directors may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the board of directors may see fit.
3. Term: Each officer shall hold office for the term of one (1) year and until his successor shall have been elected and qualified.
4. Vacancies: Vacancies in any office shall be filled by the board of directors at special meetings thereof. Any Officer may be removed at any time by a majority vote of the board of directors at a special meeting thereof.
5. Compensation: The compensation, if any, of all officers shall be fixed by the board of directors. This provision shall not preclude the board of directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the Condominium. The officers shall receive no compensation for their services unless otherwise expressly provided in a resolution duly adopted by the board of directors.
6. Developer Control: Anything to the contrary contained herein notwithstanding until such time as the conditions referred to in Article I, Section 14, shall have occurred, the Developer shall be entitled to nominate and appoint all directors and officers of the Association and remove same in exercise of its absolute discretion.

ARTICLE IV

Responsibility for Maintenance and Repair

1. Accounting Records: The board of directors shall provide for the maintenance of accounting records for the Association, such records to be maintained in accordance with generally accepted accounting principles, and such records shall include all records provided for in the Alabama Condominium Ownership Act.
2. Budget: The board of directors shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and requirements for the year, including salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, utilities and their expenses (as distinguished from individual mortgage payments, real estate taxes, and individual expenses for utility services billed or charged to the separate unit owners on an individual or separate basis rather than a common basis). The common expenses shall be those expenses designated by the board of directors pursuant to these By-Laws and the Declaration. The common expenses may also include such amounts

as may be required for the purchase or lease by the board of directors, on behalf of the Association, of any unit which is to be sold at foreclosure or other judicial sale. The annual budget shall provide for an adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis. The annual budget shall provide for amounts required to make up for contingencies for the year, and a reserve for replacements in reasonable amounts as determined by the board of directors. To the extent that the assessments and other cash income collected from the unit owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account.

3. Assessments: The estimated annual budget for each fiscal year shall be approved by the board of directors, and copies thereof shall be furnished by the board to each unit owner not later than ten (10) days before the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget each unit owner shall pay, as his respective monthly assessment for the common expenses one-twelfth (1/12) of his share of the common expenses for such year as shown by the annual budget. The assessment of the common expenses shall be as set forth in the Declaration. If the board of directors shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each unit owner shall continue to pay each month the amount of his monthly assessment on or before the first day of each month to the manager or managing agent or as may be otherwise directed by the board. No unit owner shall be relieved of his obligation to pay his assessments by abandoning or not using his unit or the common elements.

4. Proration of Assessments: For the first fiscal year, the annual budget shall be approved by the first board of directors. If such first year, or any succeeding year, shall be less than a full year, then the monthly assessment for each unit owner for the common expenses shall be proportional to the number of months and days in such period covered by such budget. Commencing with the date of closing of his unit by each owner, he shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his percentage ownership interest in the common elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the board of directors.

5. Annual Statements: Within forty-five (45) days after the end of each year covered by an annual budget, or as soon thereafter as shall be practicable, the board of directors shall cause to be furnished to each unit owner and the first mortgagee of each unit a statement for such year so ended, showing the receipts and expenditures and such other information as the board may deem desirable.

6. Accounts: The board of directors shall cause to be kept a separate account record for each unit owner showing the assessments charged to and paid by such unit owner, and the status of his account from time to time.

Upon ten (10) days notice to the board of directors any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such unit owner. A unit owner shall make no more than one request per month.

7. Supplemental Budget and Assessments: If during the course of any year, it shall appear to the board of directors that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expense for the remainder of such year, then the board shall prepare and approve a supplemental budget as provided for in the Declaration covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each unit owner, and thereupon a supplemental assessment shall be made to each unit owner for his proportionate share of such supplemental budget.

8. Payment of Assessments: It shall be the duty of every unit owner to pay his proportionate share of the common expenses assessed in the manner herein provided. If any unit owner shall fail or refuse to make any such payments when due, the Association and the board of directors shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Alabama Condominium Ownership Act, the Declaration or these By-Laws, or otherwise available at law or in equity, for the collection of all unpaid assessments..

9. Records: The board of directors shall cause to be kept detailed an accurate record in chronological order of the receipts and expenditures affecting the common elements, specifying and itemizing the expenses incurred, and such records and the vouchers authorizing the payments of such expenses shall be available for examination by the unit owners and the first mortgagee of any unit at convenient hours of week days. Such payment vouchers may be approved in such manner as the board of directors may determine.

10. Liens: The board of directors may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the board, may constitute a lien against the Property, the common elements, or any unit or private element in the Condominium, and the Association shall thereupon have a lien in such amount, together with the amount of any costs and attorney's fees incurred in connection therewith, on each unit responsible for the payment thereof in accordance with the provisions of the Alabama Condominium Ownership Act, and the board of directors shall thereupon perfect any such lien by recording an appropriate claim of lien prepared and filed for record

in accordance with the provisions of said Act. Upon receipt of a written request for any first mortgagee holding a mortgage upon a unit with respect to which a mechanic's or other lien is asserted, the board of directors shall promptly cause the Association to pay and discharge the same. Any and all liens, claims or rights of the Association in or with respect to any unit, or unit owner, for the discharge of any mechanic's lien or other encumbrances provided for hereunder shall be subordinate to the lien of any mortgage upon any unit recorded prior to the date of such lien, claim or right.

ARTICLE VI

Mortgages

1. Notice to Board of Directors: A unit owner who mortgages his unit shall notify the secretary of the Association who shall maintain a record of such information.
2. Notice of Unpaid Common Charges: The board of directors shall promptly report to the first mortgagee of any unit unpaid charges due from, or any other default by, the owner of a mortgaged unit not cured within thirty (30) days of default.
3. Notice of Taking or Damage: The board of directors shall promptly report to all first mortgagees in writing any loss to, or taking of (including condemnation) the common elements or damage to a unit exceeding one thousand dollars (\$1,000.00).
4. Examination of Books: The holder of a first mortgage on any unit shall have the same right to examine the books and records of the Association afforded a unit owner pursuant to Section 9 of Article V of these By-Laws.
5. Lender's Notices. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice to:
 - (a) Any condemnation or casualty loss that affects either a material portion of the project or the Unit securing its mortgage.
 - (b) Any 60-day delinquency in the payment of assessments or charges owed by the Unit Owner on which it holds the mortgage.
 - (c) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Owners' Association.

(d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

ARTICLE VII

Use and Occupancy Restrictions

1. Use and Occupancy Restrictions: No part of the Property shall be used for other than residential use and the related common purposes for which the Property was designed. The following restrictions as to use shall not, however, be construed in such manner to prohibit a unit owner from:

- (a) Maintaining his personal or professional library therein.
- (b) Keeping his personal business or professional records or accounts therein.
- (c) Handling his personal business or professional records or accounts therein.

Such uses are expressly declared customarily incident to the principal residential use and not in violation of said restrictions.

2. Use of Common Elements: The common elements shall be used only for access, ingress and egress to and from the respective units by the persons residing therein and their respective guests, household help and other authorized visitors, and for such other purposes which are incidental to the residential use of the respective units; provided, however, the parking area, and other special areas shall be used for such purposes as are approved by the board of directors. The use, maintenance and operation of the common elements shall not be obstructed, damaged or unreasonably interfered with by any unit owner. The association and the board of directors, and their authorized employees and representatives, shall have such access to any unit as may be necessary for the repair maintenance replacement, alteration, care or protection of the common elements, or any portion thereof.

3. Nuisances: No unlawful, immoral, noxious or offensive activities shall be carried on in any unit or elsewhere on the property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the board of directors cause unreasonable noise or disturbance to others.

4. Maintenance and Repair: Each unit owner shall maintain his unit in good condition and in good order and repair, at his own expense, and shall maintain a minimum temperature in his unit in the winter as set forth by the board of directors, and shall not do or allow anything to be done in his unit which may increase the rate or

cause the cancellation of insurance on other units or on the common elements. Each unit owner shall not display, store or use any signs, clothing, sheets, blankets, laundry or other articles outside his unit, or paint or decorate or adorn the outside of his unit, or install outside his unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the board of directors.

5. Trash: Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in administrative Rules and Regulations of the board of directors.

6. Rights of Developer: Until all of the units have been sold by the Developer and occupied by the Purchasers, the Developer may use and show one or more of such unsold or unoccupied units as a model apartment or sales office, and may maintain customary signs in connection therewith notwithstanding the provisions of Section 4 of this Article.

7. Personal Property: Articles of personal property belonging to any unit owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in common areas (other than basements of any Buildings which are available for such purpose), except in such storage area as may be specifically designated for the respective unit owner by the board of directors. No clothing, rugs, sheets, blankets or other laundry shall be hung or exposed from windows, stair rails, balconies, patios, privacy fences or common areas of the property except when specifically approved by the board of directors.

8. Electric Wiring: No unit owner shall overload the electric wiring in the building, or operate any machines, appliances, accessories or equipment to the heating or air conditioning system or plumbing system, other than those systems originally installed, without the prior written consent of the board of directors or managing agent.

9. Boats, Campers and Inoperable Motor Vehicles: No boats, canoes, or campers shall be stored or parked on or in the common areas. All boats, canoes and campers shall be stored and parked in an area designated by the board of directors. Motor vehicles may be parked only in the areas provided for that purpose. Any motor vehicle which breaks down or becomes inoperable in the common areas shall be immediately repaired and made operable. The board of directors shall have the authority to remove any such vehicle from the common area if such vehicle is left in an inoperable state for more than 48 hours, or if such vehicle impedes or prevents ready access to any part of the Property.

10. Pets: No animals shall be raised, bred or kept in any unit, except for dogs, cats or other household pets of a unit owner, provided

that they are not kept for any commercial purposes, and provided that they shall be kept in strict accordance with the administrative rules and regulations relating to household pets from time to time adopted or approved by the board or directors, and provided that they shall not in the judgment of the board of directors constitute a nuisance to others. All dogs which are allowed outside a Unit shall be kept on a leash at all times.

ARTICLE VIII

Miscellaneous

1. Seal: The seal of the Association shall be circular in form and shall contain the name of the Association and the year of its creation. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.
2. Bank Accounts: The board of directors may, from time to time, by resolution authorize the maintenance of one or more deposit accounts by the Association. All checks, drafts, or other orders for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents or the Association, and in such manner as shall be determined from time to time by resolution of the board of directors.
3. Notice: Whenever any notice or demand is required to be given by these By-laws or the Declaration, any notice or demands so required shall be deemed sufficient if given by delivering same in person, or depositing the same in the United States Mail, postage prepaid, addressed to the person entitled thereto at his last known post office address according to the records of the Association, and such notice shall be deemed given on the day of such mailing.
4. Waiver of notice: Whenever any notice whatever is required to be given under the provisions of any law, or under the provisions of the Articles of Incorporation, these By-Laws or the Declaration, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.
5. Conflict: In the event of any conflict between the provisions of these By-Laws and the Declaration of the Condominium, the Declaration shall govern.

ARTICLE IX

REAL 2839 PAGE 918

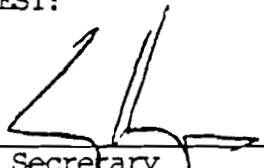
Amendments

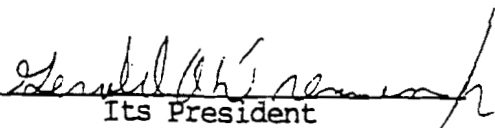
These By-Laws may be amended or modified from time to time by the vote of a majority of the board of directors, any such amendment to be set forth in writing, signed by the Secretary of the board of directors and recorded in the Jefferson County Probate Office. Upon recording each such amendment shall be effective.

The foregoing were adopted as the By-Laws of Hanover Circle Association, Inc., an Alabama not-for-profit corporation, at the first meeting of the board of directors on JAN 7th, 1986.

HANOVER ASSOCIATION, INC.

ATTEST:


Its Secretary

By 
Its President

ARTICLES OF INCORPORATION
OF
HANOVER ASSOCIATION, INC.

We, the undersigned natural persons acting as incorporators of a corporation under the Alabama Nonprofit Corporation Act (Section 10-3A-1, et seq., Code of Alabama 1975), and the Condominium Ownership Act (Section 35-8-1 et seq., Code of Alabama 1975), adopt the following Articles of Incorporation for such corporation:

ARTICLE I

Name

The name of the corporation shall be Hanover Association, Inc., a non-profit corporation (the "Association").

ARTICLE II

Period of Duration

The period of its duration is perpetual, unless and until hereafter lawfully dissolved.

ARTICLE III

Purpose and Powers

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the Units and the Common Elements and facilities within that certain condominium known as Hanover Circle Condominium, and to promote the health, safety and welfare of the users of said condominium, and for these purposes, the Association shall have the following powers:

1. The Association shall have all of the powers now conferred or which may be hereafter conferred on a non-profit corporation under the laws of the State of Alabama which are not in conflict with the terms of these Articles.

2. The Association shall have all of the powers and duties set forth in the Alabama Condominium Ownership Act except as limited by these Articles and the Declaration, and all of the powers necessary to administer and manage the Condominium pursuant to the Alabama Condominium Ownership Act, the Declaration as it may be amended from

time to time, and the By-Laws, including but not limited to the following:

- (a) To designate those expenses which shall constitute the Common Expenses of the Condominium other than those expenses declared as Common Expenses under the Alabama Condominium Ownership Act, the Declaration and By-Laws of the Association.
- (b) To estimate the amount of the annual budget and to make and collect assessments against owners of units in the Condominium, to defray the costs, expenses and losses of the Condominium.
- (c) To use the proceeds of assessments in the exercise of its powers and duties.
- (d) To maintain, repair, replace, sanitize, and operate the Condominium property.
- (e) To purchase insurance upon the Condominium property and insurance for the protection of the Association and its members, including fidelity bond coverage for all persons having access to the funds of the Association.
- (f) To make and amend reasonable Rules and Regulations respecting the use of the property in the Condominium.
- (g) To reconstruct improvements after casualty and to further improve the property.
- (h) To enforce by legal means the provisions of the Alabama Condominium Ownership Act, the Declaration, these Articles, the By-Laws of the Association, and the Rules and Regulations for the use of the Condominium property.
- (i) To contract for the management of the Condominium as provided for in the Declaration and to delegate to such managing agent all powers and duties of the Association except such as are specifically required by the Declaration to have approval of the Board of Directors or the membership of the Association.

(j) To contract for the management or operation of portions of the Common Elements of the Condominium susceptible to separate management or operation.

(k) To retain legal counsel.

(l) To employ personnel to perform the services required for proper operation of the Condominium.

(m) To have access to each Unit in the Condominium at reasonable times as may be necessary for the maintenance, repair or replacement of any of the common areas of the Condominium, or for making emergency repairs necessary to prevent damage to the Common Elements and facilities or Units in the Condominium.

(n) To make such distributions of any profit, surplus or reserve funds of the Association to the members of the Association at such times and in such manner, and to do such other acts, as may be required to comply with the provisions of Section 501(c)(4) of the Internal Revenue Code, as amended, and applicable Revenue Rulings, and other Federal and State statutes providing for an exemption from Federal and State Income taxes for non-profit organizations.

3. All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held in the name of the Association and in trust for the members of the Association in accordance with the provisions of the Declaration, these Articles and the By-Laws.

ARTICLE IV

MEMBERSHIP

This Association shall issue no shares of stock of any kind or nature whatsoever. Each person or entity who is the record owner of a fee or undivided fee interest in any Unit in Hanover Circle Condominium shall be a member of the Association. There shall be one member of the Association for each Unit of the Condominium. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. The members shall enjoy such qualifications, rights and voting rights as may be fixed in the Declaration of Condominium of Hanover Circle Condominium and in the By-Laws of the Association.

ARTICLE VREGISTERED AGENT

The address of the initial registered office of the Association is Suite 113, 1608 13th Avenue, South, Birmingham, Alabama 35205, and the name of its initial registered agent at such address is Gerald A. Drennen, Jr.

ARTICLE VIBOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors of the Association is three (3), and the names and addresses of the persons who are to serve as the initial Directors are:

GERALD A. DRENNEN, JR.
Suite 113
1608 13th Avenue, South
Birmingham, Alabama 35205

GREG HAYNES
Suite 113
1608 13th Avenue, South
Birmingham, Alabama 35205

LOWELL E. ROBERTS
Suite 113
1608 13th Avenue, South
Birmingham, Alabama 35205

ARTICLE VIIINCORPORATORS

The name and address of each initial incorporator of this corporation is as follows:

GERALD A. DRENNEN, JR.
Suite 113
1608 13th Avenue, South
Birmingham, Alabama 35205

GREG HAYNES
Suite 113
1608 13th Avenue, South
Birmingham, Alabama 35205

LOWELL E. ROBERTS
Suite 113
1608 13th Avenue, South
Birmingham, AL 35205

ARTICLE VIII

OFFICERS

The affairs of the Association shall be administered by the officers designated in the By-laws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

GERALD A. DRENNEN, JR.
President
Suite 113
1608 13th Avenue, South
Birmingham, AL 35205

GREG HAYNES
Secretary/Treasurer
Suite 113
1608 13th Avenue, South
Birmingham, AL 35205

ARTICLE IX


INDEMNIFICATION

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all of the rights to which such director or officer may be entitled. The directors shall be authorized to purchase directors and officers liability insurance providing coverage to the officers and directors of the Association at the expense of the Association.

ARTICLE XDISSOLUTION

The corporation is not organized for pecuniary profit and no part of its net earnings shall inure to the benefit of any member, Director, or individual. The corporation shall be dissolved upon the termination of the condominium in the manner provided in the Condominium Ownership Act, and in the manner provided by the Laws of Alabama. Upon dissolution of the corporation the assets of the corporation, if any, and all money received by the corporation from its operations, after the payment in full of all debts and obligations of the corporation of whatsoever kind and nature, shall be used and distributed solely and exclusively in the manner provided by the Condominium Ownership Act.

IN WITNESS WHEREOF, the subscribers hereto have hereunto set their hands and seals, this the 3rd day of January, 1986, in Jefferson County, Alabama.

 (SEAL)
GERALD A. DRENNEN, JR.

 (SEAL)
GREG HAYNES

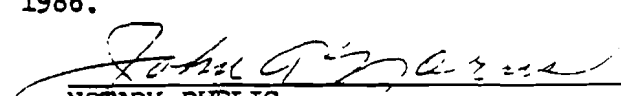
 (SEAL)
LOWELL E. ROBERTS

STATE OF ALABAMA)
JEFFERSON COUNTY)

Before me, the undersigned, a Notary Public in and for said County in said State, personally appeared GERALD A. DRENNEN, JR., being known to me and who, being by me first duly sworn, deposes and says that he is one of the initial incorporators of Hanover Association, Inc., that he is authorized to make this verification on behalf of the initial incorporators of the corporation, and that the facts contained in the above and foregoing declaration are true and correct.

Given under my hand and seal on this the 3rd day of

January, 1986.


NOTARY PUBLIC

- My Commission Expires: 6-22-89

[Seal]

STATE OF ALABAMA)
JEFFERSON COUNTY)

Before me, the undersigned, a Notary Public in and for said County in said State, personally appeared GREG HAYNES, being known to me and who, being by me first duly sworn, deposes and says that he is one of the initial incorporators of Hanover Association, Inc., that he is authorized to make this verification on behalf of the initial incorporators of the corporation, and that the facts contained in the above and foregoing declaration are true and correct.

Given under my hand and seal on this the 8th day of February, 1986.

[Seal]

John A. [Signature]
NOTARY PUBLIC

My Commission Expires: 6-2-89

STATE OF ALABAMA)
JEFFERSON COUNTY)

Before me, the undersigned, a Notary Public in and for said County in said State, personally appeared LOWELL E. ROBERTS, being known to me and who, being by me first duly sworn, deposes and says that he is one of the initial incorporators of Hanover Association, Inc., that he is authorized to make this verification on behalf of the initial incorporators of the corporation, and that the facts contained in the above and foregoing declaration are true and correct.

Given under my hand and seal on this the 8th day of February, 1986.

[Seal]

John A. [Signature]
NOTARY PUBLIC

My Commission Expires: 6-2-89


STATE OF ALABAMA)
JEFFERSON COUNTY)

CONSENT

The undersigned, Vincent D. Dawson as Trustee for H. Melville Davis, Jr., John B. Davis and Hamilton Perkins, Jr., the Holder of the below-described security instrument herewith consents to the filing of said Declaration.

1. Mortgage from Highland Associates, Ltd., an Alabama Limited Partnership, to Vincent D. Dawson as Trustee for H. Melville Davis, Jr., John B. Davis and Hamilton Perkins, Jr.; said Mortgage recorded in Real Volume 2579, Page 928, in the Probate Office of Jefferson County, Alabama.

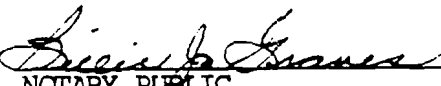
Done this the 7th day of January, 1986.


Vincent D. Dawson, as Trustee for
H. Melville Davis, Jr., John B.
Davis and Hamilton Perkins, Jr.,
under that Indenture of Trust dated
September 25, 1984 and recorded in
Real 2579, Page 600, in the Office of
the Judge of Probate of Jefferson
County, Alabama

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Vincent D. Dawson, whose name as Trustee for H. Melville Davis, Jr., John B. Davis and Hamilton Perkins, Jr., is signed to the foregoing consent and who is known to me, acknowledged before me on this day, that, being informed of the contents of the instrument, he, in his capacity as such Trustee, executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 7th day of January, 1986.


NOTARY PUBLIC
My Commission Expires:

[Seal]

My Commission Expires November 18, 1987

Adopted
5-7-87

April 28, 1987

MEMORANDUM TO: Hanover Association Member

SUBJECT: Notice of Association Meeting/Adoption of Rules and Regulations

There will be a general meeting of the Hanover Association members on Thursday, May 7, 1987 at 7:00 P.M. in the Club Room. It is most important that you attend this meeting so that the enclosed Rules and Regulations may be adopted. Said Rules and Regulations must be adopted by an affirmative vote of at least 51 per cent of the members of the Association.

If you will be unable to attend the meeting there is an authorization at the bottom of this Notice that will allow the Board of Directors to cast your vote by your signed proxy statement. Your signed proxy should be returned to the address indicated not later than Wednesday, May 6, 1987.

Return to: Robert E. Moore (By May 6, 1987)
55-101 Hanover Circle
Birmingham, AL 35205

Unit No. _____

(Print Name)

I hereby authorize the Board of Directors of Hanover Association, Inc., to cast my vote for the purpose of adopting Rules and Regulations at the Association meeting to be held May 7, 1987.


(Signature)

AMENDMENT TO
BY-LAWS OF
HANOVER ASSOCIATION, INC.

Article VII of the By-Laws of the Hanover Association, Inc. are hereby Amended by replacing paragraph "9" there under with the following:

9. Oversized Vehicles, Recreational Vehicles, Motorcycles and Inoperable Vehicles: No Oversized, Recreational or Inoperable Vehicle shall be stored or parked on or in the common areas. Oversized Vehicles shall be defined as any vehicle weighing greater than one ton. Recreational Vehicle shall be defined as any vehicle, craft or vessel that is not sold as or intended as a passenger vehicle or passenger sport utility vehicle and includes but is not limited to boats, jet skis, canoes, dune buggies, all-terrain vehicles. Any oversized vehicle, recreational vehicle parked upon the premises may be towed at the direction of the Board of Directors and the costs of towing said vehicle shall be the expense of the owner of the towed vehicle. However, with Board approval such vehicles may be parked in areas designated by and unanimously voted upon the Board of Directors. Passenger Motor Vehicles may be parked only in the areas provided for that purpose. Any motor vehicle which breaks down or becomes inoperable in the common areas shall be immediately repaired and made operable. The Board of Directors shall have the authority to remove any such vehicle from the common area if such vehicle is left in an inoperable state for more than 48 hours, or if such vehicle impedes or prevents ready access to any part of the Property. Any vehicle towed at the direction of the Board of Directors shall be the sole expense of the owner of said vehicle. Any monies expended by the Board toward the enforcement of this provision shall act as an automatic lien in the amount of said expenses and shall be levied against any responsible unit owner's unit.

This official amendment, effective immediately, adopted and therefore certified by majority vote of the Board of Directors of Hanover Circle Condominium Association this the 23rd day of January, 2006.



Board President



Board Secretary

State of Alabama)
County of Jefferson)

Doyle Blankenship, of lawful age, upon oath states:

1. I am the *Board President* acting under the direction of the Hanover Circle Condominium Association, Inc. Board of Directors located at 55-57 Hanover Circle, Birmingham, Alabama

Dated: 23rd January 2006

Doyle Blankenship
[Signature of affiant]

Jason Pruitt, of lawful age, upon oath states:

2. I am the *Board Secretary* acting under the direction of the Hanover Circle Condominium Association, Inc. Board of Directors located at 55-57 Hanover Circle, Birmingham, Alabama

Dated: 23rd January 2006

Jason Pruitt
[Signature of affiant]

Subscribed and sworn to before me 23rd January 2006 [date].

Quedha R. Rush
[Signature and seal of notary public]

Notary Public

My commission expires: July 21, 2006
NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: July 21, 2006
BONDED THRU NOTARY PUBLIC UNDERWRITERS

20060308000074370 2/2
Bk: LR200604 Pg: 22482
03/08/2006 10:46:11 AM MNBY
Fee - \$7.00

Total of Fees and Taxes - \$7.00
DONNA

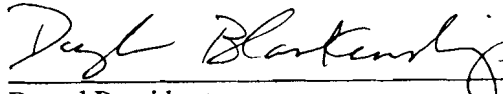
AMENDMENT TO
BY-LAWS OF
HANOVER ASSOCIATION, INC.

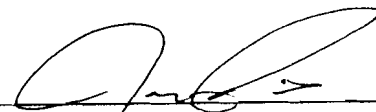
20060505000435830 1/2
Bk: LR200608 Pg: 1767
05/05/2006 04:23:49 PM MNB
Jefferson Co Judge of Probate AL
Filed: Certified - Judge Mark Gaines

Article VII of the By-Laws of the Hanover Association, Inc. are hereby Amended by adding paragraph "10" with the following:

10. Fines: Violation of the By-laws, Declaration, or the Rules and Regulations of Hanover Circle Condominium Association shall be dealt with in the following manner:
- At the discretion of the Board, a warning or fine shall be given to the violator on the first offense.
 - The 2nd violation of the same rule shall result in a \$50.00 fine
 - A 3rd violation of the same rule shall result in a minimal increase of \$50.00, although it may exceed \$50.00 if the severity of the offense calls for it.
 - A 4th violation not only allows the Board to increase the fine by the amount of \$50.00 but also gives the Board the authority to increase the fine to an amount necessary to handle the problem. The Board may also take further action as deemed necessary.

This official amendment, effective immediately, adopted and therefore certified by majority vote of the Board of Directors of Hanover Circle Condominium Association this the 24th day of April, 2006.


Board President

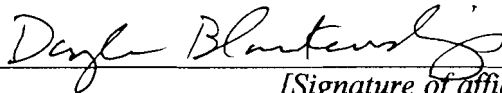

Board Secretary

State of *Alabama*)
County of *Jefferson*)

Doyle Blankenship, of lawful age, upon oath states:

1. I am the *Board President* acting under the direction of the *Hanover Circle Condominium Association, Inc. Board of Directors* located at *55-57 Hanover Circle, Birmingham, Alabama*

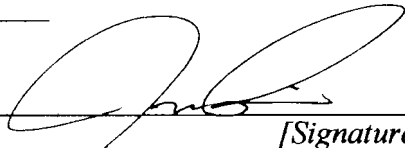
Dated: 5-4-06


[Signature of affiant]

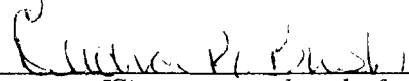
Jason Pruitt, of lawful age, upon oath states:

2. I am the *Board Secretary* acting under the direction of the *Hanover Circle Condominium Association, Inc. Board of Directors* located at *55-57 Hanover Circle, Birmingham, Alabama*

Dated: 5-4-06


[Signature of affiant]

Subscribed and sworn to before me May 4th 2006 [date].


[Signature and seal of notary public]

Notary Public

My commission expires: **NOTARY PUBLIC STATE OF ALABAMA AT LARGE**
MY COMMISSION EXPIRES: July 21, 2006
BONDED THRU NOTARY PUBLIC UNDERWRITERS [date].

20060505000435830 2/2
Bk: LR200608 Pg: 1767
05/05/2006 04 23 49 PM MNBY
Fee - \$7.00

Total of Fees and Taxes-\$7.00
WILSONN



20061127001636080 1/2
Bk: LR200619 Pg:3362
Jefferson County, Alabama
I certify this instrument filed on:
11/27/2006 02:20:12 PM PAMEND
Judge of Probate- Mark Gaines

AMENDMENT TO
BY-LAWS OF
HANOVER ASSOCIATION, INC.

Article VII of the By-Laws of the Hanover Association, Inc. are hereby Amended by adding the following language to paragraph "9" there under:

New Paragraph to be added directly after the existing paragraph 9, entitled "Oversized Vehicles, Recreational Vehicles and Inoperable Vehicles:"

Further, no vehicle shall be permitted to be parked upon the premises which is in physical disrepair, as same constitutes a nuisance on said property.. Examples of disrepair may included but are in no way limited to broken windows, windshields, lights, broken mirrors or same being crashed or wrecked. Any owner or other resident experiencing such inconvenience shall repair said vehicle/problem and, barring special allowance by the Board, shall have no more than 14 days to repair said vehicle or remove same from the premises. Thereafter, the Board may, in its discretion assess appropriate fines for the violation of this rule and in the same manner as prescribed by the rules and Alabama law.

Adopted by majority vote of the Board of Directors this the 23 day
of October, 2006.


Board President


Board Secretary

State of *Alabama*)
County of *Jefferson*)

Subscribed and sworn to before me November 15, 2006 [date].

Cathy D. Weathers
[Signature and seal of notary public]

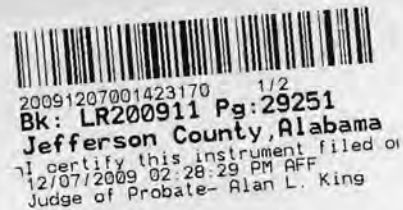
Notary Public

My commission expires: NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: June 29, 2010
BONDED THRU NOTARY PUBLIC UNDERWRITERS [date].

20061127001636080 2/2
Bk: LR200619 Pg:3362
Jefferson County, Alabama
11/27/2006 02 20 12 PM PAMEND
Fee - \$11 00
Total of Fees and Taxes-\$11 00
LINDA

THIS INSTRUMENT WAS PREPARED BY:

Brian Austin Oakes, Esq.
White & Oakes, LLC
2100 Southbridge Parkway, Suite 650
Birmingham, Alabama 35209
Phone: (205) 414-7516



STATE OF ALABAMA)
COUNTY OF JEFFERSON)

AFFIDAVIT EVIDENCING SCRIVENER'S ERROR

Before me, the undersigned Notary Public, personally appeared Brian Austin Oakes, who being duly sworn deposes and says as follows:

My name is Brian Austin Oakes and I am presently the duly elected President of Hanover Association, Inc and am that person responsible for the maintenance of Hanover Association, Inc.'s documents and records. The undersigned has examined the Amendment to By-Laws of Hanover Association, Inc. which was prepared and filed in the Office of the Judge of Probate of Jefferson County, Alabama on March 8, 2006 in Book LR200604 Page 22482 whereby Article VII Paragraph 9 was amended *inter alia*, to restrict vehicles over a certain weight.

The undersigned has examined said Amendment and finds that the weight restriction referenced in the Amendment was incorrect. Said error was reviewed and confirmed as error by the Hanover Association, Inc. Board of Directors at its July 26, 2009 meeting whereby the Board voted to confirm the true weight restriction as "three tons" and not the previously recorded "one ton." From this date forward, let the record reflect that the correct weight restriction to be referenced therein is "three tons" and not "one ton" as incorrectly typed in said Amendment therein.

SEE ATTACHED EXHIBIT "A" FOR THE CORRECTED AMENDMENT

This Affidavit is made for the purpose of duly acknowledging the scrivener's error in that drafting of said Amendment filed in the Office of the Judge of Probate of Jefferson County, Alabama.

FURTHER, Affiant saith not.

A handwritten signature in dark ink, appearing to read "B. Oakes", written over a horizontal line.

Brian Austin Oakes
President, Hanover Association, Inc.

Sworn to and subscribed before me this 7th day of December, 2009.

A handwritten signature in dark ink, appearing to read "J. King", written over a horizontal line.

Notary Public
My Commission Expires: 11-22-2010



EXHIBIT "A"
AMENDMENT TO
BY-LAWS OF
HANOVER ASSOCIATION, INC.

Article VII of the By-Laws of the Hanover Association, Inc. are hereby Amended by replacing paragraph "9" there under with the following:

9. Oversized Vehicles, Recreational Vehicles and Inoperable Vehicles: No Oversized, Recreational or Inoperable Vehicle shall be stored or parked on or in the common areas. Oversized Vehicles shall be defined as any vehicle weighing greater than three tons. Recreational Vehicle shall be defined as any vehicle, craft or vessel that is not sold as or intended as a passenger vehicle or passenger sport utility vehicle and includes but is not limited to boats, jet skis, canoes, dune buggies, all-terrain vehicles. Any oversized vehicle, recreational vehicle parked upon the premises may be towed at the direction of the Board of Directors and the costs of towing said vehicle shall be the expense of the owner of the towed vehicle. Such vehicles may be parked in areas designated by and unanimously voted upon the Board of Directors. Passenger Motor Vehicles may be parked only in the areas provided for that purpose. Any motor vehicle which breaks down or becomes inoperable in the common areas shall be immediately repaired and made operable. The Board of Directors shall have the authority to remove any such vehicle from the common area if such vehicle is left in an inoperable state for more than 48 hours, or if such vehicle impedes or prevents ready access to any part of the Property. Any vehicle towed at the direction of the Board of Directors shall be the sole expense of the owner of said vehicle. Any monies expended by the Board toward the enforcement of this provision shall act as an automatic lien in the amount of said expenses and shall be levied against any responsible unit owner's unit.

20091207001423170 2/2
Bk: LR200911 Pg:29251
Jefferson County, Alabama
12/07/2009 02:28:29 PM AFF
Fee - \$8.00
Total of Fees and Taxes-\$8.00
HATCHERK

AMENDMENT TO
BY-LAWS OF
HANOVER ASSOCIATION, INC.

20121207001324930 1/2
Bk: LR201219 Pg: 26083
Jefferson County, Alabama
I certify this instrument filed on:
12/07/2012 03:00:32 PM MNBV
Judge of Probate- Alan L. King

Pursuant to Article IX *Amendments* of the By-Laws of Hanover Association, Inc., a condominium association, the undersigned Secretary of the Board of Directors of said association files the below amendments to the Hanover Association, Inc. By-Laws:

Article IV, Paragraph 3:

The first sentence of paragraph 3 of Article IV is deleted in its entirety and the following sentence adopted as replacement thereof with the remaining sentences in paragraph 3 remaining unchanged:

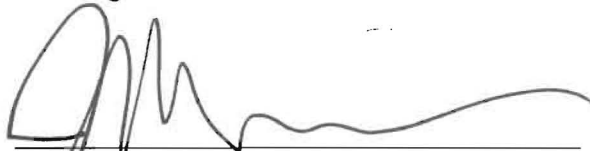
3. Assessments: The estimated annual budget for each fiscal year shall be approved by the board of directors not later than ten (10) days before the beginning of such year, or as soon thereafter as shall be practicable, and copies thereof furnished, upon request, to any unit owner and shall be furnished within a commercially reasonable time of said request.

Article IV, Paragraph 5:

The original language of Article IV, Paragraph 5 of the By-Laws is deleted in its entirety and the following language adopted as replacement thereof:

5. Annual Statements: Within forty-five (45) days after the end of each year covered by an annual budget, or as soon thereafter as shall be practicable, the board of directors shall cause to be prepared a balance sheet and said balance sheet shall be made available, upon request, to any unit owner and/or first mortgagee, and shall be furnished within a commercially reasonable time of said request.

The above amendments previously having been adopted by majority vote of the Board of Directors at its November 25, 2012 meeting.



John Wade Tomlinson, VI

Board of Directors Secretary/Treasurer
Hanover Association, Inc.

VERIFICATION

STATE OF ALABAMA)
)
COUNTY OF JEFFERSON)

Before me, the undersigned authority, a Notary Public in and for said county in said state, personally appeared John Wade Tomlinson, VI, who being known to me and being first duly sworn, acknowledged before me on this day that being informed of the contents of the foregoing instrument, he/she executed said instrument voluntarily on the day the same bears date.

Given under my hand and seal on this the 7th day of December
2012.

Linda K. Cook
Notary Public

My Commission expires **NOTARY PUBLIC STATE OF ALABAMA AT LARGE**
COMMISSION EXPIRES: May 17, 2015

20121207001324930 2/2
Bk: LR201219 Pg:26083
Jefferson County, Alabama
12/07/2012 03:00:32 PM MNBY
Fee - \$19.00

Total of Fees and Taxes-\$19.00
HATCHERK

AMENDMENT TO
BY-LAWS OF
HANOVER ASSOCIATION, INC.



20130820000906160 1/4
Bk: LR201317 Pg: 8200
Jefferson County, Alabama
I certify this instrument filed on
08/20/2013 02:19:56 PM MNB
Judge of Probate- Alan L. King

Pursuant to Article IX *Amendments* of the By-Laws of Hanover Association, Inc., a condominium association, the undersigned Secretary of the Board of Directors of said association files the below amendments to the Hanover Association, Inc. By-Laws:

Article I, Paragraph 2:

The last sentence of paragraph 2 of Article I is deleted in its entirety and the following sentences adopted as replacement thereof with the remaining sentences in paragraph 2 remaining unchanged:

2. Change of Membership: If a unit is owned by more than one (1) person, any person listed as a current owner on the current deed as recorded in the files of the Probate Judge of Jefferson County, Alabama, is entitled to cast the vote for said unit at any meeting of the members; provided however, that any other person listed as a current owner on said deed as referenced above is not present in person, or represented by proxy, and objects to the casting of the vote by another record owner. In the event of such an objection by a co-owner, or proxy designee, of a Unit, the Unit's vote shall not be cast. A voting interest or consent right allocated to a Unit that may not vote or which vote cannot be cast due to objection herein by co-owners, or his proxy designee, shall not be counted towards the total number of voting interests necessary to constitute a quorum, the number of voting interests required to conduct an election, or the number of voting interests required to do any action pursuant to the Declaration, Articles of Incorporation, or By-Laws.

Article I, Paragraph 3:

The last sentence of paragraph 3 of Article I is deleted in its entirety and the following sentences adopted as replacement thereof with the remaining sentences in paragraph 3 remaining unchanged:

3. Voting Rights: Votes cast in any election shall not be cumulative. In order for a Member to vote a Unit, said Member must be in good standing. The Board may suspend the voting rights of a Unit or Member due to nonpayment of any monetary obligation due to the Association or of a Member who is in bad standing. A voting interest or consent right allocated to a Unit or Member which has been suspended by the Association, by and through its Board, may not be counted towards the total number of voting interests necessary to constitute a quorum, the number of voting interests required to conduct an election, or the number of voting interests required to do any action pursuant to the Declaration, Articles of Incorporation, or By-Laws. The suspension ends upon full payment of all obligations currently due or overdue the Association and upon purging himself

of bad standing as may be required by the Board and/or applicable law and/or the governing documents of the Association.

Article II, Paragraph 10:

Paragraph 10(a) is deleted in its entirety and the following adopted as replacement thereof with the remainder of Paragraph 10 remaining unchanged:

- (a) That the Property insured shall mean all of the Common Elements as defined in the Declaration, including all mechanical systems and installations providing service to any building and any other items comprising Common Elements as more particularly described in the Declaration. The Property insured shall not include furniture, furnishings, appliances, and other personal property supplied or installed by Unit Owners, or any other private elements.

Article IV, Paragraph 7:

Paragraph 7 of Article IV is deleted in its entirety and the following adopted as replacement thereof:

- 7. Supplemental Budget and Assessments: If during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expense for the remainder of such year, then the Board shall prepare and approve a supplemental budget as provided for in the Declaration covering the estimated deficiency for the remainder of such year and thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Article IV, Paragraph 9:

Paragraph 9 of Article IV is deleted in its entirety and the following adopted as replacement thereof:

- 9. Records: The Board shall cause to be kept financial records in accordance with generally accepted accounting principles as is reasonable and necessary for the Board to conduct the affairs of the Association as the Board deems necessary.

Article IV, Paragraph 10:

The second sentence of Paragraph 10 of Article IV is deleted with the remaining sentences remaining unchanged.

Article VI, Paragraph 2:

Paragraph 2 of Article VI is deleted in its entirety and the following adopted as replacement thereof:

2. Notice of Unpaid Common Charges: The Board shall promptly report to the first mortgagee of any Unit, provided the Board has been made aware of said mortgagee as required by Article VI, Paragraph 1, of any unpaid charges due, or any other default by, the Unit Owner of said Unit prior to the Board commencing foreclosure proceedings on said Unit.

Article VI, Paragraph 3:

Paragraph 3 of Article VI is deleted in its entirety and the following adopted as replacement thereof:

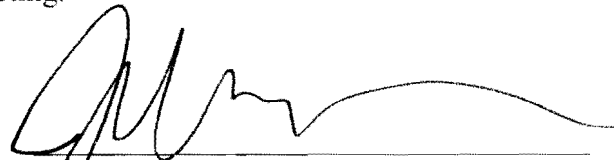
3. Notice of Taking or Damage: The Board shall promptly report to all first mortgagees, provided the Board has been made aware of said mortgagee(s) of any Unit(s) as required by Article VI, Paragraph 1, of any loss to, or taking of (including condemnation) the common elements exceeding fifty thousand dollars (\$50,000.00).

Article VII, Paragraph 10:

Paragraph 10 of Article VII is deleted in its entirety and the following adopted as replacement thereof:

10. Pets: No animal shall be kept in any Unit except for dogs and cats. No animal shall be kept for commercial purposes or breeding, and shall be kept in strict accordance with the administration Rules relating to household pets from time to time adopted or approved by the Board, and provided that they shall not in the judgment of the Board constitute a nuisance to others. All animals which are allowed outside a Unit shall be kept on a leash at all times. Nothing in this provision shall prevent the Board from allowing ornamental fish aquariums to be kept in a Unit and as may be approved by the Board.

The above amendments previously having been adopted by majority vote of the Board of Directors at its July 28, 2013 meeting.



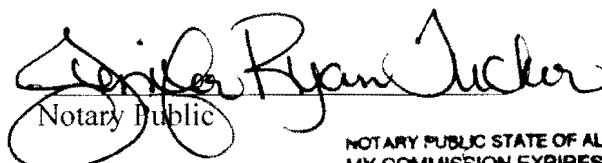
John Wade Tomlinson, VI
Board of Directors Secretary/Treasurer
Hanover Association, Inc.

VERIFICATION

STATE OF ALABAMA)
)
COUNTY OF JEFFERSON)

Before me, the undersigned authority, a Notary Public in and for said county in said state, personally appeared John Wade Tomlinson, VI, who being known to me and being first duly sworn, acknowledged before me on this day that being informed of the contents of the foregoing instrument, he/she executed said instrument voluntarily on the day the same bears date.

Given under my hand and seal on this 20th day of August
2013.


Notary Public


NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Oct 3, 2013

My Commission expires BONDED THRU NOTARY PUBLIC UNDERWRITERS

20130820000906160 4/4
Bk: LR201317 Pg:8200
Jefferson County, Alabama
08/20/2013 02:19:56 PM MNBY
Fee - \$25.00

Total of Fees and Taxes-\$25.00
LYNN

AMENDMENTS TO
THE DECLARATION OF
HANOVER ASSOCIATION, INC.


20130903000964310 1/7
Bk: LR201317 Pg: 22796
Jefferson County, Alabama
I certify this instrument filed on:
09/03/2013 03:26:03 PM VAC
Judge of Probate- Alan L. King

Pursuant to Article XXIII *Amendment* of the Declaration of Hanover Association, Inc., a condominium association, the undersigned Secretary of the Board of Directors of said Association hereby certifies that said amendments have been duly adopted by the Board of Directors and files, on behalf of the Board of Directors, the below amendments to the Hanover Association, Inc. Declaration; said amendments having previously been approved unanimously by the Board at its July 28, 2013 meeting and thereafter, said amendments having been included in the August 22, 2013 notice of the meeting of the Association, called for the specific purpose of consideration of said amendments by the membership; thereafter having been adopted and approved by more than two-thirds (2/3) vote of the total Association by written approval and vote at its September 1, 2013 meeting:

Article VII, Paragraph 4(a):

The first sentence of paragraph 4(a) is deleted in its entirety and the following sentence adopted as replacement thereof with the remaining sentences in paragraph 4(a) remaining unchanged:

- (i) An easement in common with the other Unit Owners is granted to a Unit Owner for the use of the basement and parking spaces subject to the Rules and Regulations as they may be from time to time amended.

Article XI:

The following paragraph is adopted and included subsequent to, and without changing, amending or otherwise altering the current paragraph under Article XI:

In addition to the remedies contained within this Article, the Board may impose, levy and collect fines for violation of the Declaration, By-Laws, Rules and Regulations and violations of Alabama law in such amounts as determined in the sole discretion of the Board. Any such fines imposed by the Board, any surety required by the Board in conjunction with this Article, and any judgment granted in favor of the Association, may be collected in the same manner and fashion as past due Assessments as detailed in Article XIV.

Article XIV, Paragraph 8:

The original language of Article XIV, Paragraph 8 is deleted in its entirety and the following language adopted as replacement thereof:

8. Effect of Non-Payment of Assessments payable Directly to the Association and Remedies of the Association:

(a) Any assessment which is not paid when due shall be delinquent. If a monthly payment of an assessment for a Unit is not paid within ten (10) days after the due date, the Unit Owner of such Unit shall be in default and the Association, by and through its Board, may declare the balance of the entire annual assessment for such Unit immediately due and payable. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of fifteen percent (15%) per annum, and the Association, by and through its Board, may bring suit to recover a money judgment for the unpaid assessment against the Unit Owner personally obligated to pay the same without waiving the lien, and/or file a lien claim against such Unit Owner's Unit, in either of which events, interest, costs and attorneys' fees shall be added to the amount of such assessment as may then be due. Each Unit Owner, by his acceptance of a deed to a Unit from the Developer or from any subsequent Unit Owner of a Unit, vests in the Association or its agents and Board the right and power to bring all actions against him personally for the collection of such charges as a debt and to file and foreclose a lien in a suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. The lien provided for in this Paragraph shall be in favor of the Association and shall be for the benefit of all other Unit Owners. The Association, by and through its Board, acting on behalf of the Unit Owners, shall have the power to bid-in the Unit at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. Non-use of Common Elements or abandonment of a Unit shall not constitute a defense against any action on account of any unpaid assessment.

(b) Power of Sale: Notwithstanding paragraph (a) above, each Unit Owner hereby empowers the Association, by and through its Board, to sell and convey the Owner's Unit when said Unit Owner becomes in default as set forth above, when said Unit Owner fails to pay any assessment imposed, including but not limited to special assessments, yearly assessments, and supplemental assessments, when said Unit Owner fails to post required surety as directed by the Board, when said Unit Owner fails to pay fines imposed by the Board, and when the Association is awarded a judgment against a Unit Owner by a court of competent jurisdiction; any such sale may be public or private, at the option of the Association, by and through its Board, and may be made after such notice, and for such price, and on such terms as to payment or otherwise, as the Association, by and through its Board, may deem proper; at any such sale, the Association, by and through its Board, in its own name, or in the name of any person, shall have the right to purchase; and the Unit Owner hereby authorizes and empowers the Association, by and through its Board, to execute and deliver, in the name of the Unit Owner, a good and sufficient deed and conveyance of the property, or any part of it, and any recitals contained in any conveyance of the property which may be made by the Association, by and through its Board, must be deemed conclusive evidence of the facts recited; the proceeds of such sale must be applied to the payment, in whole or in part, of the expenses of the sale, and of the amount due to the Association; and upon any such sale counsel fees shall be allowed as part of the expenses, and the Unit Owner and Unit are hereby made liable to the Association

for such counsel fees and costs. The surplus proceeds of any such sale, if any, shall be paid to the Unit Owner. In case of default as set forth above, the grantee, the grantee's heirs or successors and assigns, shall have the right and power to take possession of the property in this deed conveyed, without process of law; to collect rents and profits, and to apply the same on the unpaid indebtedness; and with or without possession to sell the property at public sale, to the highest bidder for cash, in the City of Birmingham, County of Jefferson, State of Alabama; public notice of the time, terms and place of sale having first been given once a week for three successive weeks by advertising in some newspaper published in the county, or as may be provided and amended from time to time in the Code of Alabama §35-10-8 or any successor statute or code adopted by the Alabama legislature, at which sale any of the parties to this deed, their heirs or successors, or assigns, may bid and purchase as any third person might do; and the Unit Owner hereby authorizes the grantee, the grantee's heirs or successors, or assigns to convey the property to anyone purchasing at the sale, and to convey an absolute title, and the recitals of this instrument shall be taken as prima facie true. The proceeds of the sale shall be applied, first, to the payment of all costs and expenses attending the sale including but not limited to attorneys' fees incurred; second, to the payment of all indebtedness secured by this deed, with interest; and the remainder, if any, shall be paid to the grantors. The grantors hereby waive any and all rights of appraisal, sale, redemption, and homestead under the laws of the State of Alabama. The grantors hereby waive any and all rights to claim personal property as exempt from levy and sale, under the law of any state or the United States of America.

Article XIX, Paragraph 5:

The original language of Article XIX, Paragraph 5 is deleted in its entirety and the following language adopted as replacement thereof:

5. Regulations: Reasonable regulations concerning the use of the Property not inconsistent with the provisions of this Declaration may be made by the Association. Members not present at meetings considering such regulations or amendments thereto may express their approval or disapproval in writing. In the event of a conflict between an Association Regulation/Rule and a Board Regulation/Rule, the Association Regulation/Rule shall control.

Article XIX, Paragraph 6:

The following paragraph, 6, is added as a new paragraph to Article XIX without altering, changing or otherwise affecting Article XIX Paragraphs 1-5:

6. (a) The Association, by and through its Board, after notice and an opportunity to be heard, upon making a finding that a Unit Owner, tenant(s), resident(s), guest(s), licensee(s), invitee(s), or anyone brought onto the property and affiliated with a condominium unit hereon, who has been found by the Board at said

hearing to have violated the Declaration, By-Laws, Rules and Regulations, or Alabama law while on the property and the Unit Owner or other persons as set forth herein have not paid fines imposed or purged himself of being in bad standing as directed by the Board shall be suspended from using all common areas and other areas, excepting private elements, including but not limited to, the pool, the wooden decks, the gym, the laundry room, the club room, the basement, storage bins, bicycle racks, the parking lot, the elevator, balcony areas, and the car wash. This provision shall apply to all persons as set forth herein, including but not limited to, the Unit Owner, tenant(s), resident(s), guest(s), licensee(s), invitee(s), and anyone affiliated with said Unit and Unit Owner. Said suspension shall remain in full force and effect until fines have been satisfied and/or said person(s) has purged himself of being in bad standing as directed by the Board. Nothing in this provision shall be construed to allow the Association to prevent a Unit Owner, tenant(s), resident(s), guest(s), licensee(s), or invitee(s) from walking onto the property and walking to said Unit and entering said Unit. Nothing in this provision shall be construed to allow the Association to prevent water or electrical service to said Unit. This provision shall be enforced by the Board and its agents. This provision specifically authorizes the Board, and/or its agents, to tow vehicles that remain or are brought onto the property in violation of this provision and to have the full authority of the Declaration, By-Laws, Rules and Regulations, Alabama law, and judicial process to, *inter alia*, impose fines and file suit against those in violation of this provision seeking enforcement of same and any and all legal and equitable remedies. This provision specifically authorizes the Board to amend and to make new Rules and Regulations to enforce this provision. This provision specifically gives the Board the rule making authority to make or amend rules to provide for the removal of any item(s) placed anywhere on the property by the suspended person(s) upon his failure to voluntarily remove said item(s) from all areas, including but not limited to, the basement, bike rack, storage bin(s), and balcony areas. The offending Unit Owner, tenant(s), resident(s), guest(s), licensee(s), invitee(s), and/or person(s) brought onto the property and affiliated with a condominium unit hereon shall hold harmless and indemnify the Board, its agents, and the Association from any and all claims of whatsoever kind and nature from any person for the disposal of any such items and/or for any action taken to retrieve and dispose of said items.

(b) Paragraph (a) above shall also be applied and enforced when a Unit account is in default as set forth in the Declaration, By-Laws, Rules and Regulations, or when an account maintains a balance for 60 days. In order for suspension to be lifted as it relates to this paragraph, the account must be paid in full. The notice and hearing requirements under paragraph (a) above do not apply to suspensions imposed under this paragraph.

(c) The Board may suspend the voting rights of a Unit or Member due to nonpayment of any monetary obligation due to the Association or of a Member who is in bad standing. A voting interest or consent right allocated to a Unit or Member which has been suspended by the Association, by and through its Board, may not be counted towards the total number of voting interests necessary to constitute a quorum, the number of voting interests required to conduct an

election, or the number of voting interests required to do any action pursuant to the Declaration, Articles of Incorporation, or By-Laws. The suspension ends upon full payment of all obligations currently due or overdue to the Association and upon purging himself of bad standing as directed by the Board. The notice and hearing requirements under subsection paragraph (a) do not apply to a suspension imposed under this paragraph.

Article XIX, Paragraph 7:

The following paragraph, 7, is added as a new paragraph to Article XIX without altering, changing or otherwise affecting Article XIX Paragraphs 1-5:

7. Rules and Regulations of the Association: (a) Notwithstanding the power of the Association to make Rules and Regulations as provided for in paragraph 5 herein, the Board is authorized to make Rules and Regulations and enforce same along with the Declaration, By-Laws, and Alabama Law. The Association, by and through its Board, may act to maintain peace, safety, and order on the property and may take action to limit exposure of the property and residents to risk of harm. Said action to promote peace, safety and order may specifically include, but is in no way limited to, banning persons from driving and/or parking onsite, and/or from being present in common areas, and/or trespassing persons. All present and future Unit Owners and Occupants of the Units and any person who uses any part of the Condominium Property in any manner, are subject to, and shall comply with the provisions of the Condominium Documents and Rules and Regulations. The acquisition, rental or occupancy of a Unit or the use of any part of the Condominium Property by any person shall constitute his agreement to be subject to and bound by the provisions of the Condominium Documents and the Rules and Regulations, and such provisions shall be deemed to be enforceable as equitable servitudes and covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated in full in each and every deed of conveyance or lease thereof. The Association by and through its Board may promulgate enforcement provisions for violation of any Rules and Regulations by a Unit Owner, Occupant, their family members, guests, invitees, licensees, lessees or renters, including the payment of penalties for such violations.

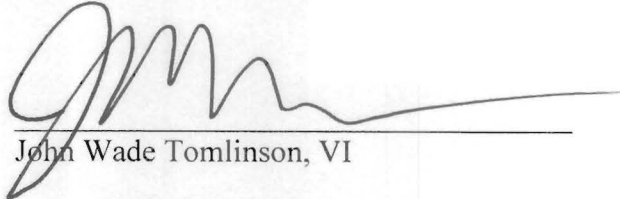
(b) The Association, by and through its Board, is authorized to make, collect, and levy assessments against Unit Owners for reimbursement of expenses the Association is caused to incur by reason of any act of the Unit Owner, Occupant, his family members, guests, invitees, licensees, or tenants for damages of any nature, for penalties for rules violations, and for all costs and amounts of surety imposed by the Board.

Article XXVI, Paragraph 7:

The following paragraph, 7, is added as a new paragraph to Article XXVI without altering, changing or otherwise affecting Article XXVI Paragraphs 1-6:

7. Failure of the Association and/or its Board to Insist on Strict Performance; No Waiver: Failure of the Association and/or its Board to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, By-Laws, or Rules and Regulations, or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment from the future performance of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Association, by and through its Board, of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed to be a waiver of such breach, and no waiver by the Association or its Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of the Association.

Respectfully submitted and filed this 3rd day of September 2013.



John Wade Tomlinson, VI

Board of Directors Secretary/Treasurer
Hanover Association, Inc.

CERTIFICATION

STATE OF ALABAMA)
)
COUNTY OF JEFFERSON)

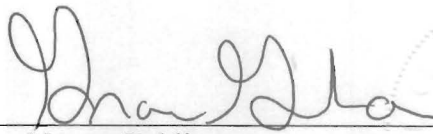
Before me, the undersigned authority, a Notary Public in and for said county in said state, personally appeared John Wade Tomlinson, VI, who being known to me and being first duly sworn, deposes and says as follows and acknowledged before me on this day that being informed of the contents of the foregoing instrument, he executed said instrument voluntarily on the day the same bears date:

1. I am the duly elected Secretary/Treasurer of Hanover Association, Inc;
2. The above declaration amendments were proposed and approved unanimously by the Board of Directors of Hanover Association, Inc. at its meeting on July 28, 2013;
3. The above declaration amendments were included in the August 22, 2013 notice of the meeting of the Association, which set the meeting date for September 1,

2013 and called for the specific purpose of consideration of said amendments by the membership;

4. The membership of Hanover Association, Inc. met on September 1, 2013;
5. I certified that quorum had been met with over two-thirds (2/3) of the membership present;
6. That at said meeting, the above declaration amendments were approved by written approval and vote of more than two-thirds (2/3) of the total Association;
7. That at said meeting the Board of Directors certified that said amendments were duly adopted.

Further affiant saith not. Given under my hand and seal on this the 3rd day of September 2013.



Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Aug 18, 2014

My Commission expires: _____

20130903000964310 7/7
Bk: LR201317 Pg:22796
Jefferson County, Alabama
09/03/2013 03:26:03 PM VAC
Fee - \$34.00

Total of Fees and Taxes-\$34.00
HATCHERK



20140611000520750 1/2
Bk: LR201414 Pg:1368
Jefferson County, Alabama
I certify this instrument filed on:
06/11/2014 12:09:30 PM CONDO
Judge of Probate- Alan L. King

AMENDMENT TO
BY-LAWS OF
HANOVER ASSOCIATION, INC.

Pursuant to Article IX Amendments of the By-Laws of Hanover Association, Inc., a condominium association, the undersigned Secretary of the Board of Directors of said association files the below amendments to the Hanover Association, Inc. By-Laws:

Article II, Paragraph 8:

Subparagraph (r) is hereby added to Paragraph 8:

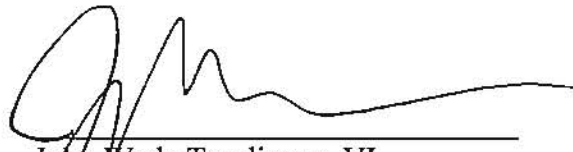
(r) To borrow money, open/close and/or manage lines of credit, and incur debt on behalf of the Association.

Article VII, Paragraph 10:

The amendment dated April 24, 2006 and recorded May 5 or 6, 2006 in Bk: LR200608 Pg: 1767 incorrectly labeled the new paragraph as Article VII, Paragraph 10. As the By-Laws already contained an Article VII, Paragraph 10 "Pets," that amendment should have been labeled and added as Article VII, Paragraph 11 "Fines." The amendment dated July 28, 2013 and recorded August 20, 2013 in Bk: LR201317 Pg: 8200 which amended Article VII, Paragraph 10 "Pets," correctly amended the "Pets" paragraph 10 of the By-Laws. The amendment contained herein deletes in its entirety, the amendment dated April 24, 2006 and recorded May 5 or 6, 2006 in Bk: LR200608 Pg: 1767, Article VII, Paragraph 10 "Fines" and the following adopted as replacement thereof leaving the proper Article VII, Paragraph 10 "Pets" unaffected:

11. Fines: Violations of the Declaration, By-Laws, and/or Rules & Regulations of Hanover Association, Inc., and/or any applicable Federal, State or municipal law shall be addressed by its Board of Directors. Nothing in this paragraph shall restrict the authority of the Board of Directors to address any matter as it deems appropriate or to restrict the Board of Directors from exercising other powers as enumerated in any applicable document or Alabama Law and/or municipal ordinance. This paragraph is for clarity and is a general guide. If a particular Rule & Regulation enumerates a specific fine amount for its violation, then if the Board of Directors finds a violation of its aforementioned documents and/or applicable law to have occurred, said fine amount will be imposed. Upon subsequent violations of the provisions and/or applicable law, said fine amount will be doubled. If a Rule & Regulation, Declaration provision, or By-Laws provision does not enumerate a specific fine amount and/or for multiple and/or repeated violations of the same Rule & Regulation, Declaration provision, By-Laws provision, or violation of applicable law, the Board of Directors, in its discretion, may assess any fine, bond, restriction, or take any other action it deems necessary to properly address the matter and the remedies available to the Board shall be cumulative. Nothing herein shall be construed as to limit the ability of the Board to exercise one or more of the sanctions or remedies available under the governing documents and/or Alabama law.

The above amendments previously having been adopted by majority vote of the Board of Directors at its June 10, 2014 meeting.



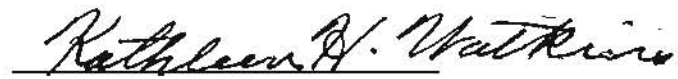
John Wade Tomlinson, VI
Board of Directors Secretary/Treasurer
Hanover Association, Inc.

VERIFICATION

STATE OF ALABAMA)
)
COUNTY OF JEFFERSON)

Before me, the undersigned authority, a Notary Public in and for said county in said state, personally appeared John Wade Tomlinson, VI, who being known to me and being first duly sworn, acknowledged before me on this day that being informed of the contents of the foregoing instrument, he/she executed said instrument voluntarily on the day the same bears date.

Given under my hand and seal on this the 11th day of June 2014.



Notary Public

MY COMMISSION EXPIRES JANUARY 31, 2016

My Commission expires: _____

Clerk: MORRISL

AMENDMENTS TO
THE DECLARATION OF
HANOVER ASSOCIATION, INC.

Pursuant to Article XXIII *Amendment* of the Declaration of Hanover Association, Inc., a condominium association, the undersigned Secretary of the Board of Directors of said Association hereby certifies that said amendments have been duly adopted by the Board of Directors and files, on behalf of the Board of Directors, the below amendments to the Hanover Association, Inc. Declaration; said amendments having previously been approved unanimously by the Board at its August 21, 2019 meeting and, said amendments having been included in the August 20, 2019 notice of the meeting of the Association, called for the specific purpose of consideration of said amendments by the membership; thereafter having been adopted and approved by more than two-thirds (2/3) vote of the total Association by written approval and vote at its September 1, 2019 meeting:

Article XXVI, Paragraph 5:

The following sentence is adopted and included subsequent to, and without changing, amending or otherwise altering the current paragraph under Article XXVI, Paragraph 5:

It shall be the exclusive duty of the Board of Directors to interpret all documents and instruments governing the Association including, but not limited to, the Declaration and amendments thereto, the By-Laws and amendments thereto, any Rules/Regulations of the Association and/or Board of Directors, Resolutions, and the like.

Article XIX, Paragraph 8:

The following paragraph, 8, is added as a new paragraph to Article XIX without altering, changing or otherwise affecting Article XIX Paragraphs 1-7:

8. Tobacco/Tobacco Replacement Products/Smoking: Smoking cigarettes, cigars, pipes, tobacco/vapor products, e-cigarettes, or any other substance or device, and the use of chewing tobacco, snuff, or like products is strictly prohibited on or about the Condominium Property and within any Unit.

Respectfully submitted and filed this 3rd day of September 2019.



John Wade Tomlinson, VI

Board of Directors Secretary/Treasurer
Hanover Association, Inc.

CERTIFICATION

STATE OF ALABAMA)
)
COUNTY OF JEFFERSON)

Before me, the undersigned authority, a Notary Public in and for said county in said state, personally appeared John Wade Tomlinson, VI, who being known to me and being first duly sworn, deposes and says as follows and acknowledged before me on this day that being informed of the contents of the foregoing instrument, he executed said instrument voluntarily on the day the same bears date:

1. I am the duly elected Secretary/Treasurer of Hanover Association, Inc;
2. The above declaration amendments were proposed and approved unanimously by the Board of Directors of Hanover Association, Inc. at its meeting on August 21, 2019;
3. The above declaration amendments were included in the August 20, 2019 notice of the meeting of the Association, which set the meeting date for September 1, 2019 and called for the specific purpose of consideration of said amendments by the membership;
4. The membership of Hanover Association, Inc. met on September 1, 2019;
5. I certified that quorum had been met with over two-thirds (2/3) of the membership present;
6. That at said meeting, the above declaration amendments were approved by written approval and vote of more than two-thirds (2/3) of the total Association;
7. That at said meeting the Board of Directors certified that said amendments were duly adopted.

Further affiant saith not. Given under my hand and seal on this the 3rd day of September 2019.



Notary Public

My Commission expires: _____

