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Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 1194 - 1372; (179pgs)

THIS INSTRUMENT WAS PREPARED BY (RETURN TO):
Peter C. Mollengarden, Esquire
ROSENBAUM MOLLENGARDEN PLLC
250 Australian Avenue South, Suite 500
West Palm Beach, FL 33401
(WC-195)

**NOTICE OF PRESERVATION OF USE RESTRICTIONS
UNDER MARKETABLE RECORD TITLE ACT FOR HANOVER SQUARE**

Pursuant to Chapter 712, Florida Statutes, the undersigned Claimant files this Notice and in support thereof states:

1. The name and address of the entity filing this Notice is **HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC. D/B/A WINDY CREEK HOA** (the "Association"), a Florida corporation not-for-profit the Articles of Incorporation of which were originally filed in the office of the Secretary of State on December 5, 1984, the Association having been organized for the purpose of operating and administering the community known as Hanover Square, pursuant to the recorded covenants pertaining thereto which were filed of record on March 6, 1985, at **Official Records Book 4484, Page 84, et. seq.**, of the Public Records of Palm Beach County, Florida.

2. The Association has sent a Statement of Marketable Title Action in the form set forth in Section 712.06(1)(b), Florida Statutes, to all of the parcel owners in Hanover Square. The Association attaches an Affidavit executed by a member of the Board of Directors of the Association hereto, affirming that the Board of Directors caused the Statement of Marketable Title Action to be mailed or hand delivered to all parcel owners in Hanover Square and further attaches the original Statement of Marketable Title Action which was mailed to all parcel owners in Hanover Square as Composite Exhibit "A" hereto.

3. The lands affected by this Notice are legally described in Exhibit "B" hereto.

4. The real property interest claimed under this Notice is the right to preserve those certain use restrictions, covenants, and agreements set forth in the following recorded documents and their exhibits:

- a. Declaration of Covenants and Restrictions for Hanover Square, recorded on March 6, 1985, at Official Records Book 4484, Page 84, et. seq., of the Public Records of Palm Beach County, Florida;
- b. Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square, recorded on July 23, 1991, at Official Records Book 6900, Page 1151, et. seq., of the Public Records of Palm Beach County, Florida;
- c. Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on July 23, 1991, at Official Records Book 6900, Page 1173, et. seq., of the Public Records of Palm Beach County, Florida;
- d. Declaration of Covenants, Conditions and Restrictions for Windy Creek, recorded on July 23, 1991, at Official Records Book 6900, Page 1222, et. seq., of the Public Records of Palm Beach County, Florida;

1. This is a copy of the original document.
- e. Agreement between Hanover Square Homeowners' Association, Inc. and Windy Creek Homeowners' Association, Inc., recorded on July 23, 1991, at Official Records Book 6900, Page 1249, et. seq., of the Public Records of Palm Beach County, Florida;
 - f. Affidavit approving governing documents of Hanover Square Homeowners' Association, Inc., recorded on July 23, 1991, at Official Records Book 6900, Page 1259, et. seq., of the Public Records of Palm Beach County, Florida;
 - g. First Amendment to Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on July 21, 1995, at Official Records Book 8846, Page 1496, et. seq., of the Public Records of Palm Beach County, Florida;
 - h. Second Amendment to Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on March 19, 1998, at Official Records Book 10291, Page 437, et. seq., of the Public Records of Palm Beach County, Florida;
 - i. First Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square Effectuating Merger of Hanover Square and Windy Creek and Notice of Termination of Declaration of Covenants, Conditions and Restrictions for Windy Creek, recorded on October 9, 1998, at Official Records Book 10685, Page 35, et. seq., of the Public Records of Palm Beach County, Florida;
 - j. Termination of Agreement, recorded on October 9, 1998, at Official Records Book 10685, Page 41, et. seq., of the Public Records of Palm Beach County, Florida;
 - k. Third Amendment to Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on January 14, 2002, at Official Records Book 13306, Page 696, et. seq., of the Public Records of Palm Beach County, Florida;
 - l. Fourth Amendment to Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on July 23, 2004, at Official Records Book 17296, Page 1773, et. seq., of the Public Records of Palm Beach County, Florida;
 - m. Affidavit attaching Articles of Incorporation of Hanover Square Homeowners' Association, Inc., recorded on July 23, 2004, at Official Records Book 17296, Page 1800, et. seq., of the Public Records of Palm Beach County, Florida;
 - n. Fifth Amendment to the Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on August 5, 2004, at Official Records Book 17356, Page 1988, et. seq., of the Public Records of Palm Beach County, Florida;
 - o. Sixth Amendment to the Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on May 25, 2006, at Official Records Book 20390, Page 1184, et. seq., of the Public Records of Palm Beach County, Florida;
 - p. Seventh Amendment to the Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc. d/b/a Windy Creek HOA, recorded on September 9, 2011, at Official Records Book 24736, Page 58, et. seq., of the Public Records of Palm Beach County, Florida.

5. The recorded documents referenced in Paragraph 4 above are attached hereto as Composite Exhibit "C".

Dated this 19 day of February, 2015

HANOVER SQUARE HOMEOWNERS'
ASSOCIATION, INC. D/B/A WINDY CREEK HOA

BY: [Signature]

Alan Anderson, President

ATTEST: [Signature]

Sonya Stoa, Secretary

[Signature]
Witness Signature

[Signature]
Printed Name

[Signature]
Witness Signature

[Signature]
Printed Name

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 19th day of February, 2015 by Alan Anderson, as President, and Sonya Stoa, as Secretary, of HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC. D/B/A WINDY CREEK HOA, a Florida corporation not for profit. They are personally known to me or have produced _____ as identification: If no type of identification is indicated, the above-named persons are personally known to me.

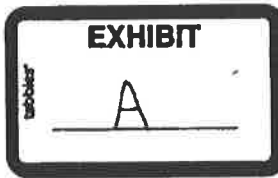
Notary Public [Signature]

Printed Name Tishia L. Nelson

State of Florida

My Commission Expires:





**AFFIDAVIT OF MAILING OR HAND DELIVERING NOTICE
OF SPECIAL MEETING OF BOARD OF DIRECTORS**

**FOR PRESERVATION OF USE RESTRICTIONS UNDER
MARKETABLE RECORD TITLE ACT
AND STATEMENT OF MARKETABLE TITLE TO PARCEL OWNERS**

STATE OF FLORIDA
COUNTY OF PALM BEACH

BEFORE ME, personally appeared Brian McEntee, who after being duly sworn, deposes and says that the Notice of Special Meeting of the Board of Directors of Hanover Square Homeowners' Association, Inc. d/b/a Windy Creek HOA (the "Association") for the Preservation of Covenants and Use Restrictions Under Florida's Marketable Record Title Act held on February 19, 2015 at 6:45 located at Windy Creek Pool Area, together with the Statement of Marketable Title for Hanover Square, were mailed or hand delivered to the parcel owners on February 10, 2015, at their addresses as they appear on the books and records of the Association.

HANOVER SQUARE HOMEOWNERS'
ASSOCIATION, INC. D/B/A WINDY CREEK HOA

By: [Signature]

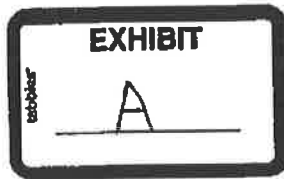
Print Name/Title: Brian McEntee / Agent

The foregoing instrument was acknowledged before me this 10th day of February, 2015, by Brian McEntee, as Agent of Hanover Square Homeowners' Association, Inc. d/b/a Windy Creek HOA, a Florida corporation not for profit, on behalf of the corporation. He/she is personally known to me, or has produced as identification and did take an oath. If no type of identification is indicated, the above-named person is personally known to me.

[Signature] (Signature)

Tisha L. Nelson (Print Name)
Notary Public, State of Florida at Large





**STATEMENT OF
MARKETABLE TITLE ACTION**

Hanover Square Homeowners' Association, Inc. d/b/a Windy Creek HOA (the "Association") has taken action to ensure that the following recorded documents, covenants and restrictions, currently burdening the property of each and every parcel owner in Hanover Square, retain their status as the sources of marketable title with regard to the transfer of an owner's residence:

- a. Declaration of Covenants and Restrictions for Hanover Square, recorded on March 6, 1985, at Official Records Book 4484, Page 84, et. seq., of the Public Records of Palm Beach County, Florida;
- b. Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square, recorded on July 23, 1991, at Official Records Book 6900, Page 1151, et. seq., of the Public Records of Palm Beach County, Florida;
- c. Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on July 23, 1991, at Official Records Book 6900, Page 1173, et. seq., of the Public Records of Palm Beach County, Florida;
- d. Declaration of Covenants, Conditions and Restrictions for Windy Creek, recorded on July 23, 1991, at Official Records Book 6900, Page 1222, et. seq., of the Public Records of Palm Beach County, Florida;
- e. Agreement between Hanover Square Homeowners' Association, Inc. and Windy Creek Homeowners' Association, Inc., recorded on July 23, 1991, at Official Records Book 6900, Page 1249, et. seq., of the Public Records of Palm Beach County, Florida;
- f. Affidavit approving governing documents of Hanover Square Homeowners' Association, Inc., recorded on July 23, 1991, at Official Records Book 6900, Page 1259, et. seq., of the Public Records of Palm Beach County, Florida;
- g. First Amendment to Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on July 21, 1995, at Official Records Book 8846, Page 1496, et. seq., of the Public Records of Palm Beach County, Florida;
- h. Second Amendment to Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on March 19, 1998, at Official Records Book 10291, Page 437, et. seq., of the Public Records of Palm Beach County, Florida;
- i. First Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square Effectuating Merger of Hanover Square and Windy Creek and Notice of Termination of Declaration of Covenants, Conditions and

Restrictions for Windy Creek, recorded on October 9, 1998, at Official Records Book 10685, Page 35, et. seq., of the Public Records of Palm Beach County, Florida;

j. Termination of Agreement, recorded on October 9, 1998, at Official Records Book 10685, Page 41, et. seq., of the Public Records of Palm Beach County, Florida;

k. Third Amendment to Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on January 14, 2002, at Official Records Book 13306, Page 696, et. seq., of the Public Records of Palm Beach County, Florida;

l. Fourth Amendment to Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on July 23, 2004, at Official Records Book 17296, Page 1773, et. seq., of the Public Records of Palm Beach County, Florida;

m. Affidavit attaching Articles of Incorporation of Hanover Square Homeowners' Association, Inc., recorded on July 23, 2004, at Official Records Book 17296, Page 1800, et. seq., of the Public Records of Palm Beach County, Florida;

n. Fifth Amendment to the Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on August 5, 2004, at Official Records Book 17356, Page 1988, et. seq., of the Public Records of Palm Beach County, Florida;

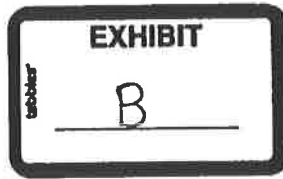
o. Sixth Amendment to the Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc., recorded on May 25, 2006, at Official Records Book 20390, Page 1184, et. seq., of the Public Records of Palm Beach County, Florida;

p. Seventh Amendment to the Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc. d/b/a Windy Creek HOA, recorded on September 9, 2011, at Official Records Book 24736, Page 58, et. seq., of the Public Records of Palm Beach County, Florida.

To this end, the Association shall cause the notice required by Chapter 712, Florida Statutes, to be recorded in the Public Records of Palm Beach County, Florida. Copies of such notice and its attachments are available through the Association pursuant to the Association's governing documents regarding official records of the Association and the applicable Statute.

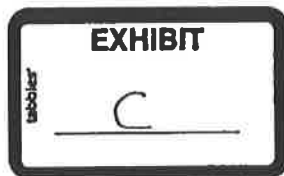
**HANOVER SQUARE HOMEOWNERS'
ASSOCIATION, INC. D/B/A WINDY CREEK
HOA**

BY: Sonya Stoa
Sonya Stoa, Secretary



All of the real property shown on the Hanover Square Replat recorded in Plat Book 75, Pages 88 through 90, inclusive, of the Public Records of Palm Beach County, Florida, and;

All of the real property shown on the Plat of Windy Creek recorded in Plat Book 64, Pages 39 and 40, inclusive, of the Public Records of Palm Beach County, Florida.



DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

HANOVER SQUARE

THIS DECLARATION, made the 30TH day of November 1984, by SOMERSET DEVELOPMENT CORPORATION, a Florida corporation, and H.M.F. INVESTMENTS, INC., a Florida corporation, together doing business as HANOVER SQUARE ASSOCIATES, a Florida Joint Venture ("Declarant").

WITNESSETH:

WHEREAS, Declarant holds fee simple title to the real property situate in the City of Delray Beach, Palm Beach County, Florida and more particularly described in Exhibit A annexed hereto, and intends to develop thereon a community of single-family patio homes; and

WHEREAS, in order to develop the Community and preserve the values and amenities of Community, it is necessary to declare and subject the Community to certain land use covenants, restrictions, reservations, regulations, burdens and liens and to delegate and to assign to a homeowners' association certain powers and duties of ownership, administration, operation and enforcement;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Declarant hereby declares that the Community shall be owned, held, used, transferred, sold conveyed, devised and occupied subject to the covenants, restrictions, reservations, regulations, burdens and liens hereinafter set forth and that the provisions of this Declaration shall be covenants running with the land which comprises the Community and shall be binding on all parties having any right, title or interest in the Community or in any portion thereof, their heirs, personal representatives, successors and assigns and shall inure to each portion of the Community.

ARTICLE I

DEFINITIONS

1.1 "Architectural Control Committee" or "Committee" means the Architectural Committee described in Article VII hereof.

1.2 "Articles of Incorporation" means the Articles of Incorporation of the Association.

1.3 "Association" means Hanover Square Homeowners' Association, Inc., a Florida corporation not for profit, its successors and assigns.

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

1.5 "By-Laws" means the By-Laws of the Association.

1.6 "Common Properties" means those portions of the Community including the entranceways, lighting equipment, roadways and adjacent drainage, easements, sidewalks, paths, lawns, fire lanes, green belts, fences, parking areas and recreational facilities, if any, and personal property used in connection with such portions of the Community, which are not included in the Units, as shown or to be shown in the Plat of the Community recorded or to be recorded in the Public Records of Palm Beach County, Florida.

1.7 "Community" means the real property situate in the City of Delray Beach, Palm Beach County, and more particularly described in Exhibit A annexed hereto, and all additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.8 "Declarant" means Hanover Square Associates, a Florida Joint Venture, its successors and assigns.

1.9 "Declaration" means the Declaration of Covenants and Restrictions for Hanover Square and all Exhibits annexed thereto, as such Declaration and Exhibits may be amended from time to time.

1.10 "Institutional Lender" means any bank, insurance company, FHA approved mortgage lending institution, recognized pension fund investing in mortgages, or federal or state savings and loan association (and the insurer(s) and/or guarantor(s) of same) having a mortgage lien upon any Unit or which has acquired and holds title thereto as a result of foreclosure of any such mortgage lien or by deed in lieu of foreclosure.

1.11 "Lot" means any one of the plots of land shown in the Plat of the Community.

1.12 "Member" means member of the Association.

1.13 "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Unit.

1.14 "Unit" means a single-family patio dwelling unit and its appurtenant improvements within the Community.

ARTICLE II

EASEMENTS AND OTHER PROPERTY RIGHTS

2.1 Easements in General. The Common Properties shall be subject to a perpetual non-exclusive easement in favor of each Unit, which shall be appurtenant to and shall pass with title to each Unit, for use by the Owner, his immediate family, guests and invitees, for all proper and normal purposes including ingress and egress. The Common Properties also shall be subject to such a perpetual non-exclusive easement in favor of Declarant, its agents, employees, invitees, successors and assigns.

2.2 Easements for Utilities and Other Services. Easements are reserved under, through and over all portions of the Community for the purpose of maintaining, installing, repairing, altering and operating sewer lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal systems, pipes, weirs, siphons, valves, gates, pipelines, cable television service, electronic security systems and other utilities and all machinery and apparatus appurtenant thereto as may be necessary or desirable in servicing all or any portion of the Community, each such easement to be of a size, width and location as Declarant, in its discretion, deems appropriate, but situated so as not to interfere unreasonably with the use of any improvements which are now or will be located in the Community. A perpetual non-exclusive right of ingress and egress also is granted to delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television and other utilities, and to such other persons as Declarant may designate from time to time.

2.3 Easements for Repairs and Rebuilding. Easements are reserved for ingress and egress, where necessary, over Lots adjacent to each Lot upon which repairs to a Unit or reconstruction of a Unit shall be undertaken in accordance with this Declaration; provided that: (a) no such easement shall encroach the boundary line to any such adjacent Lot by more than three (3) feet; and (b) the Owner of the Unit to be repaired or rebuilt shall have the obligation to restore, at his sole expense, each adjacent Lot to its condition prior to use of the easement on such adjacent Lot.

2.4 Extent of Easements of the Common Properties. The rights and easements of enjoyment of the Common Properties created hereby shall be subject to the following:

A. The right of the Association reasonably to limit the number of guests and invitees of Owners using the Common Properties;

B. The right of the Association to suspend the rights and easements of enjoyment of any member during which any assessment remains unpaid, and for a period not to exceed sixty (60) days, for any infraction of its Rules and Regulations, it being understood that any suspension for either non-payment of any assessment or breach of any Rules and Regulations of the Association shall not constitute a waiver or discharge of the member's obligation to pay the assessment; provided, however, that the Association shall not suspend the right to use any roadways or parking areas which are a portion of the Common Properties; and provided, further, that the Association shall not suspend any rights and easements reserved herein by Declarant.

C. The right of the Association to place any reasonable restrictions upon the use of any roadways and/or parking areas which constitute a portion of the Common Properties including, but not limited to, the maximum and minimum speeds of vehicles using said roadways and other traffic and parking regulations.

D. The right of the title holder to give, dedicate or sell all or any portion of the Common Properties to any public agency, authority or utility or private concern for such purposes and subject to such conditions as may be determined by such title holder.

2.5 No Waiver of Use. No Owner may release his Unit from assessments and liens hereunder by waiver of the use and enjoyment of the Common Properties.

2.6 Association's Right of Entry. The Association, in its reasonable discretion, shall have the right to enter upon any Lot to make emergency repairs and, in accordance with Section 6.1, do other work necessary for the proper maintenance and operation of the Community.

2.7 Conveyance of the Common Properties. Declarant shall convey all or any portions(s) of the Common Properties to the Association at such time(s) as shall be determined in Declarant's sole discretion; provided, however, that all of the Common Properties shall have been conveyed to the Association by the earlier of: (a) the date upon which Declarant shall have conveyed one hundred percent (100%) of all of the Units contained within the Community, exclusive of conveyances to entities related to or affiliated with Declarant or conveyances to other developers, or (b) December 31, 1989.

2.8 Declarant's Reserved Rights. Declarant hereby reserves the right, in its sole discretion, as follows:

(a) to change the Site Plan of the Community for Lots which Declarant holds title, provided, however, that such change(s) shall comply with applicable laws in force at that time;

(b) to construct buildings and units and other improvements, and install landscaping of such type, nature, shape, height, color, materials and location, as Declarant determines in its sole discretion, provided, however, that same shall comply with the applicable building codes and zoning laws of the City of Delray Beach, Florida, in force at that time;

(c) to place on Lots temporary construction or sales trailers and other temporary sales and construction facilities;

(d) to alter all or any portion of the Common Properties to which Declarant holds title, but not to remove from status as Common Properties;

(e) to mortgage all or any portion of the Common Properties to which Declarant holds title; provided that the Common Properties shall be free of mortgages at time of conveyance to the Association.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Each record owner of a Unit shall be a member of the Association.

3.2 Voting Rights. Each Unit shall be entitled to one vote to be cast by the Owner. When more than one person holds an interest in a Unit, the vote for the Unit shall be cast by the owner designated in a certificate filed with the Association and signed by all persons owning an interest in the Unit. The vote for each Unit is indivisible. Membership in the Association shall be appurtenant to and may not be separated from ownership of a Unit. Transfer of Unit ownership, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership shall thereupon be vested in the transferee. Notwithstanding anything contained in this Declaration to the contrary, Declarant shall control the Association until the first to occur of the following events: (a) four (4) months after seventy-five percent (75%) of the Units in the Community shall have been conveyed to Owners other than Declarant; or (b) three (3) years after conveyance of the first Unit in the Community to an Owner other than Declarant; or (c) Declarant's sooner election to transfer control to the Owners other than Declarant. Upon Declarant turning over control of the Association to such Owners, Declarant shall retain the right to appoint one (1) Director to the Board for so long as Declarant or an entity related to Declarant holds a Unit for sale in the ordinary course of business.

ARTICLE IV

FUNCTIONS OF THE ASSOCIATION

4.1 In General. The Association shall govern, operate, control, manage and maintain the Common Properties pursuant to the terms and provisions of this Declaration, the Articles of Incorporation and the By-Laws. The Association shall pay all real property ad valorem taxes and all governmental liens assessed against the Common Properties. The Association shall further have the responsibility to hire personnel and to maintain, repair, and replace the Common Properties, including, without limitation, street lights and the community sign, at the expense of the Association.

4.2 Association Expenses. The Association shall, through the Board, fix and determine from time to time the sum(s) necessary and adequate to provide for the expenses of the Association. The expenses of the Association shall be assessed against the Owners as provided in Article V hereof.

4.3 Conveyances to the Association. The Association shall be obligated to accept any and all deeds of conveyance delivered to it by Declarant which deed(s) convey title to all or any portion of the Common Properties.

4.4 Liability Insurance. The Association shall maintain a comprehensive policy of public liability insurance covering all of the Common Properties and containing a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts by the Association. The scope of coverage shall include all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for planned unit developments similar in construction, location and use. Minimum coverage shall be \$1,000,000 per occurrence for personal injury and/or property damage.

4.5 Restrictions on Association Authority. The Association shall not be entitled to take the following actions without the prior written approval of at least two-thirds (2/3): (i) of the Institutional Lenders (based upon one vote for each first mortgage owned); and (ii) of the Owners other than Declarant (based upon one vote for each Unit):

A. By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Properties (the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Properties shall not be deemed a transfer);

B. Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

C. By act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Units, the exterior maintenance of the Units, the maintenance of the Common Properties party walks or common fences and driveways, or the upkeep of lawns and plantings in the Community;

D. Fail to maintain fire and extended coverage on insurable Common Properties on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

E. Use hazard insurance proceeds for losses to any Common Properties for other than the repair, replacement or reconstruction of such Common Properties.

ARTICLE V

ASSESSMENTS

5.1 Purpose. The assessments levied by the Association shall be used to promote the common health, safety, benefit, recreation, welfare and aesthetics of the Owners and to maintain, repair and replace the Common Properties.

5.2 Annual Assessments; Budget. The Board shall fix, determine and collect the sums necessary and adequate to pay for the general expenses of the Association. The annual assessment shall be determined by the Board based upon an estimated annual budget, which shall be prepared at least forty-five (45) days prior to the commencement of the fiscal year. The Association's fiscal year shall be the calendar year beginning with the calendar year in which this Declaration is recorded in the Public Records of Palm Beach County, Florida. Assessments shall be payable in advance on the first day of each month or at such other time as determined by the Board at the main office of the Association. The payment of any assessment shall be in default if it is not paid to the Association on or before its due date. Anything herein to the contrary notwithstanding, annual assessments shall commence to accrue with regard to any Unit only as of the date of the duly issued certificate of occupancy for the Unit.

5.3 Reserves. The Association shall establish and maintain a reserves fund from assessments adequate for the periodic maintenance, repair and replacement of improvements to the Common Properties.

5.4 Working Capital. The Association shall establish and maintain a working capital fund. Each Unit's share of the working capital fund shall be equal to at least two (2) months' assessments for each Unit and shall be collected and transferred to the Association at the time of Closing of title of each such Unit. The working capital fund shall not be deemed as advance payment of regular assessments.

5.5 Special Assessments and Special Individual Assessments. In addition to the annual assessments, the Association may levy special

assessments to pay the costs of such items as are determined necessary or appropriate by the Board, including, without limitation, the following: (a) reconstruction of portions of the Common Properties; (b) unexpected repairs or replacements. Special assessments shall be shared equally by each Unit and shall be due and payable in the amount and at the time determined by the Board. Notwithstanding the foregoing, special assessments and special individual assessments may be charged against certain Units and Owners and in differing amounts as necessary or appropriate.

5.6 Lien; Personal Obligations. The Association shall have a lien against each Unit for assessments on such Unit, which lien shall commence as to the particular Unit only as of the date of recording of the Claim of Lien. Declarant, for each Unit owned by it, and each Owner, by acceptance of a deed to his Unit shall be deemed to covenant and agree to pay to the Association: (1) annual assessments; (2) special assessments; and (3) special individual assessments. Each such assessment, together with interest, late charges, costs, and reasonable attorneys' fees, shall be a charge on the applicable Unit and shall be a continuing lien thereon against which each such assessment is made. Each such assessment, together with interest, late charges, costs and reasonable attorneys' fees shall also be the personal obligation of the person(s) owning such Unit at the time when the assessment came due.

5.7 Delinquencies; Enforcement. Unpaid assessments shall be a continuing lien on the applicable Unit which shall bind such Unit in the hands of the then Owner, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain as personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them. Assessments shall bear interest from the due date until paid at the maximum rate allowed by law for an individual. A late charge shall be due in the amount of Twenty-five (\$25.00) Dollars per monthly assessment or portion thereof past due or fifty (50%) percent of the monthly assessment past due, whichever is greater, and the Association may bring an action at law against the Owner personally obligated to pay the same or an action to foreclose the lien against the Unit, and there shall be added to the amount of such

assessment reasonable attorneys' fees and costs incurred in collecting such assessment, and in the event that judgment is obtained, such judgment shall include interest on the assessment and late charges as above provided and reasonable attorneys' fees, together with the cost of the action, including attorneys' fees and costs on appeal. Liens may be foreclosed in the same manner as mortgages are foreclosed.

5.8 Subordination of Liens to Mortgages. Assessment liens shall be superior to all other liens, except tax liens and first mortgage liens in favor of Institutional Lenders or Declarant which are recorded prior to the recording of a Claim of Lien for such assessments. The sale or transfer of a Unit, pursuant to a decree of foreclosure or where the Institutional Lender takes a deed in lieu of foreclosure, shall extinguish the lien of such assessments as to payments which became due and payable prior to the date of such decree or deed in lieu of foreclosure only pursuant to superior mortgages as provided above. Such sale or transfer shall not relieve such Unit from liability for any assessments thereafter becoming due, nor from the lien of any subsequent assessment.

5.9 Certificates. The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing by an officer of the Association, setting forth whether assessments have been paid. Such certificate shall be conclusive evidence as to any assessment therein stated to having been paid.

ARTICLE VI

USE STANDARDS AND RESTRICTIONS

6.1 Building, Landscaping and Other Improvements. All buildings, improvements and landscaping, shall comply with all applicable minimum standards and zoning laws of the City of Delray Beach, Florida. No building or improvement shall be constructed and no landscaping shall be installed without the prior written approval of the Architectural Control Committee except as hereinafter provided as to Declarant. The Architectural Control Committee, shall control not only the initial structures and improvements, landscaping, walls and fences to be constructed, but also any additions, changes or modifications thereof on any Lot, except that all structures constructed by

Declarant as well as landscaping, walls and fences installed or constructed by Declarant shall be deemed approved by the Committee. Anything herein to the contrary notwithstanding, an Owner may make alterations, changes and modifications within the interior of his original Unit without obtaining the Committee's consent. The Association shall have the power to enact Rules and Regulations to more specifically define the provisions of this Section.

All portions of the front of the Lots not improved with structures or paving shall be kept as lawns or grass or planted with trees, shrubs, bushes and other plantings. In addition, all lands forming portions of a public right-of-way between the boundary of a Lot and the pavement installed within the right-of-way shall be planted with grass and maintained by the Association. Each Owner shall be responsible for the maintenance, repair, painting and replacement of all improvements (including fences and walls) and landscaping within fenced or walled areas on his Lot. The Association shall maintain landscaping outside of fences and walls. No weeds, underbrush or other unsightly growths shall be permitted to grow or remain on any Lot and no refuse pile or other unsightly object shall be placed or allowed to remain thereon. All buildings, improvements and appurtenances shall be kept in a clean, neat and attractive condition and all buildings and structures shall be maintained in a finished, neat and attractive condition. All driveways and other paved or pebbled areas shall be kept in a neat and orderly condition.

In the event an Owner shall fail to maintain his Unit, the Association, upon approval by two-thirds (2/3) vote of the Board and upon the Owner's continuing failure to maintain same following ten (10) days' written notice from the Association, shall have the right, through its agents, employees or designees, to enter upon the Lot and to repair, maintain and restore the Lot, improvements and landscaping thereon. The sums expended by the Association for such repair, maintenance, and restoration shall be assessed against the affected Unit as a special individual assessment. The cost of curing of such defects shall bear interest at the highest rate allowed by law for an individual from the date such costs were incurred. All of said costs, interest and fees shall be a lien upon said Unit.

6.2 Alteration of the Common Properties. No alteration, addition or improvement of the Common Properties shall be permitted, except as provided in this Declaration. Notwithstanding the foregoing, Declarant shall have the right to make such alterations and/or improvements to the Common Properties as it determines in its sole discretion.

6.3 Rules and Regulations. The Board may from time to time adopt or amend Rules and Regulations governing the details of the operation, use, maintenance, management and control of the Units and the Common Properties.

6.4 Temporary, Play and Auxiliary Structures. No structure of a temporary character, trailer, basement, tent, shack, barn or other outbuilding shall be built, installed or used on any Lot at any time. No platform, doghouse, playhouse or similar structure shall be constructed on any part of a Unit without the Committee's prior written approval. No clotheslines shall be permitted on any Lot. No building, fence, screen enclosure, wall or other structure shall be erected or maintained upon any Lot, nor shall any exterior addition, change or alteration thereof be made, until plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted and approved in writing by the Architectural Control Committee. The Committee shall be permitted to employ aesthetic values in making its determinations.

6.5 Signs. Until such time as Declarant shall have conveyed ninety (90%) of the Units in the Community exclusive of conveyances to entities related to or affiliated with Declarant or conveyances to other Declarants, or until Declarant sooner shall elect to transfer control to the non-Declarant members of the Association or December 31, 1989, whichever shall first occur, no sign of any kind shall be displayed to public view on any Lot, except a sign of not more than three (3) square feet displayed from within the windows of the Unit. Thereafter, no sign of any kind shall be displayed to public view on the Lot except a sign of not more than three (3) square feet advertising the Unit for sale or rent, which sign shall contain only the words "open" or "open house" and shall be displayed only when the Owner or agent is physically present. Notwithstanding anything herein to the contrary, Declarant shall be entitled to place signs of such size and design as Declarant shall determine upon any Unit(s) to advertise for sale or other purposes.

6.6 Oil and Mining Operations. No oil drilling, oil development operations, oil refining or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shaft be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any Lot.

6.7 Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Unit, except that dogs, cats or other common household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose. Where pets are permitted, such pets shall be kept on a leash at all times while outdoors; each pet owner shall be responsible for the immediate removal of all animal waste of such owner's pets from the Common Properties.

6.8 Garbage, Refuse and Sewage Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or otherwise shall not be kept except in sanitary containers or as required by the Association or the applicable ordinances of Palm Beach County. All equipment for the storage or disposal of such material shall be kept in clean and sanitary condition. No individual sewage disposal system shall be permitted on any Lot.

6.9 Water Supply. No individual water supply system shall be permitted on any Lot.

6.10 Exterior Colors. The exterior color of all structures including the roof, walls, fences, if applicable, and other improvements on the Lot shall remain the color initially designated by Declarant; provided, however, that such color may be changed by an Owner with the Committee's prior written approval.

6.11 Antennas. No exterior radio antenna, television antenna, citizens band antenna or any other antenna of any type or nature shall be permitted on any Lot without the Committee's prior written approval, provided, however, Declarant reserves the right to install such antenna as it determines in its sole discretion upon any Unit.

6.12 Motor Vehicles, Boats and Boat Trailers. No motor vehicles of any type, trailers, recreation vehicles, campers, vans, commercial vehicles, boats, or boat trailers may be parked upon any unpaved portions of the Common Properties. Except for scheduled moving of furniture and deliveries approved in advance by the Association, no trucks or commercial vehicles may enter the Community. No recreation vehicles, campers, vans, boats or boat trailers may be parked anywhere within the Community. No repair work to any motor vehicle, boat or boat trailer shall be conducted within the Community.

6.13 Windows; Shutters. No Owner shall place aluminum foil or newspaper on any exterior window or glass door. No storm shutters shall be installed without the Committee's prior written approval, which approval shall be given if the proposed shutters are of the type then currently approved by the Committee.

6.14 Exterior Lighting. No Owner shall install exterior lighting without the Committee's prior written approval.

6.15 Air Conditioning Units. No window or wall air conditioning units shall be permitted.

6.16 Mailboxes. No mailbox or paperbox or other receptacle of any kind for use in the delivery of mail or similar material shall be erected on any Unit other than the mailbox provided by Declarant or a replacement of same.

ARTICLE VII

ARCHITECTURAL CONTROL

7.1 Architectural Planning Criteria. The following architectural criteria shall apply to the Community:

(a) Exterior Color Plan: The Committee shall have final approval of all exterior color plans. Each Owner shall submit to the Committee a color plan prior to changing the color of his Unit showing the proposed color of all exterior surfaces. The Committee shall determine whether the color plan is consistent with the improvements in the surrounding areas and whether the color plan conforms with the natural color schemes of the Community.

(b) Fencing and Walls: The composition, location and height of any fence or wall to be constructed on any Lot shall be subject to the Committee's prior written approval. The Committee shall require the composition of any fence or walls to be consistent with the material used in the surrounding Units and other fences, if any. Proposed screening for garbage areas and air conditioning equipment shall be indicated on plans submitted to the Committee.

(c) Landscaping: Not more than three (3) additional trees may be planted in the front yard. Large shade trees shall not be planted in locations which will, immediately or in the future, create a nuisance, shade a pool, hot tub or whirlpool bath, or screen the view of another Unit. Lawn areas of the Common Properties shall be planted with grass, sod and such trees as Declarant shall, in its sole discretion, deem appropriate. No trees or shrubbery shall be planted in any fire lane as shown on the Plat of the Community. No Owner shall plant or have planted any trees without the Committee's prior written approval.

(d) Removal of Trees: No trees shall be cut or removed without the Committee's prior written approval.

(e) Utility Connections: Building connections for all utilities, including, but not limited to water, electricity, telephone and television shall be run underground from the proper connecting points to the unit in a manner which complies with all governmental requirements.

7.2 Additional Criteria. Additional criteria, together with modifications of the aforementioned standard, may be approved by the Committee from time to time, provided such modifications and amendments shall be in written form and executed with the formalities of a deed and shall be recorded as amendments to this Declaration with the Board's approval.

7.3 Composition of Architectural Control Committee; Procedures.

The Architectural Control Committee shall consist of three (3) persons selected by Declarant. Declarant shall have the right to change the membership thereof as Declarant deems appropriate; provided, however, that subsequent to the date Declarant no longer controls the Association, the Board shall appoint the Committee. Each Committee member shall be appointed for a

term of one (1) year. The Committee shall meet from time to time as necessary to perform its duties. Any Owner desiring approval of any plans or specifications ("plans") shall submit such plans to the Committee by certified mail. Approval or disapproval by the Committee shall be evidenced by a written instrument executed by at least one (1) Committee member and shall be delivered to the Board and to the submitting Owner. Should the Committee fail to act upon any such submission within thirty (30) days from the Committee's receipt thereof, such inaction shall be deemed approval of the submission. In the event that the Committee shall disapprove any proposed structure, exterior addition, change or alteration, the Committee shall state with specificity the reasons for the disapproval. Committee approval of any plans shall not be deemed to constitute a waiver of any right to withhold approval as to any similar plans subsequently submitted.

7.4 Inspection of Completed Work; Corrections. Inspection of work for which plans have been approved and correction of defects therein shall proceed as follows:

A. Upon completion of work, the submitting Owner shall give written notice of completion to the Committee.

B. Within sixty (60) days thereafter, the Committee (or its agent) may inspect the work. If the Committee shall find the work not in substantial compliance with the approved plans, it shall notify the submitting Owner in writing within such 60-day period and shall require corrections for compliance.

C. If the submitting Owner shall not have corrected the noncompliance within thirty (30) days from the date of notification, the Committee shall notify the Board of such failure and the Board, at its option, shall be entitled to either remove the noncomplying work or remedy the noncompliance, and the submitting Owner shall reimburse the Association. Upon demand, for all expenses incurred. If the submitting Owner shall not reimburse the Association promptly, the Board shall levy a special individual assessment against the subject Unit and Owner for such reimbursement.

D. The Committee's failure to notify a submitting Owner of any noncompliance within the 60-day period after receipt of written notice of completion shall be deemed an approval of the work.

7.5 Disclaimer. Neither the Committee nor any member, employee or agent thereof shall be liable to the Association, any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties, unless due to the wilful misconduct or bad faith of such an individual and only that individual shall have any liability. The Committee shall not be responsible for reviewing, nor shall its approval of any plan be deemed approval of, structural safety or any building or other code compliance.

ARTICLE VIII

INSTITUTIONAL LENDERS

8.1 Rights. So long as any Institutional Lender(s) shall hold any mortgage (s) upon any unit(s) or shall be the owner(s) of any unit(s) such Institutional Lender(s) shall have the following rights which may be exercised by written notice to the Association:

A. to be furnished with a copy of the Association's annual financial statement;

B. to inspect current copies of this Declaration, the By-Laws, the Rules and Regulations, the books and records and the financial statements of the Association, during normal business hours or under other reasonable circumstances;

C. to pay, jointly or singly, taxes or other charges which are in default and which may or have become a charge against any of the Common Properties.

D. to pay, jointly or singly overdue premiums on hazard insurance policies or to secure new hazard insurance coverage upon the lapse of a policy for the Common Properties.

8.2 Reimbursement. The Association shall owe immediate reimbursement to such Institutional Lender(s) for any payments made pursuant to Sections 8.1 C and/or 8.1 D. By joining in this execution of this Declaration, the Association agrees to the Institutional Lender(s)' entitlement to such reimbursement.

8.3 Notices. Upon written notice to the Association, indentifying the Institutional Lender, such Institution Lender shall be entitled to timely written notice of:

A. Any condemnation or casualty loss that affects either a material portion of the Community or the Unit securing its mortgage.

B. Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any unit on which it holds the mortgage.

C. A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

D. Any proposed action that requires the consent of a specified percentage of Institutional Lenders.

ARTICLE IX
GENERAL PROVISIONS

9.1 Duration. The covenants and restrictions of this Declaration shall run with and bind the Units and the Common Properties in the Community and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration shall be recorded ("the Initial Term"), after which time said covenants shall be extended automatically for successive periods of ten (10) years, unless this Declaration shall be terminated at the end of the Initial Term or prior to a successive ten (10) year period at a special meeting of the membership of the Association held not less than five (5) years prior to the end of the Initial Term or not less than five (5) years prior to the commencement of any successive ten (10) year term by the affirmative vote of not less than seventy-five (75%) percent of the Owners, in which event an instrument to this effect shall be recorded in the Public Records of Palm Beach County, Florida, subject, however, to Declarant's rights as set forth in this Declaration.

9.2 Amendments. Subject to Declarant's rights and other restrictions expressly as set forth herein, this Declaration may be amended at any regular or special meeting of the members by the affirmative vote of not less than seventy-five (75%) percent of the voting members; provided,

however, that during the period that Declarant controls the affairs of the Association; the Board by a two-thirds (2/3) vote may amend this Declaration; and further provided, that no amendment shall change a Unit's proportionate share of Association expenses, unless the record owners of the affected Units join in the execution of the amendment. Each amendment shall be recorded in the Public Records of Palm Beach County, Florida. Notwithstanding the foregoing provisions of this Section, this Declaration may not be amended without Declarant's prior written consent until December 31, 1989, unless Declarant waives such requirement in writing.

9.3 Notices. Any notice required to be sent hereunder shall be deemed to have been properly sent when delivered or mailed, postpaid, to the last known address of the Owner or other addressees on the records of the Association at the time of such mailing.

9.4 Enforcement; No Waiver. The Association and/or any Owner shall have the right to enforce the provisions of this Declaration by any proceeding at law or in equity against any person(s) violating or attempting to violate any covenant or restriction, either to restrain such violation, to recover damages or to enforce performance and against the applicable Unit to enforce any lien created herein; and failure by the Association or any Owner to enforce the provisions of this Declaration shall in no event be deemed a waiver of the right to do so thereafter. Where litigation occurs to enforce said provisions or to recover damages or to enforce any lien created herein the prevailing party in such litigation shall be entitled to recover court costs and reasonable attorneys' fees, including court costs and reasonable attorneys' fees in any appellate proceeding.

9.5 Severability. Invalidity of any portion of this Declaration by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

9.6 Gender and Plurals. The use in this Declaration of the male gender shall include the female gender, and the use of the singular shall include the plural and vice versa, as the context requires.

IN WITNESS WHEREOF, the undersigned have executed this Declaration on this 30th day of November 1984.

ATTEST:

SOMERSET DEVELOPMENT CORP.,
a Florida corporation, a
PARTNER

By: [Signature]

Assistant Secretary

By: [Signature]

RAUL PLANAS, President

and

H.M.F. INVESTMENTS, INC.,
a Florida corporation, a Partner

By: [Signature]

MICHAEL S. RUBIN, President

Together doing business as
HANOVER SQUARE ASSOCIATES
a Florida Joint Venture

STATE OF FLORIDA)

COUNTY OF DADE)

BEFORE ME, a Notary Public, personally appeared RAUL PLANAS and CARLOS VEGA as President and Assistant Secretary, respectively, of HANOVER SQUARE, a Florida corporation, who did acknowledge before me that he executed the foregoing for the uses and purposes therein set forth, for and on behalf of said corporation.

WITNESS my hand and official seal this 30th day of November 1984.

[Signature]
NOTARY PUBLIC, State of Florida at Large

My Commission Expires:

STATE OF FLORIDA)

COUNTY OF DADE)

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. SEPT 3, 1988
BONDED THRU GENERAL INS. UND.

BEFORE ME, a Notary Public, personally appeared MICHAEL S. RUBIN and TERRY V. HANSEN as President and Secretary, respectively, of H.M.F. INVESTMENTS, INC., a Florida corporation, who did acknowledge before me that he executed the foregoing for the uses and purposes therein set forth, for and on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at the County and State aforesaid, this 30th day of November 1984.

[Signature]
NOTARY PUBLIC, State of Florida at Large

My Commission Expires

NOTARY PUBLIC STATE OF FLORIDA
BONDED THRU GENERAL INSURANCE UND
MY COMMISSION EXPIRES NOV. 16, 1988

EXHIBIT A
LEGAL DESCRIPTION

The West 461 feet, as measured at right angles, of the East three quarters (E 3/4) of the North half (N 1/2) of the Northeast Quarter (NE 1/4) of the Southeast Quarter (SE 1/4); and the East half (E 1/2) of the Southwest Quarter (SW 1/4) of the Northeast Quarter (NE 1/4) of the Southeast Quarter (SE 1/4), less the West 198 feet of the South half (S 1/2) thereof; TOGETHER WITH the West 193 feet of the West half (W 1/2) of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4) of the Southeast Quarter (SE 1/4); all in Section 13, Township 46 South, Range 42 East, Palm Beach County, Florida, LESS and not including rights of way for State Road 806.

Together with:

The East three quarter (E 3/4) of the North Half (N 1/2) of the Northeast Quarter (NE 1/4) of the Southeast Quarter (SE 1/4) less the West 461 feet thereof, as measured at right angles; TOGETHER WITH the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4) of the Southeast Quarter (SE 1/4), less the West 193 feet and the East 132 feet thereof, as measured at right angles, all in Section 13, Township 46 South, Range 42 East, Palm Beach County, Florida.

LESS and not including the following described parcel, to wit:

Beginning at the intersection of the West line of the East one-fifth (E 1/5) of the Southeast Quarter (SE 1/4) of the Northeast Quarter (NE 1/4) of the Southeast Quarter (SE 1/4) of said Section 13, with the Northerly right of way of S.R. No. 806 (West Atlantic Avenue) as recorded in Road Plat Book 3, Page 27, Palm Beach County, Florida; thence North 0°34'01" West (assumed) along said West line, a distance of 200.0 feet; thence S. 88°50'27" West., a distance of 292.51 feet; thence South 0°26'37" East., a distance of 200.0 feet to the intersection with said Northerly right of way of S.R. 806; thence North 89°47'48" East along said Northerly right of way, a distance of 124.01 feet to the beginning of a curve concave to the North having a radius of 2811.93 feet and a partial central angle of 3°28'36"; thence Easterly along the arc of said curve, a distance of 160.89 feet to the Point of Beginning aforescribed.

FURTHER, LESS and not including any right-of-way for State Road 806 conveyed to the State of Florida in instruments recorded in Official Record Book 1020, Page 533 and Official Record Book 3209, Page 254, Public Records of Palm Beach County, Florida.

RECORDED'S MEMO: Legibility
of Writing, Typing or Printing
unsatisfactory in this document
when received.

RECORD VERIFIED
PALM BEACH COUNTY FLA
JOHN B. DUNKLE
CLERK CIRCUIT COURT

Return to: Jan Carson Cheezem, P.A.
777 Brickell Ave., Suite 1116
Miami, Florida 33131

JUL-23-1991 03:16pm 91-209032

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AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
HANOVER SQUARE

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS is made as of this 23rd day of January, 1991, by HOOKER HOMES, INC., a Georgia corporation ("Developer"), joined by HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit (the "Association"), and RICHARD DAVISON, as Trustee under a Florida land trust known as "Land Trust B" ("Davison").

W I T N E S S E T H:

WHEREAS, Hanover Square Associates, a Florida general partnership, caused plats of Hanover Square and Hanover Square First Addition to be filed, respectively, in Plat Book 48 at Page 192 (the "Hanover Square Plat") and in Plat Book 53 at Page 198 (the "First Addition Plat") of the Public Records of Palm Beach County, Florida; and

WHEREAS, Hanover Square Associates as "developer" joined by the Association, caused to be filed in the Public Records of Palm Beach County, Florida, at Official Records Book 4484, Page 84 et seq., a "Declaration of Covenants and Restrictions" for the land comprising both the Hanover Square Plat and the First Addition Plat (the "Original Declaration"); and

WHEREAS, Hanover Square Associates transferred title to certain undeveloped lots in the Hanover Square Plat and the First Addition Plat to Developer and transferred title to certain other undeveloped lots therein to Davison; and

WHEREAS, Hanover Square Associates assigned to Developer its rights and obligations as developer under the Original Declaration and any rights and obligations it may have as Developer hereunder, subject to the terms and conditions of the instrument of assignment from Hanover Square Associates to Developer; and

WHEREAS, Developer, the Association, and Davison subsequently joined in the replat of the First Addition Plat as "Windy Creek," according to the Plat thereof as recorded in Plat Book 64 at Page 39 of the Public Records of Palm Beach County, Florida (the "Windy Creek Plat"); and

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WHEREAS, the property shown on the Hanover Square Plat is referred to as "Hanover Square" and the property shown on the Windy Creek Plat is referred to as "Windy Creek"; and

WHEREAS, Developer, the Association, and Davison each wish to amend and restate the Original Declaration by the present instrument (this "Declaration"), such that this Declaration, rather than the Original Declaration, is the document which controls the development of Hanover Square and such that neither this Declaration nor the Original Declaration applies to Windy Creek; and

WHEREAS, Developer, the Association, and Davison each wish to affirm the intention that Hanover Square be developed as a planned community of single-family, detached, zero-lot line residential dwellings; and

WHEREAS, Developer, the Association, and Davison each wish to affirm the intention that Windy Creek and Hanover Square be governed by the Association after Windy Creek has been fully developed, as set forth in this instrument and in the Declaration of Covenants and Restrictions of Windy Creek of even date herewith; and

WHEREAS, it is necessary, in order to develop and maintain Hanover Square as a planned residential community and to preserve its values and amenities, to declare that Hanover Square is and shall be held, transferred, sold, conveyed, demised and occupied subject to certain covenants, restrictions, reservations, regulations, easements and liens and to delegate and assign to the Association certain powers and duties of ownership, management, operation, administration, maintenance and enforcement, as set forth in this Declaration;

NOW, THEREFORE, in consideration of the premises, mutual covenants and undertakings contained herein, Developer, joined by the Association and Davison, hereby declares that Hanover Square is and shall be held, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, reservations, regulations, easements and liens hereinafter set forth in this Amended and Restated Declaration of Covenants and Restrictions of Hanover Square and further declares that Hanover Square, shall be held, sold, conveyed, leased, mortgaged, and otherwise dealt with subject to the easements, covenants, conditions, restrictions, reservations, liens, and charges set forth herein, all of which are created in the best interest of the owners and residents of Hanover Square, and which shall run with Hanover Square and shall be binding upon all persons having and/or acquiring any right, title or interest in the Hanover Square or any portion thereof, and shall inure to the benefit of each and every person, from time to time, owning or holding an interest in the Hanover Square, or any portion thereof.

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ARTICLE I

Definitions

Section 1.01. "Association" shall mean and refer to HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit, its successors and assigns.

Section 1.02. "Common Areas" shall mean and refer to all entry features, walls, areas of common access and medians, landscaping strips along roadways, and roadways and any other areas located in Hanover Square which are not a part of any Lot.

Section 1.03. "Davison" shall mean and refer to Richard Davison, as Trustee under a Florida land trust known as Land Trust B, his successors and assigns, if such successors or assigns should acquire more than one Lot from Davison for the purpose of development. Richard Davison, as Trustee under Land Trust B shall at all times have the right to assign his interest herein, in whole or in part, to any successor or successors or nominee or nominees.

Section 1.04. "Developer" shall mean and refer to HOOKER HOMES, INC., its successors and assigns, if such successors or assigns should acquire more than one Lot from the Developer for the purpose of development. HOOKER HOMES, INC., shall at all times have the right to assign its interest herein, in whole or in part, to any successor or successors or nominee or nominees.

Section 1.05. "Lot" shall mean and refer to any lot on which a dwelling unit may be constructed, designated as such on the Plat of Hanover Square recorded in the Public Records of Palm Beach County, Florida, and any lot shown upon any resubdivision of any plat of the Properties or any portion thereof.

Section 1.06. "Member" shall mean and refer to each Owner in his or her role as member of the Association.

Section 1.07. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.08. The "Properties" shall mean and refer to the real property described in Exhibit "A" hereto and any additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

PROPERTY RIGHTS

Section 2.01. Title to Common Areas. The Common Areas are hereby dedicated to the joint and several use, in common, of the Owners of all Lots that may from time to time constitute part of the Properties.

The Association, its officers and shall be responsible for the maintenance of the Common Areas in a continuous and satisfactory manner and for the payment of taxes assessed against the Common Areas and any improvements and any personal property belonging to the Association. The Association shall also be responsible for the maintenance, repair, and replacement of property belonging to it.

Developer and Davison shall have the right from time to time to enter upon the Common Areas during periods of construction upon the Properties. Developer and Davison shall have the right to use the Common Areas for sales, displays and signs during the period of construction and sale of the Lots and of lots in Windy Creek.

Section 2.02. Members' Easements of Enjoyment. Each Member of the Association, each family member residing with such Member, and each tenant, agent, guest, licensee and invitee of such Member shall have a permanent and perpetual easement for the use of all Common Areas in common with all other Members of the Association, their family members, tenants, agents, guests, licensees, and invitees. Each Member, each family member residing with such Member, and each tenant, agent, guest, licensee, and invitee of such Member shall have a permanent and perpetual easement for ingress and egress for pedestrian and vehicular traffic over and across the walkways and driveways from time to time laid out on the Common Areas, for use in common with all other Members, their family members, tenants, agents, guests, licensees and invitees. The portion of the Common Areas not used, from time to time, for walkways and/or driveways shall be for the common use and enjoyment of the Members of the Association and each Member shall have a permanent and perpetual easement for pedestrian traffic across all such portion of such tracts and for the use of same as common open space in such manner as may be regulated by the Association. The foregoing rights and easements shall be appurtenant to and shall pass with the title to every lot, and shall be subject to the following:

- (a) The right of the Association to take such steps as are reasonably necessary to protect the Common Areas against foreclosure;

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(b) The right and duty of the Association to levy assessments against each Lot in compliance with the provisions of this Declaration and with any restrictions of any plat of all or part of the Properties;

(c) All provisions of this Declaration and of any plat of all or any part or parts of the Properties;

(d) Rules and Regulations adopted by the Association governing use and enjoyment of the Common Areas;

(e) The right of the Association to suspend an Owner's voting rights and right to use the Common Areas for any period during which any assessment against his Lot remains unpaid;

(f) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, utility, or Owner for such purposes and subject to such conditions as may be agreed to by the members and applicable government authorities; provided that no such dedication or transfer shall be effective unless an instrument is signed by the appropriate officers of the Association certifying that a special or regular meeting of Members was called for such purpose, of which thirty (30) days' prior written notice was sent to each Member, that a quorum was present at such meeting, and that the vote of two-thirds (2/3) of the members present, either in person or by proxy, was obtained agreeing to such dedication or transfer; and

(g) The right of the Association to mortgage all or any part of the Common Areas for such purposes and subject to such conditions as may be agreed to by the Members; provided that no such encumbrance shall be effective unless an instrument is signed by the appropriate officers of the Association certifying that a special or regular meeting of Members was called for such purpose, of which thirty (30) days' prior written notice was sent to each Member, that a quorum was present at such meeting, and that the vote of two-thirds (2/3) of the Members present, either in person or by proxy, was obtained agreeing to such encumbrance, and further provided that the funds received from such mortgage be used for the improvement, repair, or replacement of the Common Areas and the improvements thereon.

Developer has the right to grant such further easements over, across, under, through and upon the Common Areas as may be necessary or convenient to provide (i) ingress and egress for persons and vehicles, (ii) power, electricity, telephone, cable television, gas, water, drainage and other utility facilities,

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irrigation, television transmission facilities, security services and garbage waste removal, and (iii) for the repair and maintenance of the equipment necessary to provide such services.

Section 2.03. Easements to Windy Creek Owners, Developer, and Davison. Each owner of a lot in Windy Creek, as shown on the Windy Creek Plat, each family member residing with such owner, and each tenant, agent, guest, licensee, and invitee of such owner shall have a permanent, non-exclusive, and perpetual easement for the use of all Common Areas. Each owner of a lot in Windy Creek, each family member residing with such owner, and each tenant, agent, guest, licensee, and invitee of such owner shall have a permanent, non-exclusive, and perpetual easement for ingress and egress for pedestrian and vehicular traffic across and over the walkways and driveways from time to time laid out on the Common Areas. So long as Developer or Davison own any lot in Windy Creek, each of them shall be considered an owner of a lot in Windy Creek for the purposes of this Section 2.03.

Section 2.04. Easements Appurtenant. The easements provided in Sections 2.02 and 2.03 shall be appurtenant to and shall pass with the title to each Lot and to each lot in Windy Creek.

Section 2.05. Public Easements. Fire, police, health, sanitation and other public service personnel and vehicles shall have a permanent and perpetual nonexclusive easement for ingress and egress over and across the Common Areas.

Section 2.06. Developer's Construction and Sales Activities. In addition to the property rights granted in this Declaration to Developer, as Owner or otherwise, Developer has the right to enter upon the Properties at any time and in any way reasonably necessary to allow Developer to construct or sell, or promote, the sale or rental of Lots or improvements in Hanover Square or in Windy Creek or to carry out any responsibility of Developer to Owners in Hanover Square or Windy Creek, including but not limited to the right to use the street in front of any model areas designated by the Common Areas for location of Developer's sales center, to maintain and show model homes, to have employees in the office, and to use the Common Areas for sales activities. Notwithstanding any other provision in this Declaration, Developer is irrevocably empowered to sell, lease or rent Lots on any terms to any purchasers or lessees for as long as it owns any Lot. Davison shall have the same rights as Developer under this Section 2.06.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 3.01. Membership. All persons or entities who are Owners of Lots shall be Members of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Each Member shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE IV

MAINTENANCE AND INSURANCE

Section 4.01. Responsibility for Maintenance. The responsibility for the maintenance of the Properties is divided between the Association and the Owners. Maintenance of each Lot is the responsibility of its Owner; provided, however, that the Association may assume, by a vote of its Board of Directors, the responsibility for the regular mowing of front lawns on Lots and the maintenance of sprinkler systems located in such areas. The maintenance of the Common Areas, including but not limited to the roads, is the responsibility of the Association.

The Board of Directors of the Association has the right to require the Members to maintain their Lots in a manner befitting the standards of Hanover Square; and this responsibility of each Member, unless otherwise assumed by the Association in accordance with the terms of this Declaration, shall include the Member's obligation to maintain the shrubbery in a neat and trimmed manner, and to remove all objectional debris or material as may be located on the Lot.

Section 4.02. Maintenance of Common Areas. The Association shall at all times maintain the Common Areas in good condition and repair.

Section 4.03. Exterior Maintenance. The Association shall not have exterior maintenance responsibilities, periodic or otherwise, for Lots, except as specifically noted in Section 4.01. In the event an Owner of any Lot in the Properties shall fail to maintain his home and his Lot in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors and reasonable notice to the Owner in question, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and the exterior of the building

and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

For the sole purpose of performing the exterior maintenance authorized by this Section 4.03, the Association, through its duly authorized agents, employees or independent contractors, shall have the right, after reasonable notice to any owner, to enter upon any Lot at reasonable hours of any day except Sunday.

In the event of any emergency, the Association, through its duly authorized agents, employees, or independent contractors, shall have a right of entry without notice and on any day, including Sunday. Each owner hereby grants to the Association, its duly authorized agents, employees or independent contractors such easements for ingress and egress, across the Lots and through improvements constructed upon the Lots, as may be reasonably necessary to effect and perform the aforementioned exterior maintenance and to respond to any emergency.

In addition, the owner of any adjoining property (not within the Properties) may grant the Association, its duly authorized agents, employees or independent contractors, such easements for ingress and egress across its properties to effect and perform the aforementioned exterior maintenance. In such event, the Association shall indemnify the adjoining property owner for any damage or injury to the adjoining property owner's easement areas caused by the use thereof for access to perform exterior maintenance.

Section 4.04. Insurance. Property and casualty insurance on the Common Areas shall be maintained through the Association, to the extent deemed necessary by the Board. All damaged property shall be repaired and restored to the original condition using the proceeds of the insurance and, if the insurance proceeds are inadequate to cover the costs of such repair and restoration, through special assessments. In the event that the insurance proceeds shall be greater than the amount required to repair and restore the damage, the excess shall be deposited with the Association for the operation of the Association and/or maintenance of the Properties.

The Association may also purchase such other insurance as it may deem necessary on the Common Areas and for purposes of properly operating the Association. The Association may purchase liability insurance covering the Association's directors and officers.

The premiums of all insurance policies purchased by the Association shall be deemed to be general expenses for the Association and shall be paid by the Members through the periodic Assessments against each Lot.

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Section 4.05. Utility Services. The Association may contract with public or private utility companies for purposes of supplying utility services to the Properties and may assess the costs and expenses charged by such utility companies as part of the Assessments or as a special assessment.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 5.01. Creation of the Lien and Personal Obligation of Assessments. Developer, for each Lot within the Properties, hereby covenants (subject to the provisions of Sections 5.10 and 5.03 hereof), and each Member owning a Lot (including Davison for any Lots he may own in Hanover Square), by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual assessments or charges for the maintenance of the Common Areas as provided for herein, including such reasonable reserves as the Association may deem necessary, special assessments, and assessments for maintenance to be fixed, established and collected from time to time as provided herein. The annual, special and other assessments, together with such late fees thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each assessment, together with such late fees thereon and costs of collection thereof as hereinafter provided, shall also be a personal obligation of the person who is the Owner of such property at the time when the assessment fell due. All assessments, both regular and special, by the Association shall be against all Lots subject to its jurisdiction equally, except as otherwise provided in this Declaration. No Owner may waive or otherwise escape liability for the assessments for such maintenance by non-use of the Common Areas or abandonment of his right to use the Common Areas or otherwise.

Section 5.02. Purpose of Assessments. The annual and special assessments levied by the Association shall be used exclusively for the promotion of the health, safety and welfare of the Members of the Association and their families residing with them, their guests and tenants, and the families and guests of tenants; and for the improvement, maintenance, and insurance of the Common Areas; and for the payment of ad valorem taxes, in the event that Palm Beach County should levy and bill the Association directly.

Section 5.03. Rate of Assessment. In determining the rate at which regular and special assessments shall be fixed for a Lot, a Lot shall either:

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- a) be assessed as an "Empty Lot," as defined; or
- b) be assessed as a "Built Lot," as defined.

A Lot shall be considered an "Empty Lot" from and after the effective date of this Declaration to the later of (i) the date thirty (30) days following the date a certificate of occupancy is issued for a residence on such Lot and (ii) the date title to such Lot is transferred to a third party from either Davison or Developer. From and after such date, the Lot shall be a "Built Lot."

The Board of Directors of the Association shall determine an equitable division of any proposed assessment between the Empty Lots and the Built Lots and, in so doing, shall take into account the nature of the expenses for which the assessment is being charged. Each Empty Lot shall be assessed at the same rate as every other Empty Lot and each Built Lot shall be assessed at the same rate as every other Built Lot, except in the event the assessment in question is a special assessment levied against a certain Lot Owner under the terms of this Declaration.

Section 5.04. Date of Commencement of Assessments; Due Dates. The assessments provided for herein shall commence on the date or dates (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement. The due date of any assessment shall be fixed in the resolution authorizing such assessment. The assessments shall be payable in advance in one payment or in monthly or quarterly installments as determined by the Board from time to time.

Section 5.05. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the Assessment shall be sent to every Owner subject thereto not later than seven (7) days after fixing the date of commencement thereof.

The Association shall, upon demand, at any time furnish to any Owner liable for said assessment a certificate, in writing, signed by an Officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid.

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Section 5.06. Effect of Non-Payment of Assessment; the Lien; Personal Obligation; Remedies of Association. If any assessment is not paid on the date when due, such assessment shall then become delinquent, and a late fee of \$25.00 per month for each month such payment is late shall be added to such assessment. If the assessment is not paid within thirty (30) days after the due date, the Board of Directors of the Association, at its discretion, may, upon five (5) days' notice, declare due and payable all assessments applicable to that Owner's Lot for the year in which the delinquency occurs. The assessment when due, the late fee when imposed, and the accelerated assessment for the year if and when such assessments are accelerated, shall become a continuing lien on the Lot in the hands of the Owner, his heirs, devisees, personal representatives, and assigns, and shall also be the continuing personal obligation of the Owner against whom the assessment was levied.

If the assessment is not paid within thirty (30) days after the due date, the Association may at any time thereafter (whether or not assessments for the year are accelerated) bring an action to foreclose the lien against the Lot in like manner to a foreclosure of a mortgage on real property and/or a suit on the personal obligation against the Owner. There shall be added to the amount of such assessment the Association's cost of preparing and filing the complaint in such action, all court costs, attorneys' fees and other legal costs, including attorneys' fees in connection with any appellate proceedings arising out of any suit for collection or enforcement. In the event a judgment is obtained, such judgment shall include interest on the assessment (including all costs as described in the preceding sentence) from the date such action is filed.

Section 5.07. Subordination of Lien to Mortgages. The lien securing payment of the assessments provided for in this Article in favor of the Association shall be a lien superior to all other liens, save and except for tax liens and first mortgage liens which are amortized in monthly or quarter-annual payments over a period of not less than ten (10) years and are not payable to parties related to the Owner of the Lot in question ("First Liens"). Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof concerning a First Lien shall extinguish the lien of such assessments as to the payments which become due prior to such sale or transfer; provided, however, that the personal obligation of the person who was owner prior to such transfer shall continue in full force and effect. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 5.08. Working Capital Contribution. At the time title to a Lot is transferred by either Developer or Davison to a third party who is not a Developer, then the new Member will pay to the Association a Working Capital Contribution equal to three (3) times the monthly assessment on a Lot at the time the Working Capital Contribution is made. The purpose of the Working Capital Contribution is to provide funds for prepaid expenditures. The Budget shall be so structured as to assure the replenishment of the Association's working capital during the course of each fiscal year. The Working Capital Contribution is in addition to the monthly assessment charged on a Lot.

Section 5.09. Collection of Assessments. The Association shall be responsible for the collection of the periodic assessments to the Association.

Section 5.10. Exempt Property. The Board of Directors of the Association shall have the right to exempt property subject to this Declaration from the assessments, charges, or liens created herein if such property is used (and so long as it is used) for any of the following purposes:

- (a) Any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;
- (b) All Common Areas;
- (c) All properties exempted from ad valorem taxation by the laws of the State of Florida, to the extent agreed to by the Association.

No land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens under this Section 5.10. Any owner of any property exempted under this Section 5.10 shall not have any membership rights with respect to the exempted property as long as the property is exempted, but shall otherwise be subject to the provisions of this Declaration.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 6.01. Scope of Article VI. This Article shall apply to Owners other than Developer and Davison.

Section 6.02. Submission of Plans. No building, fence, wall, swimming pool, aerial, antenna, sewer, drain, disposal system, paving or other structure shall be commenced, erected, placed, or maintained upon any of the Properties, nor shall any

addition to any of the same, or change or alteration therein, be made until the plans, specifications, and location of same (hereinafter referred to as the "Plans") shall have been submitted to the Architectural Review Board (hereinafter referred to as "ARB") of the Association and approved in accordance with the procedure set out in Section 6.03. The ARB shall be a committee of the Board of Directors of the Association consisting of three members, one of whom shall be named by Developer and Davison so long as Developer or Davison owns any lot in Hanover Square or in Windy Creek and at least one of whom must be a Director of the Association other than Davison's nominee.

Section 6.03. Procedure.

(a) The Owner seeking approval must obtain approval of the Plans by the ARB in writing before making the addition, change, improvement or alteration. The failure of the ARB to render a written decision within sixty (60) days after the submission shall be deemed to be approval of the Plans.

(b) In the event the ARB disapproves the Plans within sixty (60) days after the submission, then the Owner seeking approval must use the following appeal procedure in seeking a reversal of such decision:

(i) The Owner seeking approval must make a written request within thirty (30) days after the ARB's written decision of disapproval to the Board of Directors of this Association.

(ii) A reversal by such Board of the ARB's written decision of disapproval or a failure of such Board to render a decision within forty (40) days after such written request is received by such Board (which shall be deemed to be an approval by such Board of the Owner's request) shall be dispositive of the issue with respect to the necessity of the ARB's approval.

(iii) In the event that such Board approves the ARB's decision of disapproval, then such Owner shall have the right, upon making a written request to the Secretary within the required time for notice of membership meetings, to have the matter placed upon the agenda for the next membership meeting to have the Board's decision reviewed by the membership of the Association.

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(c) In the event the Owner seeking approval fails to meet any of the time requirements above for appeal, then the decision of disapproval shall be deemed final and dispositive of the issue and such Owner shall have no further right to have the matter considered.

Section 6.04. Criteria.

(a) The ARB shall adopt criteria from time to time for making decisions relating to approval or disapproval of additions, changes, improvements or alterations. Such criteria may be amended from time to time by the ARB. Each Lot Owner, his heirs, successors and assigns, (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance) shall be bound by such criteria or any amendments or revisions thereof, notwithstanding the fact that such criteria, amendments or revisions are adopted after the Lot Owner purchases his Lot.

(b) Such criteria may include but shall not be limited to considerations as to size, style, color, conformity of design, location, relationship with surrounding structures, impact on neighboring Lots, aesthetic qualities, and quality of construction.

(c) It is intended that the ARB have flexibility in determining criteria based on the existing structures at the time the members of the ARB are sitting; provided, however, that no amendments or revisions of the criteria shall be applicable to a request for approval of an addition, change, improvement or alteration received by the ARB prior to the adoption of such amendment or revision.

Section 6.05. Compliance with Law. Even though an addition, change, improvement or alteration shall have been approved, it must also conform to the applicable laws and codes then in effect promulgated by Palm Beach County or its successor. It shall be the sole responsibility of the Owner seeking to make such addition, change, improvement, or alteration to determine such compliance.

ARTICLE VII

RULES, REGULATIONS AND RESTRICTIONS

Section 7.01. Rules and Regulations. Every Owner's use and enjoyment of his Lot and of the Common Areas shall be subject to such rules, regulations and restrictions as are adopted by the Board of Directors of the Association with respect to such use.

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Section 7.02. Restrictions: Covenants Running with the Land. The agreements, covenants, and conditions set forth in the rules and regulations adopted by the Board of Directors shall constitute an easement and servitude in and upon the Properties and every part thereof, and they shall run with the land and shall inure to the benefit of and be enforceable by the Association and/or the Owner(s) and/or the Developer and/or Davison and failure to enforce any building restrictions, covenants, conditions, obligations, and reservations, rights, powers, or charge hereinbefore or hereinafter contained, however long continued, shall in no event be deemed a waiver of the right to enforce as aforesaid thereafter as to the same breach or violation occurring prior or subsequent thereto. Failure to enforce same shall not, however, give rise to any liability on the part of the Association with respect to parties aggrieved by such failure.

Section 7.03. Remedies for Violation. Violation or any breach of any condition, restriction or covenant set forth in said Rules and Regulations shall give the Association and/or Owner(s) and/or the Developer and/or Davison, in addition to all other remedies, the right to proceed at law or in equity to compel a compliance with the terms of said conditions, restrictions, or covenants, and to prevent the violations or breach of any of them, and the expense of such litigation shall be borne by the then Owner or Owners of the subject property, provided such proceeding results in a finding that such Owner was in violation of said restrictions. Expenses of litigation shall include reasonable attorneys' fees incurred by the Association in seeking such enforcement. The invalidation by any court of any of the restrictions herein contained shall in no way affect any other restrictions, but they shall remain in full force and effect.

Section 7.04. Transaction of Business by Developer. Notwithstanding any other provision in this Declaration, Developer is irrevocably empowered to sell, lease, or rent lots on any terms to any purchasers or lessees for as long as it owns any Lot in Hanover Square or any lot in Windy Creek. Developer shall have the right to transact any business necessary to consummate sales of said lots, including but not limited to the right to maintain model lots, have signs, have employees in the offices, use the Common Areas for sales, leasing, and marketing purposes, and show lots. Sales office signs and all items pertaining to sales shall not be considered property of the Association and shall remain the property of Developer. Davison shall have the same rights as Developer under this Section 7.04.

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ARTICLE VIII

WINDY CREEK

Section 8.01. Acknowledgment. Each of the parties to this Declaration acknowledges that it is the intent of each of them that, at such time as neither Developer nor Davison shall own any lots in Windy Creek, Windy Creek shall be governed by the provisions of this Declaration and each owner of a lot in Windy Creek shall then become a Member of the Association. Each of the parties to this Declaration further acknowledges that Davison may elect to cause Windy Creek to be governed by the provisions of this Declaration at such earlier date as Davison may elect, as set forth in more detail in the Declaration of Covenants and Restrictions of Windy Creek.

Section 8.02. Common Expenses. Until such time as the owners of lots in Windy Creek shall have become Members of the Association, each such owner, including Developer and Davison, shall be responsible for a share of the common expenses of the Association. Such share of the common expenses shall be billed to and paid by the Windy Creek Homeowners' Association on a monthly or quarterly basis and shall be calculated as follows:

$$\frac{A + B}{111} \times 64$$

C

where:

- A = the budgeted amounts in the Association's annual budget for the costs of those Common Areas used by owners of lots in Windy Creek, such as the entry way, the swimming pool and pool area, and the tennis court and playground area; and
- B = the budgeted amounts in the Association's annual budget for reserve accounts to be funded for the repair and replacement of those Common Areas; and
- C = if the payments are made on a monthly basis, then C = 12, and, if the payments are made on a quarterly basis, then C = 4.

Davison, Developer, the Windy Creek Homeowners' Association, Inc., and the Association, acting through its Board of Directors, may enter into agreements on common expenses from time to time, and such agreements shall supercede this Section 8.02.

Section 8.01. Further Assurances. Each of the parties to this Declaration agrees that it shall provide such further assurances and instruments as may be necessary or useful to give effect to the intent of this Article VIII, including, without limitation, the giving by the Association to the Windy Creek Homeowners' Association of quit-claim deeds to the common areas such as roads shown on the Windy Creek Plat.

ARTICLE IX

GENERAL PROVISIONS

Section 9.01. Duration. The covenants and restrictions hereof shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by Davison, Developer, the Association, and any Owner subject to this Declaration, and their respective legal representatives, heirs, successors and assigns for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then owners of two-thirds (2/3) of the Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part, provided, however, that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 9.02. Notices. Any Notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as an Owner on the records of the Association at the time of such mailing.

Section 9.03. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 9.04. Amendment. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Owners and thereafter, by an instrument signed by not less than seventy-five percent (75%) of the Owners. No amendment shall alter any of the provisions of this Declaration which concern the rights of the Developer, Davison, or the owners of lots in Windy Creek without the prior approval of the affected party. No amendment shall alter the subordination provisions of this Declaration without the prior approval of any mortgagee enjoying such protection. No amendment shall alter any of the provisions of

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this Declaration which concern assessments without the prior approval of Palm Beach County, Florida. Notwithstanding the foregoing, for a period of two (2) years following the effective date of this Declaration, the Developer or Davison may amend this Declaration so that potential homeowners in Hanover Square and/or Windy Creek may qualify for FHA/VA financing, provided, however, that any such amendments shall not materially affect the rights of the owners or of mortgagees.

Section 9.05. Leases. Any lease agreement relative to any Lot shall be for a term of no less than three (3) months and shall provide that the terms of the lease are subject in all respects to the provisions of this Declaration and that any failure by the lessee to comply with terms of this Declaration and the rules and regulations in effect from time to time is a default under the lease. A copy of the rules and regulations in effect at that time shall be attached to and made a part of each lease. All leases shall be in writing with a copy to be sent to the Board of Directors.

Section 9.06. Encroachments. In the event any portion of any Lot encroaches upon the Common Areas as a result of the construction, reconstruction, repair, shifting, settlement or moving of any portion of the Properties, a valid easement for the encroachment, and for the maintenance of the same, shall exist so long as the encroachment exists. Likewise, if any portion of any roof or of any air conditioning equipment of any home overhangs and thereby encroaches upon the Common Areas or another Lot, then a valid easement for the encroachment, and for the maintenance of same, shall exist so long as the encroachment exists.

Section 9.07. Cause of Action. The failure of any Owner to comply with the provisions of this Declaration will give rise to a cause of action in the Association, in the Developer, in Davison, and in any aggrieved Owner for the recovery of damages, or for injunctive relief, or both.

Section 9.08. Standards for Consent, Approval, Completion, Other Actions and Interpretation. Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Developer, the Association or the Architectural Review Board, such consent, approval, or action may be withheld (except as it relates to matters regarding taxes or maintenance) in the sole and unfettered discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed by the Developer, the Association, or the Architectural Review Board, shall be deemed so completed or substantially completed when such matters have been completed or substantially completed in the sole and unfettered opinion of the Developer, the Association, or the Architectural Review Board, as appropriate. This Declaration

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shall be interpreted by the Board of Directors and an opinion of counsel of the Association rendered in good faith that a particular interpretation is not unreasonable shall establish the validity of such interpretation.

Section 9.09 Conflict. This Amended and Restated Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and By-laws of the Association and the Articles shall take precedence over the By-laws.

Section 9.10. Effective Date. This Amended and Restated Declaration shall become effective upon its recordation in the Public Records of Palm Beach County, Florida.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 23rd day of January, 1991, joined by the Association and by Davison.

ATTEST:

HOOKEE HOMES, INC.

Josephine Cicchetti
JOSEPHINE CICHETTI

By: Suzanne Kruse J.P.
SUZANNE KRUSE

STATE OF Florida)
COUNTY OF Palm Beach) SS:

The foregoing instrument was acknowledged before me, the undersigned authority, this 17th day of January, 1991, by Suzanne Kruse and Josephine Cicchetti, Vice-President and Assistant Secretary, respectively, of HOOKEE HOMES, INC., a Georgia corporation, on behalf of that corporation.

Frank A. Ksiasek
Notary Public FRANK A. KSIASEK

My Commission expires:

JOINDER AND CONSENT OF ASSOCIATION

HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, hereby consents to and joins in the foregoing Amended and Restated Declaration of Covenants and Restrictions and hereby consents to the recording of the same and

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of related documents in the Public Records of Palm Beach County, Florida.

HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.

By:

Ronald L. Meggison
RONALD L. MEGGISON

Attest:

Barbara S. Jansen
BARBARA S. JANSEN

STATE OF FLORIDA

COUNTY OF Palm Beach

SS:

The foregoing instrument was acknowledged before me, the undersigned authority, this 19 day of January, 1991, by Ronald L. Meggison and Barbara S. Jansen, President and Secretary, respectively, of HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit on behalf of that corporation.

Adele M. Russell
Notary Public
ADELE M. RUSSELL

My Commission expires:

January 1, 1993

JOINDER AND CONSENT OF DAVISON

RICHARD DAVISON, as Trustee under a certain Florida land trust known as "Land Trust B," and the owner of certain lots in the Properties, hereby consents to and joins in the foregoing Amended and Restated Declaration of Covenants and Restrictions of Hanover Square and hereby consents to the recording of the same

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and related documents in the Public Records of Palm Beach County, Florida.

Richard Davison
RICHARD DAVISON, as Trustee
under Land Trust B

STATE OF Maryland ss:
COUNTY OF Baltimore

The foregoing instrument was acknowledged before me, the undersigned authority, this 22 day of January, 1991, by Richard Davison, as Trustee under Land Trust B.



Patricia J. Hauranen
Notary Public
PATRICIA J. HAURANEN

My Commission expires: 2-1-93

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3.1.91 (5)

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EXHIBIT "A"

All of that real property shown on the Plat of Hanover Square, a subdivision, as recorded in Plat Book 48 at Page 192 of the Public Records of Palm Beach County, Florida.

\\HOAForms\Hanover\AmenDecl.Cov
3.1.91

-22-

RECORD VERIFIED
PALM BEACH COUNTY, FLA
JOHN B. DUKLE
CLERK CIRCUIT COURT

Return to: Jan Carson Cheezem, P.A.
777 Brickell Ave., Suite 1116
Miami, Florida 33131

JUL-23-1991 03:16PM 91-209033

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AMENDED AND RESTATED
BY-LAWS OF
HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

Section 1.01. The name of the corporation is HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit, hereinafter referred to as the "Association". The principal office of the Association shall be located at 4152 N.W. 2nd Street, Delray Beach, Florida 33445, but meetings of members and directors may be held at such places within the state of Florida, County of Palm Beach, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 2.01. For convenience, these By-Laws shall be referred to as the "By-Laws," and the Articles of Incorporation of the Association shall be referred to as the "Articles." The declaration of covenants, conditions, and restrictions applicable to the property governed by the Association, as said declaration is recorded in the Public Records of Palm Beach County, Florida and as it may be amended from time to time, shall be referred to as the "Declaration." The other terms used in these By-Laws shall have the same definition and meaning as set forth in the Articles or the Declaration, unless herein provided to the contrary, or unless the context otherwise requires.

ARTICLE III

MEETINGS OF MEMBERS

Section 3.01. Annual Meetings. Each annual meeting of the Members shall be held in February, on any day of that month, at the hour specified by the Board of Directors. If the day for the annual meeting of Members is a Sunday or legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 3.02. Special Meetings. Special meetings of the Members may be called at any time by the President or by any Member of the Board of Directors, or upon written request of members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3.03. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 3.04. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-half (1/2) of the votes of all Members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the Meeting, until a quorum as aforesaid shall be present or be represented.

Section 3.05. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. Holders of proxies need not be Members, but no person other than a designee of the Developer may hold more than ten (10) proxies.

Section 3.06. Members' Roster. The Association shall maintain a roster of its Members. Change of membership in the Association shall be established by an owner's recording in the Public Records of Palm Beach County, Florida, a deed or other instrument establishing record title to a Lot and, thereupon, the membership of the prior owner shall be terminated. It is the responsibility of each Member to inform the Association of a change in ownership of his Lot and to provide to the Association a copy of the recorded deed. The Association may issue certificates of membership.

Section 3.07. Voting Certificates. If a Lot is owned by one person, his right to vote shall be established by the roster of Members. If a Lot is owned by more than one person, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by all of the record owners of the Lot according to the roster of Members and filed with the Secretary of the Association (a "Voting Certificate"). The person designated need not be a Lot owner, nor one of the joint owners. If a Lot is owned by a corporation, the person entitled to cast

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the vote for the Lot shall be designated by a Voting Certificate signed by an appropriate officer of the corporation and filed with the Secretary of the Association. The person designated need not be a Lot owner. Voting Certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned. A Voting Certificate may be revoked by any record owner of an undivided interest in the Lot or in the case of a corporate owner, by the president or a vice president of the owner. If a Voting Certificate for a Lot owned by a corporation or by more than one person is not on file, or has been revoked, the vote of the owner(s) of such Lot shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until a Voting Certificate is filed, except if the Lot is owned jointly by a husband and wife. If a Lot is owned jointly by a husband and wife, they may, without being required to do so, designate a voting Member in the manner provided above. Such designees need not be a Lot owner. In the event a husband and wife do not designate a voting Member, the following provisions shall apply:

(a) If both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

(b) If only one is present at a meeting, the person present shall be counted for purposes of a quorum and may cast the Lot vote just as though he or she owned the Lot individually, and without establishing the concurrence of the absent person.

(c) If both are present at a meeting and concur, either one may cast the Lot's vote.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

Section 4.01. Number. The affairs of the Association shall be managed by a Board of Directors composed of not less than three (3) Members, but as many Members as a majority of the Members may from time to time determine. Directors need not be Members. During the period from the recording of these By-Laws in the Public Records of Palm Beach County, Florida, until the date that Windy Creek Homeowners' Association, Inc., shall deed its common areas and transfer all of its functions to the Association, at least one (1) of the Directors shall be a representative of Davison or his successors.

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Section 4.02. Term of Office. At the first Annual Meeting held after turnover of the Association by the Developer, the Members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years; and at each Annual Meeting thereafter, the Members shall elect the appropriate number of directors for a term of three years. Each Director named by Davison or his successor shall serve at the pleasure of the entity having named him to the Board.

Section 4.03. Removal. Any Director not appointed by Davison or his successor may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term, except that, if such Director was appointed by Davison or his successor, then Davison or his successor shall name the replacement for such Director.

Section 4.04. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as approved by the Board of Directors.

Section 4.05. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 5.01. Nomination. Nominations for election to the Board of Directors shall be made by a Nominating Committee appointed by the Board of Directors. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two or more other Members of the Association. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 5.02. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 6.01. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 6.02. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any Director, after not less than three (3) days' notice to each Director.

Section 6.03. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.01. Powers. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of HANOVER SQUARE and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these By-Laws may not be delegated to the Board of Directors by the Members. The powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

- (a) operate and maintain the Common Areas;
- (b) determine the expenses required for the operation of the Association;

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(c) adopt and publish rules and regulations governing the use of the Common Areas and the personal conduct of Members and their guests thereon, and to establish penalties for the infraction thereof;

(d) collect all assessments from Members and suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(e) exercise for the Association all powers, duties and authority invested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(f) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(g) employ a manager, an independent contractor, or such other employee or employees as they deem necessary, and to prescribe their duties;

(h) maintain bank accounts on behalf of the Association and designate the signatories required therefor;

(i) obtain and review insurance for the Association, and determine appropriate deductibles for each policy;

(j) contract with and create special taxing districts;

(k) grant easements to and over the Common Areas on behalf of the Members and enter into agreements on the maintenance and repair of the property covered by such easements; and

(l) hire attorneys, accountants and other professional consultants.

Section 7.02. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the

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Members, or at any Special Meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(i) fix the amount of the annual Assessment against each lot at least thirty (30) days in advance of each annual assessment period;

(ii) send written notice of each assessment to every Member subject thereto at least thirty (30) days in advance of each annual assessment period; and

(iii) file and foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or bring an action at law against the owner personally obligated to pay the same, unless provision satisfactory to the Board for the payment thereof is made.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of the certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Areas and any other areas specified in the Declaration or otherwise to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 8.01. Enumeration of Officers. The officers of this Association shall be a president, who shall at all times be a member of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 8.02. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.03. Term. Each officer of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

Section 8.04. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 8.05. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.06. Vacancies. A vacancy in any officer may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8.07. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.04.

Section 8.08. Duties. The duties of the officers are as follows:

- (a) President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out;

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shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

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

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

(d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association together with the President; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX

COMMITTEES

Section 9.01. The Association shall appoint an Architectural Review Board, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

Section 10.01. The books, records and papers of the Association shall at all times, during reasonable business hours,

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be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association. Copies of any of these records may be purchased by any Member at a reasonable cost.

ARTICLE XI

ASSESSMENTS

Section 11.01. As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, a late fee of Twenty-five Dollars and No Cents (\$25.00) per month for each month such payment is late shall be added to the assessment, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. The Association has certain other rights regarding delinquent assessments, as set forth in more detail in the Declaration. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

Section 12.01. The Association shall have a seal in circular form having within its circumference the words:

HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE XIII

AMENDMENTS

Section 13.01. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of votes of Lots represented at a meeting at which a quorum of Members is present in person or by proxy.

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Section 13.02. Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or Davison or owners of Lots in Windy Creek or mortgagees of Lots without the consent of said Developer or Davison or the owners of Lots in Windy Creek or mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or the Declaration. No amendment to this Section 13.02 shall be valid.

Section 13.03. Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the By-Laws, which certificate shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate and a copy of the amendment is recorded in the Public Records of Palm Beach County, Florida.

ARTICLE XIV

RULES AND REGULATIONS

Section 14.01. Rules and Regulations. Attached hereto as Schedule "A" and made a part hereof are the rules and regulations concerning the use of HANOVER SQUARE. Attached hereto as Schedule "B" and made a part hereof are the rules and regulations of the Architectural Review Board.

Section 14.02. Modification of the Rules and Regulations. The Board of Directors may, from time to time, modify, amend or add to such rules and regulations, except that a majority of the Members represented at a meeting at which a quorum is present may overrule the Board with respect to any such modifications, amendments, or additions and provided that no rules or regulations may discriminate between owners of Lots in Hanover Square and owners of Lots in Windy Creek.

Section 14.03. Limitation on Modifications. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Developer or Davison or any rights granted by easement or agreement recorded in the Public Records of Palm Beach County, Florida. Any rules and regulations adopted must treat all persons with use rights in any part of the Common Areas identically, whether such persons be Lot owners or not.

Section 14.04. Copies to be Furnished. Copies of all modified, amended or additional rules and regulations shall be furnished by the Board of Directors to each affected Lot owner, to each tenant, and to each owner of a Lot in Windy Creek not less than thirty (30) days prior to the effective date thereof.

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ARTICLE XV

MISCELLANEOUS

Section 15.01. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

Section 15.02. Rule of Interpretation. If the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 15.03. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 15.04. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these By-Laws or the intent of any provision hereof.

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation; and

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THAT the foregoing By-Laws constitute the current By-Laws of said Association, as duly adopted at a special joint meeting of the Members and of the Board of Directors thereof, held on the 8th day of January, 1991.


BARBARA S. JANSEN
Secretary

1991.

SWORN TO and subscribed before me this 19 day of January


Notary Public, State of
Florida
ADELE M. RUSSELL
My commission expires:
Notary Public, State of Florida
My Commission Expires Jan. 20, 1992
Bundled with my commission

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SCHEDULE "A"

HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.

RULES AND REGULATIONS

All residents, guests, agents, and invitees (herein called "persons") shall be governed by the obligations and duties set forth in Hanover Square Homeowners' Association, Inc., Articles of Incorporation, the By-Laws, the Declaration, and any amendments thereto and these following rules and regulations:

1. Each person must use his Lot and all common areas in a manner that does not disturb or become a nuisance to others or cause injury to the reputation of the Association.

2. PETS

- 2.1 Pet owners must have control of their pets at all times.
- 2.2 Pet owners must accompany their pets when the pet leaves the owner's Lot.
- 2.3 Pet owners must promptly pick up their pet's solid waste and dispose of it safely.
- 2.4 Pet owners are financially responsible for any damage their pet causes.

3. GARBAGE

- 3.1 All persons must put all garbage and trash in garbage cans or bags or some other suitable containers designed for this purpose. All County waste regulations are to be followed.
- 3.2 All other trash shall be taken promptly to a County facility and may not remain on any Lot. Failure to comply with this rule will result in the Lot owner's being billed for the removal of the trash.
4. Only one (1) "For Rent" or "For Sale" or "Name" sign may be displayed on the exterior of any home. These signs must have the written approval of the Architectural Review Board, and be no larger than forty (40) square inches on a five (5) foot stake in the front yard of any Lot. Signs must be placed five (5) feet from the road.

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5. All objects foreign to the architectural exterior of the home must be kept out of sight, including, without limitations:
- 5.1 Inoperative motor vehicles or parts hereof.
 - 5.2 Clothes, hanging devices, and antennas.
 - 5.3 Commercial vehicles, bicycles, mopeds or motorcycles, boats, trailers, campers, trucks and motorhomes, except vans and pick-up trucks.
 - 5.4 Boats, trailers and recreational vehicles may be temporarily parked in the driveway of a home for periods of not longer than 24 consecutive hours.

Illegally parked or unauthorized vehicles on grass areas will be towed away at the owner's expense. No owner, guest, or invitee may park any vehicle on the grass areas of any Lot for more than four (4) consecutive hours during daylight hours.

6. All alterations to the exterior of any unit or building must have written approval of the Association's Architectural Review Board.

7. RECREATIONAL AREAS

- 7.1 Each person uses the recreational and other Common Areas at his or her own risk. Persons using the recreational areas must leave the areas in a clean condition.
 - 7.2 Wheelchairs and baby strollers are the only wheeled vehicles allowed in these areas.
 - 7.3 Children under the age of 17 must have adults checking on their behavior frequently.
8. Leases must be for a term of at least three (3) months and must be in writing. A copy of each lease must be sent to the Board of Directors of the Association.
- 8.1 The unit owner (lessor) must provide the tenant (lessee) with a copy of the Declaration, Articles of Incorporation, By-Laws and Rules and Regulations to read. The tenant must sign a statement that he/she has read these documents and agrees to abide by them.
9. The unit owner assumes financial responsibility for his tenant's damage to any of the Common Areas and therefore should get a security deposit large enough to cover this liability at the time his home is leased.

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10. There will be no exterior television, radio, or other antennas or dishes allowed.
11. Notice must be given promptly to the Board of Directors whenever title passes to a new unit owner. The selling owner must give the buyer copies of the Declaration, Articles of Incorporation, and Rules and Regulations.

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SCHEDULE "B"
RULES AND REGULATIONS
OF THE
ARCHITECTURAL REVIEW BOARD
OF HANOVER SQUARE

1. Any owner who desires to construct an improvement or structure of any kind on his Lot shall submit two complete sets of all plans and specifications and samples of proposed building materials to the Architectural Review Board (the "Board").
2. All exterior building materials shall be real and not artificial; the exteriors shall be consistent with the original building theme adopted by Developer.
3. All fixed games and play structures shall be located behind the residences constructed on the Lots.
4. No metal cyclone fences are permitted. All walls located in the front yard of a Lot shall be concrete block and stucco and in accordance with the design of the house. Back fences may be wood.
5. No window or wall air conditioning units are permitted.
6. All mailboxes or receptacles for the delivery of newspapers, magazines or mail shall be approved by the Board prior to installation on any Lot, and be in accordance with the regulations established by the Post Office.
7. All landscaping shall be consistent with the original landscaping provided by Developer.
8. No exterior television antennas or dish receivers of any type are permitted.
9. The color of the paint of each house must be maintained in accordance with the original colors used in Hanover Square.

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RECORD VERIFIED
PALM BEACH COUNTY FLA
JOHN B. DUNKLE
CLERK CIRCUIT COURT

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
WINDY CREEK

THIS DECLARATION is made on the date hereinafter set forth, by RICHARD DAVISON, as Trustee under a Florida land trust known as "Land Trust B" ("Developer"), joined by HOOKER HOMES, INC., a Georgia corporation ("Hooker"), by WINDY CREEK HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit ("Association") and by HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit (the "Hanover Square Association").

W I T N E S S E T H:

WHEREAS, Hanover Square Associates, a Florida general partnership, caused plats of Hanover Square and Hanover Square First Addition to be filed, respectively, in Plat Book 48 at Page 192 (the "Hanover Square Plat") and in Plat Book 53 at Page 198 (the "First Addition Plat") of the Public Records of Palm Beach County, Florida; and

WHEREAS, Hanover Square Associates as "developer" joined by the Hanover Square Association, caused to be filed in the Public Records of Palm Beach County, Florida, at Official Records Book 4484, page 84 et seq., a "Declaration of Covenants and Restrictions" for the land comprising both the Hanover Square Plat and the First Addition Plat (the "Original Declaration"); and

WHEREAS, Davison and Hooker are the successors in interest to Hanover Square Associates, which transferred title to certain undeveloped lots in the Hanover Square Plat and the First Addition Plat to Developer and transferred title to certain other undeveloped lots therein to Hooker; and

WHEREAS, Developer, the Hanover Square Association, and Hooker subsequently joined in the replat of the First Addition Plat as "Windy Creek," according to the Plat thereof as recorded in Plat Book 64 at Page 39 of the Public Records of Palm Beach County, Florida (the "Windy Creek Plat"); and

WHEREAS, the property shown on the Hanover Square Plat is referred to as "Hanover Square" and the property shown on the Windy Creek Plat is referred to as "Windy Creek"; and

WHEREAS, the Original Declaration has been amended and restated by a certain Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Hanover Square (the

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777 Brickell Ave., Suite 1116
Miami, Florida 33131

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"Amended Hanover Square Declaration"), such that the Amended Hanover Square Declaration, rather than the Original Declaration, is the document which controls the development of Hanover Square and such that neither the Original Declaration nor the Amended Hanover Square Declaration governs Windy Creek; and

WHEREAS, Developer, the Hanover Square Association, the Association, and Hooker each wish to affirm the intention that Windy Creek be developed as a planned community of single-family, detached, zero-lot line residential dwellings; and

WHEREAS, Developer, the Association, the Hanover Square Association, and Hooker each wish to affirm the intention that Windy Creek and Hanover Square be governed by the Hanover Square Association after Windy Creek has been fully developed, as set forth in this instrument and in the Amended Hanover Square Declaration of even date herewith; and

WHEREAS, Developer is the owner of the real property located in Windy Creek, and described in Exhibit "A" attached to and made a part of this Declaration and desires to create a residential community on such property with certain common areas for the benefit of such community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in Windy Creek and for the maintenance of its "Common Areas," as defined; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in Windy Creek, to delegate and assign to a newly-formed nonprofit corporation the powers of maintaining and administering the Common Areas and facilities and administering and enforcing these covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has incorporated, under the laws of the State of Florida, as a nonprofit corporation, Windy Creek Homeowners' Association, Inc., for the purposes of exercising the functions stated above, which Association is not intended to be a "Condominium Association" as such term is defined and described in the Florida Condominium Act (Chapter 718 of the Florida Statutes); and

WHEREAS, Hooker owns certain real property, described in Exhibit "B" attached to and made a part of this Declaration, and wishes for that property to also be subject to the provisions of this Declaration; and

WHEREAS, certain lots in Windy Creek have been conveyed to third-party purchasers, as more particularly described in Exhibit

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"C" attached hereto and made a part hereof, and those lots shall also be subject to the provisions of this Declaration; and

WHEREAS, the Hanover Square Association is granting certain easements and use rights to and in its common areas to the "Owners," as hereinafter defined, in the Amended Hanover Square Declaration being recorded of even date herewith in the Public Records of Palm Beach County, Florida;

NOW, THEREFORE, Developer, joined by Hooker, the Hanover Square Association, and the Association, hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

Definitions

Section 1.01. "Association" shall mean and refer to WINDY CREEK HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit, its successors and assigns.

Section 1.02. "Common Areas" shall mean and refer to all entry features, walls, areas of common access and medians, landscaping strips along roadways, and roadways and any other areas located in Windy Creek which are not a part of any Lot.

Section 1.03. "Developer" shall mean and refer to Richard Davison, as Trustee under a Florida land trust known as "Land Trust B" ("Davison"), and his successors and assigns, if such successors or assigns should acquire more than one Lot from the Developer for the purpose of development. Davison shall at all times have the right to assign his interest herein, in whole or in part, to any successor or successors or nominee or nominees, and no such party shall have any liability for any acts of Davison or of Hooker.

Section 1.04. "Hooker" shall mean and refer to HOOKER HOMES, INC., and its successors and assigns, if such successors or assigns should acquire more than one Lot from Hooker for the purpose of development. Hooker shall have at all times the right to assign its interest herein, in whole or in part, to any successor or successors or nominee or nominees, and no such party shall have any liability for any act of Davison or of Hooker.

Section 1.05. "Lot" shall mean and refer to any lot as designated on the Plat of Windy Creek recorded in the Public Records of Palm Beach County, Florida, in Official Records Book 64 at Page 39 and any lot shown upon any resubdivision of any plat of the Properties or any portion thereof.

Section 1.06. "Member" shall mean and refer to each Owner in his or her role as member of the Association.

Section 1.07. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.08. The "Properties" shall mean and refer to the Common Areas, the real property described in Exhibits "A," "B," and "C" hereto, and any additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

PROPERTY RIGHTS

Section 2.01. Title to Common Areas. The Common Areas are hereby dedicated to the joint and several use, in common, of the Owners of all Lots that may from time to time constitute part of the Properties.

Commencing with the date this Declaration is recorded, the Association shall be responsible for the maintenance of the Common Areas in a continuous and satisfactory manner and for the payment of taxes assessed against the Common Areas and any improvements and any personal property thereon accruing from and after the date this Declaration is recorded.

Developer and Hooker shall have the right from time to time to enter upon the Common Areas during periods of construction upon the Properties and for the purpose of construction of any facilities on the Common Areas that Developer elects to build. Developer and Hooker shall have the right to use the Common Areas for sales, displays and signs during the period of construction and sale of the Lots and of lots in Hanover Square.

Section 2.02. Members' Easements of Enjoyment. Each Member of the Association, each family member residing with such Member, and each tenant, agent, guest, licensee and invitee of such Member shall have a permanent and perpetual easement for the use of all Common Areas in common with all other Members of the Association, their family members, tenants, agents, guests,

licensees, and invitees. Each Member, each family member residing with such Member, and each tenant, agent, guest, licensee, and invitee of such Member shall have a permanent and perpetual easement for ingress and egress for pedestrian and vehicular traffic over and across the walkways and driveways from time to time laid out on the Common Areas, for use in common with all other Members, their family members, tenants, agents, guests, licensees and invitees. The portion of the Common Areas not used, from time to time, for walkways and/or driveways shall be for the common use and enjoyment of the Members of the Association and each Member shall have a permanent and perpetual easement for pedestrian traffic across all such portion of such tracts and for the use of same as common open space in such manner as may be regulated by the Association. The foregoing rights and easements shall be appurtenant to and shall pass with the title to every Lot, and shall be subject to the following:

- (a) The right of the Association to take such steps as are reasonably necessary to protect the Common Areas against foreclosure;
- (b) The right and duty of the Association to levy assessments against each Lot in compliance with the provisions of this Declaration and with any restrictions of any plat of all or part of the Properties;
- (c) All provisions of this Declaration and of any plat of all or any part or parts of the Properties;
- (d) Rules and Regulations adopted by the Association governing use and enjoyment of the Common Areas;
- (e) The right of the Association to suspend an Owner's voting rights and right to use the Common Areas for any period during which any assessment against his Lot remains unpaid;
- (f) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, utility, or Owner for such purposes and subject to such conditions as may be agreed to by the members and applicable government authorities; provided that no such dedication or transfer shall be effective unless an instrument is signed by the appropriate officers of the Association certifying that a special or regular meeting of Members was called for such purpose, of which thirty (30) days' prior written notice was sent to each Member, that a quorum was present at such meeting, and that the vote of two-thirds (2/3) of the members present, either in person or by proxy, was obtained agreeing to such dedication or transfer; and

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(g) The right of the Association to mortgage all or any part of the Common Areas for such purposes and subject to such conditions as may be agreed to by the Members; provided that no such dedication or transfer shall be effective unless an instrument is signed by the appropriate officers of the Association certifying that a special or regular meeting of Members was called for such purpose, of which thirty (30) days' prior written notice was sent to each Member, that a quorum was present at such meeting, and that the vote of two-thirds (2/3) of the Members present, either in person or by proxy, was obtained agreeing to such dedication or transfer.

Developer reserves the right to grant such further easements over, across, under, through and upon the Common Areas as may be necessary or convenient to provide (i) ingress and egress for persons and vehicles, (ii) power, electricity, telephone, cable television, gas, water, drainage and other utility and lighting facilities, irrigation, television transmission facilities, security services and garbage waste removal, and (iii) for the repair and maintenance of the equipment necessary to provide such services.

Section 2.03. Easements Appurtenant. The easements provided in Section 2.02 shall be appurtenant to and shall pass with the title to each Lot.

Section 2.04. Public Easements. Fire, police, health, sanitation and other public service personnel and vehicles shall have a permanent and perpetual nonexclusive easement for ingress and egress over and across the Common Areas.

Section 2.05. Developer's Construction and Sales Activities. In addition to the property rights granted in this Declaration to Developer, as Owner or otherwise, Developer has the right to enter upon the Properties, with the exception of individual Lots title to which has been transferred to third parties, any time and in any way reasonably necessary to allow Developer to construct or sell, or promote, the sale or rental of houses or Lots or improvements in Windy Creek or to carry out any responsibility of Developer to Owners in Windy Creek, including but not limited to the right to use the street in front of any model areas designated as Common Areas for location of Developer's sales center, to maintain and show model homes, to have employees in the office, and to use the Common Areas. Notwithstanding any other provision in this Declaration, Developer is irrevocably empowered to sell, lease or rent Lots on any terms to any purchasers or lessees for as long as it owns any Lot. Hooker shall have the same rights as Developer under this Section 2.05.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 3.01. Membership. All persons or entities who are Owners of Lots shall be Members of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 3.02. Class of Membership. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Developer and Hooker and each Class A Member shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Members shall be Developer and Hooker. Each Class B Member shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership upon the happening of the earlier to occur of the following events:

- (a) when only nine (9) votes remain in the Class B membership; or
- (b) at any earlier time that Developer, in his sole discretion, voluntarily converts the Class B membership to Class A membership.

ARTICLE IV

MAINTENANCE AND INSURANCE

Section 4.01. Responsibility for Maintenance. The responsibility for the maintenance of the Properties is divided between the Association and the Owners. Maintenance of each Lot is the responsibility of its Owner; provided, however, that the Association may assume, by a vote of its Board of Directors, the responsibility for the regular mowing of front lawns on Lots and the maintenance of sprinkler systems located in such areas. The maintenance of the Common Areas, including but not limited to the roads, is the responsibility of the Association. It is specifically contemplated that the Association may delegate or contract with Hanover Square for joint maintenance of the

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properties for which each is respectively responsible, with expenses to be equitably divided.

The Board of Directors of the Association has the right to require the Members to maintain their Lots in a manner befitting the standards of Windy Creek; and this responsibility of each Member, unless otherwise assumed by the Association in accordance with the terms of this Declaration, shall include the Member's obligation to maintain the shrubbery in a neat and trimmed manner, and to remove all objectional debris or material as may be located on the Lot.

Section 4.02. Maintenance of Common Areas. The Association shall at all times maintain the Common Areas and the other areas for whose maintenance it is responsible in good condition and repair.

Section 4.03. Exterior Maintenance. Except as provided in Section 4.01, the Association shall not have exterior maintenance responsibilities, periodic or otherwise, for Lots. In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors and reasonable notice to the Owner in question, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and the exterior of the building and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

For the sole purpose of performing the exterior maintenance authorized by this Section 4.03, the Association, through its duly authorized agents, employees or independent contractors, shall have the right, after reasonable notice to any Owner, to enter upon any Lot at reasonable hours of any day except Sunday.

In the event of any emergency, the Association, through its duly authorized agents, employees, or independent contractors, shall have a right of entry without notice and on any day, including Sunday. Each Owner hereby grants to the Association, its duly authorized agents, employees or independent contractors such easements for ingress and egress, across the Lots and through improvements constructed upon the Lots, as may be reasonably necessary to effect and perform the aforementioned exterior maintenance and to respond to any emergency.

In addition, the owner of any adjoining property (not within the Properties) may grant the Association, its duly authorized agents, employees or independent contractors, such easements for ingress and egress across its properties to effect and perform the aforementioned exterior maintenance. In such event, the

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Association shall indemnify the adjoining property owner for any damage or injury to the adjoining property owner's easement areas caused by the use thereof for access to perform exterior maintenance.

Section 4.04. Insurance. Property and casualty insurance on the Common Areas shall be maintained through the Association, to the extent deemed necessary by the Board. All damaged property shall be repaired and restored to the original condition using the proceeds of the insurance and, if the insurance proceeds are inadequate to cover the costs of such repair and restoration, through Special Assessments. In the event that the insurance proceeds shall be greater than the amount required to repair and restore the damage, the excess shall be deposited with the Association for the operation of the Association and/or maintenance of the Properties.

The Association may also purchase such other insurance as it may deem necessary on the Common Areas and for purposes of properly operating the Association. The Association may purchase liability insurance covering the Association's Directors and Officers.

The premiums of all insurance policies purchased by the Association shall be deemed to be general expenses for the Association and shall be paid by the Members through the periodic Assessments against each Lot.

Section 4.05. Utility Services. The Association may contract with public or private utility companies for purposes of supplying utility services to the Properties and may assess the costs and expenses charged by such utility companies as part of the Assessments or as a Special Assessment.

ARTICLE V

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 5.01. Creation of the Lien and Personal Obligation of Assessments. Developer, for each Lot within the Properties, hereby covenants (subject to the provisions of Sections 5.12 and 5.05 hereof), and each Member owning a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual assessments or charges for the maintenance of the Common Areas as provided for herein, including such reasonable reserves as the Association may deem necessary, special assessments as provided in Sections 5.02 and 5.04 hereof, and assessments for maintenance to be fixed, established and collected from time to time as provided herein. The annual,

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special and other assessments, together with such late fees thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each assessment, together with such late fees thereon and costs of collection thereof as hereinafter provided, shall also be a personal obligation of the person who is the Owner of such property at the time when the assessment fell due. All assessments, both regular and special, by the Association shall be against all Lots subject to its jurisdiction equally, except as otherwise provided in this Declaration. No Owner may waive or otherwise escape liability for the assessments for such maintenance by non-use of the Common Areas or abandonment of his right to use the Common Areas or otherwise.

Section 5.02. Purpose of Assessments. The annual and special assessments levied by the Association shall be used exclusively for the promotion of the health, safety and welfare of the Members of the Association and their families residing with them, their guests and tenants, and the families and guests of tenants; and for the improvement, maintenance, and insurance of the Common Areas; and for the payment of ad valorem taxes, in the event that Palm Beach County should levy and bill the Association directly.

Section 5.03. Maximum Annual Assessments.

(a) The Board of Directors of the Association shall fix the assessments (not in excess of the maximum specified herein), which shall be an amount determined in accordance with projected financial needs of the Association, as to which the decision of the Board of Directors of the Association shall be dispositive. Until January 1, 1995, the maximum annual assessment shall be ONE THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$1,500.00) per Lot.

(b) From and after January 1, 1995, the maximum annual assessment may be increased each year without vote of the membership by the greater of five percent (5%) or the percentage increase, if any, in the Consumer Price Index, U.S. City Average (the "CPI"), all items, published by the Bureau of Labor Statistics of the United States Department of Labor; or, if publication of such index is discontinued, the most nearly comparable successor index thereto. If the CPI is used, the maximum annual assessment shall be determined by multiplying the annual assessment then in effect by the CPI for the most recent month available and dividing the product by the CPI for the same month during the immediately preceding calendar year. No

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decrease in the maximum annual assessment shall be required because of any decrease in the CPI.

(c) From and after January 1, 1995, the maximum annual assessment may be increased by more than the amount specified in subparagraph (b) above only by as a vote of two-thirds of each class of membership at a meeting duly called for this purpose.

(d) In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, on whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement including fixtures and personal property related thereto; provided that any such assessment shall have the assent of two-thirds (2/3) of each class of membership who are voting in person or by proxy at a meeting duly called for that purpose.

(e) Written notice of any meeting called for the purpose of taking any action authorized under this section shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. AT the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following preceding meeting.

Section 5.04. Additional Assessments for the Hanover Square Homeowners' Association. Funds necessary for the operation of certain of the common areas shown on the plat of Hanover Square, as recorded in Plat Book 48 at Page 192 of the Public Records of Palm Beach County, Florida, shall be levied as additional assessments payable to the Association upon no less than thirty (30) days' written notice by the Association to the Owners. Such assessments shall be paid on account of the operation of the Hanover Square Association and/or to maintain and improve the said common areas whose operations are governed by the Hanover Square Association. The initial amount of such assessments shall be Forty Dollars and No Cents (\$40.00) per Lot per month and shall be payable as a part of the regular assessments provided for herein.

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Section 5.05. Rate of Assessment. All regular and special assessments shall be fixed at a uniform rate for each Lot; provided, however, that until such time as the Class B Membership converts to Class A Membership, the maintenance costs for the unsold Lots chargeable to the Class B Members will be determined as follows: The total amounts charged for common expenses to Lot owners who have taken title to same will be deducted from the total common expenses as incurred by the Association and the difference will be paid by the Class B Members, on a per-Lot basis, as their contribution to cover the common expenses for the unsold Lots. The Association shall have a lien upon all unsold Lots until such difference is paid; such lien to be enforceable in accordance with this Article. After the Class B Membership converts to Class A Membership, Developer and Hooker will pay the same assessment for common expenses on each of their respective Lots as every other owner does. Nothing in this Section 5.05 shall be construed to require a Lot Owner other than the Class B Members to pay more than the maximum annual assessment in Section 5.03 above except in accordance with that Section. Nor shall this Section 5.05 be construed to require a Lot Owner other than the Class B Members to pay more than his proportionate share (based on the total number of lots in Windy Creek) of the estimated operating budget for the year in question, which budget shall be determined as if all Lots in Windy Creek were occupied and the Association were in full operation.

Section 5.06. Date of Commencement of Assessments; Due Dates. The assessments provided for herein shall commence on the date or dates (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement. The due date of any assessment shall be fixed in the resolution authorizing such assessment. The assessments shall be payable in advance in one payment or in monthly or quarterly installments as determined by the Board from time to time.

Section 5.07. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the Assessment shall be sent to every Owner subject thereto not later than seven (7) days after fixing the date of commencement thereof.

The Association shall, upon demand, at any time furnish to any Owner liable for said assessment a certificate, in writing, signed by an Officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be



Canadian Imperial Bank of Commerce
Real Estate Finance Division
350 -1155 boul. René-Lévesque O.,
Montréal (QC), H3B 4P9

November 8, 2019

Gardenwood Residences LP
600- 7077 Ave Du Parc,
Montreal (QC), H3N 1X7

Attention: Michael & Mark Rosenberg

Dear Sirs:

Loan No: 2312616.1
Property: 1110 Garden Walk Boulevard, College Park, Clayton County, GA 30349 (the "Property")
Legal Description: 13105A A01

CANADIAN IMPERIAL BANK OF COMMERCE (the "Lender") offers to make a first mortgage loan (the "Loan") to GARDENWOOD RESIDENCES LP (the "Borrower") on and subject to the terms and conditions set out in this letter and the attached Schedules (collectively, the "Commitment").

A. BUSINESS TERMS

Purpose: The Loan will be utilized by the Borrower solely for the following purpose(s):

- Repayment in full of outstanding loans with respect to the Property to Citi Bank;
- Equity withdrawal.

FACILITY 1 – EQUITY TAKEOUT / REFINANCE LOAN

Loan Amount: US\$22,500,000

Term: 10 years, the last day of which shall be the maturity date.

Amortization: 25 years.

Closing Date: The Loan shall be fully advanced on or before December 27, 2019 (the "Closing Date"), subject to the terms and conditions of this Commitment.

Security: Refer to Part B – General Provisions, Section 3, "Loan Documents".

Repayment: Interest on US dollar loans is compounded monthly and payable monthly in arrears.

Repayment of principal for Facility 1 shall be in monthly instalments based on a 25 year amortization. The monthly principal amounts payable for the term of the Loan shall be set out in a payment schedule to be provided by the Lender to the Borrower at the time the Swap Agreement referred to herein is entered into, and prior to the Closing Date.

Interest Rate: A non-revolving floating rate instalment loan ("Instalment Loan") payable in fixed principal amounts plus interest, available by way of:

And B/A Swaps

1. US Dollar Lender Interbank Offered Rate ("LIBOR") available for contract period of one month, up to the Loan Amount. The Lender's stamping fee for LIBOR will be calculated at 1.85% per annum.

2. US Dollar loans: Interest on US dollar loans will be calculated at US Prime Rate plus 2.00% per annum

On or before the Closing Date, the Borrower will have entered an interest rate hedge (the "Swap") that will have the effect of swapping the Borrower's floating rate exposure under the Loan to a notional fixed rate not to exceed 4.00% (the "Ceiling Rate"). Should such fixed notional rate exceed the Ceiling Rate, the principal Loan Amount of Facility 1 will be reduced such that the monthly payment of the fixed swap rate at market will not exceed the monthly payment based on the notional rate of the Ceiling Rate.

For example, the "indicative rate" (the rate if interest rate was set at 10:33 a.m. on November 8, 2019) would be 3.75% which is equivalent to 3.7794% if compounded semi-annually.

FACILITY 2 – CONTINGENT CREDIT FACILITY

Purpose: Accommodate the Swap in relation to Facility 1.

Amount: \$US 4,000,000 (deemed risk content). The aggregate exposure of the Lender to any losses thereunder shall not be permitted to exceed \$US 4,000,000 at any time.

Availability: Subject to conditions precedent and execution of applicable documentation including a ISDA contract (collectively, the "SWAP Agreement") to include cross-default clauses.

Security: Swap facility to be secured by all Security held for Facility 1 as detailed herein on a *pari passu* basis. The Borrower shall fully secure this contingent credit facility upon the execution of the Swap Agreement with cash collateral providing full coverage, which shall remain in place until the Loan Documents required under any commitment have been delivered to the Lender.

REMAINING BUSINESS TERMS:

Guarantor(s): DELETED INTENTIONALLY

Indemnitor(s): The Borrower and Guarantor(s) shall each provide an indemnification to the Lender in the Lender's standard form for, among other things, fraud, environmental matters, misrepresentation and misappropriation of funds relating to the Property.

Limited Recourse: The Lender shall have recourse solely to the Property for all Loan obligations, as further described in this Commitment and the Loan documents.

Prepayment Rights: The Borrower shall have the option to prepay the principal amount of this Loan in full on the BA rollover date, without penalty, (subject to payment of any breakage fees related to the Swap), and any such optional prepayment shall be applied to the instalments specified above in the inverse order of their maturity.

Subordinate Liens: No subordinate mortgages, liens, charges or other financial encumbrances or security interests in respect of the Property shall be permitted (including without limitation, financing leases or other security in respect of any fixtures, furniture, equipment or other personal property) without the express written consent of the Lender in its sole discretion.

Processing Fee: The Lender has received a processing fee of US\$66,585. The processing fee is deemed to be fully earned and shall be non-refundable in all circumstances, whether or not the Loan is fully advanced.

Commitment Fee: The Borrower shall pay a commitment fee of US\$225,000 to the Lender upon the Borrower's acceptance of this Commitment. If the Loan has not been fully advanced on or before the Closing Date, or if this Commitment is terminated for any reason (other than Lender default), the Lender shall be entitled to retain the entire commitment fee as a genuine pre-estimate of the Lender's damages and not as a penalty (it being acknowledged and agreed by each Borrower Entity that the actual loss that the Lender may sustain in such circumstances may be difficult or impossible to measure). In addition but without limiting the foregoing, the Lender may apply at any time (whether or not this

Commitment is terminated or the Loan closes), all or any part of the commitment fee to pay or reimburse the Lender for any third party costs or expenses incurred by the Lender which are not paid by the Borrower when due (and such portion of the commitment fee so applied shall be non-refundable to the Borrower in all circumstances). **The commitment fee (less any portion applied hereunder to pay third party costs and expenses) will be refunded to the Borrower without interest only if the Loan is fully advanced to the Borrower on or before the Closing Date.**

Reserves:

The Borrower shall pay the reserves required by Schedule "A" hereto.

Transfers:

Any transfer of any interest in the Property or any part thereof, or any change of effective voting control of the Borrower or any unregistered/beneficial owner of the Property (excluding any change of ownership of less than 50% of the voting securities of such person) shall require the prior approval of the Lender acting reasonably. If the Lender approves such a transfer or change of control, such approval shall be subject to the Borrower's satisfaction of certain conditions set out in the Loan documents, including execution and delivery of an assumption agreement (in the Lender's standard form) and payment by the Borrower to the Lender of a reasonable assumption fee not to exceed 0.25% of the outstanding Loan balance and all fees, costs and expenses of the Lender, its servicer and legal counsel.

Closing Conditions:

The Lender shall not be obligated to make any advance the Loan until all terms and conditions of this Commitment have been fully complied with by the Borrower at its sole cost and expense on or before the Closing Date and to the satisfaction of the Lender in its sole discretion, including all due diligence and closing deliveries shall have been completed or received, as the case may be, and the Lender shall be satisfied with all due diligence investigations, inspections and reports with respect to all matters it considers necessary or desirable with respect to the Loan, the Property and each Borrower Entity (and the principals thereof), including without limitation all closing /underwriting deliveries and other matters set out in Schedule "B". All such conditions are for the sole benefit of the Lender and may be waived by the Lender any time at its sole option.

Subject to the terms and conditions of this Commitment and all applicable holdbacks and/or reserves, the Loan shall be disbursed by a single advance.

B. GENERAL PROVISIONS

1. **Borrower Entity/Lender Entity:** In this Commitment, (a) "**Borrower Entity**" includes the Borrower, each indemnitor, each guarantor and each person having an unregistered/beneficial ownership interest in the Property from time to time, and (b) "**Lender Entity**" means each of the Lender, Canadian Imperial Bank of Commerce ("CIBC"), any Custodian (as defined below), the Loan servicer, any receiver, receiver and manager, administrator and other persons with similar powers, and their respective employees, officers, directors and agents. Following any sale or syndication of the Loan, "**Lender**" shall include each person having or acquiring an ownership interest in the Loan from time to time and any Custodian holding registered or documentary title to the Loan and the Loan documents. If the Loan term exceeds 5 years, the mortgagor must be a corporation and Limited Partnership.

Except as otherwise disclosed in writing to the Lender, the Borrower represents and warrants to the Lender that the Borrower does not hold the Property in trust for any unregistered/beneficial owners and that this Commitment is not held by the Borrower for the benefit or on behalf of any third party.

2. **Property:** In this Commitment, "Property" shall comprise movable (personal) and immovable (real) assets, including lands, and all present and future buildings, improvements, fixtures, equipment, chattels, leases and rents, as described in the Lender's standard Loan documents and subject to the Lender's approval prior to Loan closing. The Borrower (together with any unregistered or beneficial owner disclosed in this Commitment) shall hold good, valid and merchantable title to the Property free and clear of all encumbrances, except those disclosed to and accepted by the Lender prior to the initial advance of the Loan.
3. **Loan Documents:** The Loan shall be evidenced and secured by (a) a first ranking collateral mortgage charge hypothec, assignment and/or security interest **(US\$26,500,000 including Contingency)** on the Property, including a

mortgage charge hypothec assignment and/or security interest on all rents, leases and all related movable (personal) property (including fixtures, equipment chattels) (together with all necessary registrations under in all places in the Province of Quebec as well as any other jurisdiction (including the jurisdiction of the location of the Property and the jurisdiction of the domicile of the Borrower) as are necessary to render said mortgage, charge, hypothec, assignment and/or security interest opposable (perfected) to third parties, (b) a full recourse guarantee from the Guarantor(s), if any (c) an indemnity from the Indemnitor(s), and (d) such opinions and other security as the Lender may otherwise reasonably require. Each unregistered / beneficial owner, if any, shall execute a beneficial owners' agreement in favour of the Lender. The Lender will require a lender's title insurance coverage from a title insurer and in amount and with endorsements satisfactory to Lender in its sole discretion, the cost of which shall be paid by the Borrower on closing. With respect to any premises within the Property leased to federal or certain provincial government tenants, the Lender will require an absolute assignment agreement and certain other related documents in order to validly and effectively assign the related rents to the Lender in accordance with the *Financial Administration Act* (Canada) or similar provincial legislation, if any. In addition, the Lender may require in its sole discretion, a specific assignment of leases with respect to certain tenants selected by the Lender in its sole discretion and/or may require the leases (or notices thereof) in favour of such tenants to be published (registered) on title to the Property in priority to the Lender's security. A tri-party agreement will be required if there is a ground lease. On closing, the Borrower shall provide corporate and enforceability opinions from legal counsel in form and content satisfactory to the Lender in its sole discretion. All Loan documents shall be in the Lender's standard form subject only to such modifications acceptable to the Lender to reflect the subject Loan transaction.

4. Events of Default: If an Event of Default occurs, the Lender, at its option, may immediately accelerate the Loan demand payment of the Loan under the Loan Documents and enforce all of its rights and remedies under the Loan Documents, including the Swap Agreement, and applicable laws. "Event of Default" shall be an event of default as defined in Section 1.19 of Schedule "D" to this Commitment. The Borrower shall immediately advise the Lender of an Event of Default.

Upon any acceleration or prepayment of all or any part of the Loan prior to the maturity date (including acceleration as a result of any Event of Default), the Loan documents shall require the Borrower to pay to the Lender, in addition to all other amounts then due and owing under the Loan, all breakage funding costs, losses, damages, costs and expenses which the Lender may sustain as a result of such acceleration or prepayment prior to the scheduled maturity date, including, without limitation, all breakage costs relating to the termination of the Swap Agreement.

5. Prepayment Charge: NOT APPLICABLE

6. Third Party Costs: All third party costs and expenses of the Lender in connection with the Loan, including without limitation, all legal, appraisal, engineering, environmental assessments, title insurance, lease review and insurance consultant fees, costs and expenses shall be paid by the Borrower whether or not the Loan closes. If the Loan does not close for any reason, the Borrower shall pay all such third party costs and expenses, to the Lender forthwith upon demand.

7. Closing: The Lender shall have the right in its sole discretion to terminate this Commitment at any time if the Loan is not fully advanced on or before the Closing Date specified in this Commitment for any reason, notwithstanding any intervening negotiations, the preparation and/or delivery of the Loan documents, or any other dealings between, or course of conduct of, any of the parties, unless a written extension of the Closing Date has been expressly agreed to and executed and delivered by each of the parties hereto.

8. Rate Lock: NOT APPLICABLE

9. Material Adverse Change: Notwithstanding the satisfaction of all Loan conditions, rate lock and/or any other event or circumstance of any kind, the Lender shall not be required to close the Loan and may terminate this Commitment at any time if it determines in its sole discretion that (i) there has occurred any event or circumstance, including without limitation, any change in Property, credit or other financial market conditions, applicable laws or general accounting standards (in each case whether in Canada, the United States or other international markets), or an environmental condition, circumstance or event affecting or relating to the Property is disclosed to or identified by the Lender, which, in the opinion of the Lender acting reasonably, either has or could be expected to have a material and adverse affect on the ownership or value of the Property or the Loan or the Lender's ability to sell or syndicate the Loan, or (ii) there has occurred any event or circumstance which in the opinion of the Lender in its sole discretion, either has or would be expected to have a material adverse change in the financial or other condition of any Borrower Entity or the Property. If the Lender terminates this Commitment and does not close the Loan specifically due to the

circumstances set out in this Section 9, the lender shall refund to the Borrower all deposits, application fees and commitment fees paid to the Lender less the Lender's out-of-pocket expenses in connection with the Loan and this Commitment.

10. Changes to Property and Property Management: The Borrower shall not demolish, remove, construct, materially alter, add to, repair or restore the Property or any portion thereof (collectively, "**Alterations**"), nor consent to or permit any other person to make such Alterations, without obtaining in each instance the Lender's prior written consent in its sole discretion (**except for Alterations costing \$500,000 or less to complete**). Nothing herein shall prevent or restrict the Borrower or any other Borrower Entity from complying with its obligations to maintain and repair the Property in accordance with the Loan Documents. All property managers and each property management agreement from time to time shall be subject to the Lender's approval.
11. Approval of Leases: **NOT APPLICABLE.**
12. Financial Statements: The Loan documents shall require the Borrower to provide the Lender with annual operating statements and rent rolls for the Property, annual financial statements from each Borrower Entity prepared in accordance with generally accepted accounting principles, and such other information respecting the Property and each Borrower Entity as the Lender may reasonably require from time to time and in form and content satisfactory to the Lender.
13. Information and Materials: Each Borrower Entity warrants to the best of its knowledge that all information and materials provided or delivered to the Lender in connection with the Loan, including the Property and each Borrower Entity, are accurate and complete as of the date provided and will continue to be accurate and complete on Loan closing, failing which the Lender shall have no obligation to advance the Loan. Each Borrower Entity acknowledges that the Lender's decision to make the Loan will be based on all such information and materials. Each Borrower Entity shall promptly disclose to the Lender from time to time any and all changes in such information and materials or any additional information or materials relating to the Property or any Borrower Entity which may reasonably be expected to influence the Lender's decision to make the Loan.
14. Credit Investigations: Each Borrower Entity authorizes the Lender or its representatives to make inquiries of, and obtain or exchange information, data and credit reports with, third parties regarding the character, general reputation, personal characteristics, financial and credit condition of such Borrower Entity, including its respective directors, officers, shareholders and principals, and if required by the Lender, the Borrower shall obtain individual consents to such credit investigations from each such person in the Lender's standard form.
15. Consent to Disclosure: Each Borrower Entity acknowledges and agrees that the Loan may be sold or syndicated without restriction and without notice to or the consent of the Borrower or any other Borrower Entity. Each Lender Entity may release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, lease defaults, tenants or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by any Lender Entity relating to any Borrower Entity, the Property or the Loan (both before and after the Loan advance and/or default) without restriction and without notice to or the consent of the Borrower or any other Borrower Entity as follows: (i) to any other Lender Entity; (ii) to any subsequent or proposed purchaser of the Loan or any interest therein, including any subsequent or proposed Lender Entity, and their respective third party advisors and agents, such as lawyers, accountants, consultants, appraisers, credit verification sources and servicers; (iii) to any governmental authority having jurisdiction over such sale or syndication of the Loan; and (iv) to any other person in connection with the sale or syndication of the Loan or in connection with any collection or enforcement proceedings taken under or in respect of the Loan and/or the Loan documents. Each Borrower Entity irrevocably consents to the collection, obtaining, release, disclosure, exchange, sharing, transfer and assignment of all such information and materials.

Each Borrower Entity expressly agrees that such information and materials may include all information and materials received by any Lender Entity from any source with respect to any Borrower Entity and its respective directors, officers, shareholders and principals relating to or in connection with any businesses or other dealings in which any such Person(s) either have previously or are currently involved, whether or not related to the Loan or the Property.

Without limiting the foregoing, each Borrower Entity acknowledges that certain Lender Entities may collect or come into possession of personal information relating to certain individuals either comprising or otherwise related to such

Borrower Entity, including its directors, officers, shareholders and principals. Each Borrower Entity acknowledges and agrees that such personal information may be used by Lender Entities in connection with the processing, approving, funding, servicing and administering the Loan and any sale or syndication of the Loan, and in so doing each Lender Entity may disclose and otherwise deal with personal information in the same manner and to the same persons as provided in the preceding paragraphs without restriction and without notice to or the consent of any Borrower Entity or any related individual. Each Borrower Entity, for itself and on behalf of its directors, officers, shareholders and principals, hereby consents to and authorizes such use and disclosure of all such personal information by each Lender Entity and represents and warrants that it has full power and authority to give such consent and authorization.

16. Custodian and Loan Servicer: At the Lender's option, the Lender may advance the Loan and hold registered and documentary title to the Loan documents in the name of a custodian or agent designated by the Lender (the "Custodian"). In such event, (i) the Custodian may be named as the Lender in the Loan documents, (ii) reference in this Commitment to "Lender" shall include the Custodian, (iii) the Custodian shall have, and may exercise, at all times and without restriction, all of the rights and benefits of the Lender under this Commitment and shall hold the Loan, the Loan indebtedness and Loan documents solely as custodian and agent for the Lender and all other persons having or acquiring an ownership interest in the Loan from time to time, (iv) the Lender and such other Loan owners shall be entitled to receive and enjoy, through the Custodian, all right, title and interest of the Custodian in respect of the Loan and the Loan documents and the full benefit thereof at all times, and (v) each Borrower Entity shall deal exclusively with the Custodian or the Loan servicer in respect of all matters relating to the Loan and the Loan documents and agrees that all enforcement actions or proceedings may be brought by the Custodian or the Loan servicer on behalf of the Lender and all other persons having or acquiring an ownership interest in the Loan from time to time and waives any requirement that the Lender or such other Loan owners be a party thereto. The Lender (and each subsequent owner of the Loan) may also appoint from time to time and on such terms as it may determine in its sole discretion, a third party servicer to service and administer the Loan and to deal with each Borrower Entity on its behalf.
17. Limited Recourse: Except as otherwise expressly provided in this paragraph, the Lender shall have recourse solely to the Property (which includes any other collateral, if any, given by any person to the Lender to secure the Loan) for the performance or satisfaction of the Loan. Nothing herein shall (a) waive or otherwise restrict, limit or affect any of the liabilities or obligations of any Borrower Entity under the Loan documents or applicable laws in respect of the Loan, (b) limit the right of the Lender to name the Borrower or any other person as a party in any action, proceedings or remedy so long as no monetary judgment is enforced against its property or assets, other than the Property, (c) release, reduce or impair the validity or enforceability of any of the Loan documents or the Loan, (d) prevent or restrict the Lender from exercising any remedy available under any of the Loan documents or applicable laws, including the appointment of a receiver, as long as no monetary judgment is enforced against the property or assets of the Borrower other than the Property, or (e) limit or restrict any right or recourse of the Lender against the Borrower, Indemnitor, Guarantor or any of their respective property or assets for any of their respective obligations and liabilities under any indemnity or guarantee, as the case may be.
18. Brokerage Commission: DELETED INTENTIONALLY.
19. Assignment: The Lender may sell, transfer or assign the Loan, the Loan indebtedness and the Loan documents, or any interest therein, from time to time without notice to or the consent of any Borrower Entity. Thereafter, the Lender shall have no further obligations under or in respect of the Loan or the Loan documents. This Commitment may not be sold, transferred or assigned by any Borrower Entity.
20. Effect of Commitment: This Commitment, together with the Loan documents, shall constitute the entire agreement between the parties in respect of the Loan. Each Borrower Entity acknowledges that this Commitment is only a summary of basic Loan terms, and that the Loan documents will include additional terms and conditions not specifically referenced herein as the Lender deems necessary or appropriate. This Commitment can only be changed, modified or extended by a written instrument executed and delivered by the Lender and each Borrower Entity. This Commitment and any amendments hereto shall survive the execution and delivery of the Loan documents by the Borrower Entity; provided, however, that in the event of any express conflict or inconsistency between any provision of this Commitment and any provision of any Loan Document other than the Swap Agreement, the provision of such Loan Document shall prevail to the extent of such conflict or inconsistency. In the case of any provision of the Swap Agreement, the provision of the Swap Agreement shall prevail. The existence of additional terms, conditions or provisions (including any rights, remedies, representations and warranties) contained in any Loan Document shall not be construed or deemed as being in conflict with this Commitment.

21. Further Assurances: Each Borrower Entity shall promptly cure any defect in the preparation, execution and delivery of the Loan documents to which it is a party and shall promptly execute and deliver or cause to be executed or delivered, upon request by the Lender all such other and further documents, agreements, opinions, certificates and instruments as may be required by the Lender to more fully state its obligations as set out in any Loan document or to make any recording, file any notice or obtain any consent, including any documents required by the Lender in connection with the sale of the Loan. Without limiting the foregoing, each Borrower Entity agrees to co-operate in good faith with all reasonable requests and/or inquiries of the Lender or subordinate investors, and further agrees, if requested, to execute such amendments and modifications of the Loan and/or Loan documents as may be necessary to restructure all or any part of the Loan, including without limitation, the creation of multiple loans and/or participation interests (which may be *pari passu* or senior/subordinate as determined by the Lender) evidenced by separate promissory notes and/or other evidence of debt, provided (i) such amendments and modification(s) do not change the overall terms and conditions, including financial terms and conditions, of the Loan and (ii) any third party costs or expenses with respect to such amendments and modifications shall be borne solely by the Lender.
22. Construction of Loan Documents: In this Commitment: (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders, (b) reference to the Lender, Borrower, Custodian, Beneficial Owner, Indemnitor, Guarantor, Lender Entity, Borrower Entity or any other person shall include their respective heirs, executors, administrators, legal representatives, successors and permitted assigns, (c) all dollar amounts are expressed in Canadian dollars, (d) the division of any Loan document into separate Articles, Sections, Subsections and Schedule(s), and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of such Loan document, (e) if more than one person is named as, or otherwise becomes or assumes the obligations and liabilities of any Borrower Entity, then all obligations and liabilities of such persons shall be joint and several, (f) notwithstanding any other provision of this Commitment, the Loan Documents or applicable laws to the contrary, it is the express intention of the parties that the words "sole discretion" mean the exercise of discretion that is completely and absolutely subjective in all respects and does not create or imply a duty or obligation of any kind on the part of the person exercising such discretion to act objectively or to apply objective standards, and which is not subject to any restriction, limitation, challenge or review of any kind, (g) time shall be of the essence, (h) the parties hereto have expressly agreed and required that this Commitment as well as all documents related thereto, including all agreements and notices, be drafted in English. Les parties aux présentes ont expressément exigé que la présente entente ainsi que tout document y relié, incluant toute entente et tout avis, soit rédigés en anglais. All schedules and addenda annexed hereto form part of this Commitment. Unless the Lender otherwise requires, the rights and obligations of the parties with respect to the Loan documents shall be determined in accordance with the laws of the Province in which the Property is located and federal laws applicable thereto.
23. Survival of Representations, Warranties and Covenants: The representations, warranties, covenants and obligations of each Borrower Entity contained in each Loan document shall (a) survive any advance or repayment of the Loan, any full or partial release, termination or discharge of any Loan document, and any remedial proceedings taken by any Lender Entity under any Loan document or applicable law, (b) enure to the benefit of the Lender and each person having an ownership interest in the Loan from time to time notwithstanding such Loan owner is not a party to any Loan document, and (c) be fully effective and enforceable by the Lender notwithstanding any due diligence performed by or on behalf of any Lender Entity or any breach or other information (to the contrary or otherwise) known to any Lender Entity at any time. Such representations and warranties are deemed to be made on the date of execution of each such Loan document and are deemed repeated as of Loan closing.
24. Effect of Termination: No termination of this Commitment shall limit, restrict or otherwise affect in any way (i) the obligations of the Borrower to pay to the Lender any third party costs and expenses of the Lender in connection with the Loan and any of the processing fee or commitment fee required by this Commitment, (ii) the rights of the Lender in respect of such processing fee and commitment fee, including its right to retain and/or apply such fees as set out herein, and (iii) any rights and remedies of the Lender against any Borrower Entity arising from any breach of this Commitment by such Borrower Entity, including any claim for damages.
25. Counterparts/Facsimile Transmission: This Commitment may be executed in counterparts, and each such counterpart shall be deemed to be an original and all of which together constitute one and the same document. Delivery of this Commitment by any party may be made by facsimile transmission to any other party, the broker or their respective agents and shall be valid and binding as if it is an originally signed document.
26. Acceptance: If this Commitment is not executed by each Borrower Entity and returned without amendment to the Lender together with the commitment fee required by this Commitment on or before November 15, 2019, then this

Confidential


Commitment shall immediately terminate and shall be null and void and the Lender shall have no further obligations hereunder.

27. Schedules: Schedules "A", "B", "C", "D" and "E" contain certain definitions and additional provisions applicable to the Loan form part of this Commitment.

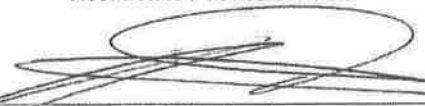
Yours very truly,

CANADIAN IMPERIAL BANK OF COMMERCE

Per:


Name: John-John D'Argensio
Title: Director
Real Estate Finance Division

Per:


Name: Michael Sutherland
Title: Market-Vice-President, Eastern Canada
Real Estate Finance Division

Lender's Legal Counsel in connection with the Loan will be:

Name for Loan Diligence contact:
Address:

Marie-Josée Marcoux
McCarthy Tétrault LLP
Bureau 2500
1000, rue De La Gauchetière Ouest
Montréal QC H3B 0A2

Telephone Number:
Fax Number:
e-mail address:

514-397-4243
514-875-6246
mimarcoux@mccarthy.ca

Please return this Commitment to the Lender c/o Real Estate Finance Division, Attention: John-John D'Argensio at the address set out on Page 1 of this Commitment, duly executed by each Borrower Entity.

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We hereby accept the above Commitment on the terms and conditions stated herein and each person executing this Commitment on behalf of any Borrower Entity represents and warrants that he/she has the power and authority to bind such Borrower Entity.

ACCEPTED AND AGREED AS OF THE 21st DAY OF November, 2019.

BORROWER(S) / INDEMNITOR(S):

GARDENWOOD RESIDENCES LP

Per:

Name:

Title:

Per:

Name:

Title:

INDEMNITOR(S):

Indemnitor's Name – Michael Rosenberg

Signed, sealed and delivered in the presence of:

Witness

Name for Loan Diligence contact:
Address:

Telephone Number:
Fax Number:
e-mail address:

Borrower's Legal Counsel in connection with the Loan will be:

Name:
Firm:
Address:

Telephone Number:
Fax Number:
e-mail address:

M^{rs} GABRIELAMAR
ROSDEV GROUP
7077, PARC AVENUE, SUITE 600
MONTREAL, QUEBEC
514-270-7020 x263
gamar@rosdev.com

SCHEDULE "A"
RESERVES

1. **Realty Tax Reserve:** At Loan closing, the Borrower shall pay all realty taxes due and payable within 60 days thereafter. The Borrower shall deposit with the Lender on each payment date 1/12th of the annual realty taxes as estimated by the Lender. On Loan closing, the Borrower will deposit with the Lender a further amount which, when added to such monthly deposits, will result in the Lender having sufficient funds to pay the next realty tax instalment one month in advance. If at any time the deposits are not sufficient to pay realty taxes when due, the Borrower shall pay the deficiency to the Lender within 10 days of written notice. The Borrower shall provide the Lender with all realty tax bills immediately upon receipt.

Original Borrower Exception: Provided that the original Borrower named herein (together with any original beneficial/unregistered owner of the Property named herein) is and remains the sole legal and beneficial owner of the Property and no Event of Default otherwise occurs, the Lender shall permit the Borrower to pay all realty taxes due and owing with respect to the Property directly to the taxing municipality. Within 30 days following the due date of each realty tax instalment, the Borrower shall provide the Lender with evidence satisfactory to the Lender that such realty tax instalment has been paid in full. In addition, the Lender may retain the services of an independent tax verification service, at Borrower's sole cost, to confirm such payments have been made. If the Borrower breaches this provision or if an Event of Default otherwise occurs, the Borrower shall be immediately required to make deposits to the realty tax reserve for the remainder of the Loan term.
2. **Other Reserves:** DELETED INTENTIONALLY
3. **Other Applicable Provisions:** Upon an Event of Default, the Lender may retain all reserves held and, at its sole option exercisable in its sole discretion, apply same to the Loan indebtedness, or to any costs and expenses for which the reserve is held, or to cure any Event of Default. All reserves shall be subject to a first priority security interest in favour of the Lender pursuant to the Loan documents. The Borrower shall reimburse the Lender and its servicer on demand for all costs and expenses incurred in administering the reserves (which costs and expenses shall bear interest at the interest rate and may be deducted from the reserves). The Lender has the sole right to direct the investment of the reserves. The servicer may hold and administer all reserves for the Lender. All interest accruing on the reserves shall be for the Lender's sole benefit and shall not be paid or otherwise credited to the Borrower.
4. **Construction Lien Holdback Reserve:** DELETED INTENTIONALLY

SCHEDULE "B"
UNDERWRITING / CLOSING DELIVERIES

On or before Loan closing, to the extent not previously delivered, the Lender must receive and be satisfied in its sole discretion with the form and content of each of the following deliveries. The Borrower shall be solely responsible for obtaining, delivering and completing (even if such third party agents are retained and instructed by the Lender), all at the Borrower's expense, all of the following deliveries and matters, and the Lender shall have no responsibility or liability of any kind if any such deliveries and matters are not made or completed in form and content satisfactory to the Lender.

1. Appraisal report prepared by an independent appraiser acceptable to the Lender. **RECEIVED AND SATISFACTORY**
2. Phase I environmental site assessment of the Property prepared in accordance with CSA Standard Z-768-01 (or more current CSA Standards required by the Lender from time to time) by an independent qualified environmental consultant acceptable to the Lender, confirming to the Lender's satisfaction that the Property complies with all applicable environmental laws. The Lender reserves the right, in its sole discretion, to require a "Phase II" environmental assessment of the Property prepared in accordance with CSA Standard Z-769-00 (or more current CSA Standards required by the Lender from time to time), or such other environmental investigation reports of the Property, in each case at the Borrower's expense. The Loan documents shall contain detailed environmental representations, warranties and covenants in addition to an environmental indemnity.
3. A property condition assessment of the Property which describes the current condition of the following items:
 - (a) building structural components;
 - (b) roof structure(s);
 - (c) doors and windows;
 - (d) electrical, plumbing, heating and air-conditioning systems;
 - (e) fire prevention and life safety systems; and
 - (f) all parking surfaces.The report must be completed by a professional engineer acceptable to the Lender and is to include a schedule of costs required over the next 10 years of operation.
4. Seismic Risk Analysis of the Property, if required by the Lender. **NOT APPLICABLE**
5. Building location survey/real property report/certificate of location of the Property prepared by a licensed surveyor confirming, to the satisfaction of the Lender, that all improvements are located entirely within the Property, that there are no encroachments from improvements on adjoining properties, the location of all registered easements and rights of way, and the boundaries of the Property set out in the legal description of the Property. **WAIVED IN LIEU OF TITLE INSURANCE**
6. Complete copies of all existing non-residential leases, together with all related renewals, amendments, assignments or other agreements. **NOT APPLICABLE**
7. Borrower certified copy of the most recent tenant rent roll (to be updated not later than 30 days prior to Loan advance) detailing tenant names, rental rate, lease commencement and expiry, square footage occupied, rental inducements or tenant improvements offered, rent free periods, all other charges or amounts due from the tenant (utilities, taxes, maintenance) of the Property along with a statutory declaration from the Borrower confirming that the leases recorded therein are in full force and effect with the tenants in occupancy and paying rent, all rent free periods have expired and all tenant/leasehold improvement allowances have been completed and all monies owing by the Borrower therein have been paid in full. **SIGNED RENT ROLL REQUIRED**
8. Copy of standard lease form. **NOT APPLICABLE**
9. Tenant estoppel certificates from all tenants of the Property for all non-residential leases, signed by each tenant, including tenant's confirmation that it is in possession of its leased premises, paying rent and open for business, which must be in the Lender's form and satisfactory to the Lender. The Borrower shall certify the correctness of all estoppel certificates. **NOT APPLICABLE**

10. Copy of the property management agreement. **RECEIVED AND SATISFACTORY**
11. Property, liability and other insurance in compliance with the Lender's standard insurance requirements as set out in this Commitment. All insurance shall be in the form and amount and with such deductibles, endorsements and insurers as required by the Lender.
12. Certified or notarized copies of those documents evidencing formation, organization, valid existence, good standing and due authorization of and for each Borrower Entity for the execution, delivery and performance of the Loan documents.
13. All Loan documents required by the Commitment executed and delivered by each Borrower Entity, fully registered in all appropriate registries and in the priority required by the Lender.
14. Corporate opinion from legal counsel with respect to each Borrower Entity, which shall include an enforceability opinion with respect to all Loan documents.
15. Lender's title insurance policy (from **First American Title, Stewart Title** or **Chicago Title** in an amount and with such endorsements as approved or required by the Lender). Title, zoning and all permitted encumbrances shall be satisfactory to the Lender. If required by the Lender, the Borrower shall provide evidence satisfactory to the Lender that the Property complies with all applicable laws, including all applicable building and zoning by-laws.
16. A copy of the agreement of purchase and sale, along with evidence of down payments. **NOT APPLICABLE**
17. Such financial and other information, statements and documents with respect to each Borrower Entity as the Lender or its counsel may reasonably require in connection with the underwriting or closing of the Loan. **RECEIVED AND SATISFACTORY**
18. Such documentation and information, including identification, as is required by the Lender to comply with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations.
19. A Site Inspection Report is to be completed by a representative of the Lender. **PRIOR TO FUNDING**
20. The tenants are in occupancy, open for business, are paying rent and all rent-free periods have expired. **NOT APPLICABLE**
21. A Confirmation issued by the municipality or a third party (acceptable to the Lender) to the effect that the property is in current conformity with all municipal fire regulations, this confirmation is to be satisfactory to the Lender and its solicitors in all respects. In the event the municipality does not issue a Fire Inspection Report, the borrower must then obtain, at its own expense, a satisfactory Fire Inspection Report from a certified engineering firm specializing in fire inspection. Said confirmation must be delivered to the Lender and its solicitors for review at least five (5) business days prior to the scheduled funding date.
22. If the property is improved with any of the following systems as alarm system, sprinkler system or equipment as portable extinguishers and any other component for the security of the occupants, the borrower must provide to the lender with a copy of the inspection report and the certificate for each system and/or equipment to be considered satisfactory to the lender; each report and certificate is to be dated within the last 12 months.

Items 2 and 3 and (if applicable) 4 above must be accompanied by a reliance letter, in the Lender's required form, from the person preparing such reports confirming that the Lender and all future owners of the Loan are entitled to rely on such reports.

"These Reports are to be addressed to Canadian Imperial Bank of Commerce, their respective successors and assigns (including, without limitation, investors who purchase the mortgage loan or a participation interest in the mortgage loan), each servicer of the mortgage loan and all rating agencies involved in any sale or syndication involving the mortgage loan. Each addressee may use and rely upon these Reports, (either in electronic or hard copy format) relating to any sale or syndication involving the mortgage loan. The Consultant agrees to cooperation in answering questions by any of the above parties in connection with the sale or syndication, as communicated by Canadian Imperial Bank of Commerce."

SCHEDULE "C"
LENDER'S STANDARD INSURANCE REQUIREMENTS

The Borrower will obtain the following insurance and, as applicable, will insure and keep fully insured the Property, all personal property in or about the building(s) and all collateral security, as applicable, against the following perils:

- (a) risks of direct physical loss or damage including without limitation, sewer back up, earthquake and flood insurance on a replacement cost basis for an amount equal to the full replacement cost value of the Property without deductions for foundations and footings.
- (b) Comprehensive Boiler and Machinery insurance, if applicable, to cover all pressure vessels, air conditioning and miscellaneous electrical apparatus all on a replacement cost basis for an amount acceptable to the Lender, if applicable to the secured property.
- (c) Business Interruption or Rental Income insurance acceptable to the Lender for an indemnity period of not less than twelve (12) months with coverage of not less than 100% of the resulting loss of gross rent or loss of business income from the business conducted on the Property, all to insure the perils stated in (a) and (b) above.
- (d) Third Party General Liability insurance on a comprehensive basis, including bodily injury, death and property damage or loss, all subject to a per occurrence limit of not less than US\$5,000,000 or such other amount as the Lender may reasonably request.
- (e) Fire and other hazard and boiler insurance policies shall include a 100% replacement cost endorsement which specifically deletes the requirement of reconstruction on the same or adjacent site and includes coverage for additional costs due to by-law changes and demolition and debris removal for the damaged and undamaged property coverage.
- (f) All policies shall be permitted to contain reasonable deductibles.
- (g) If the Borrower fails to take out and keep in force such minimum insurance as is required hereunder or as is required by the Lender from time to time, then the Lender may, but shall not be obligated to, take out and keep in force such insurance at the sole cost and expense of the Borrower plus costs incurred. An administrative fee will be charged.
- (h) It is clearly understood and agreed that the insurance requirements contained herein are a minimum guide and, although must be adhered to throughout the Loan term, in no way represent an opinion as to the full scope of insurance coverage a prudent Borrower would arrange to adequately protect its interests and the interests of the Lender and the Borrower must govern itself accordingly.
- (i) Such other form or forms of insurance as the Lender may require from time to time in its sole discretion.

All policies shall be on a "no Co-Insurance" basis.

Each policy shall:

1. Be in a form and with an insurer satisfactory to the Lender (and in particular, all Insurers shall have an ability to pay rating acceptable to the Lender);
2. Name the Lender as First Mortgagee and Loss Payee under all property, business interruption and boiler and machinery policies as follows: "**Canadian Imperial Bank of Commerce**., as agent and custodian on behalf of all persons having an ownership interest in the loan from time to time";
3. Name the Lender as an Additional Insured under all liability policies, but only with respect to claims arising out of the operations of the Named Insured;
4. Be subject to the standard form of Mortgage Clauses approved by the Insurance Bureau of Canada;
5. Shall provide that the Lender shall receive thirty (30) days prior written notice of cancellation or material change to the policies;

The Borrower will furnish the Lender or its solicitors, prior to the advance of any funds, original or certified copies of insurance policies providing the above coverages. Evidence of policy renewal or satisfactory replacement must be provided annually at least thirty (30) days before expiry.

SCHEDULE "D"
ADDITIONAL DEFINITIONS AND PROVISIONS

1. GENERAL

1.1 Use of Funds, Returns. The Borrower will use the Credits only for the purposes specified in this Commitment. The Borrower may not at any time exceed the limit of any Credit, and CIBC may, without notice to the Borrower, return any item that, if paid, would result in the limit of any Credit being exceeded. If, on the other hand, CIBC in its sole discretion elects to pay any such item, the Borrower will pay to CIBC immediately the amount by which the limit of the applicable Credit has been exceeded.

1.2 Notice of Failure. The Borrower will promptly notify CIBC of the occurrence of any failure to perform or observe any of its covenants in this Commitment.

1.3 Confidentiality. The terms of this Commitment are confidential between the Borrower and CIBC, and accordingly the Borrower will not disclose the contents of this Commitment to anyone except its professional advisors.

1.4 Applying money received. At any time that the Borrower has failed (beyond any period of grace permitted by CIBC) to perform or observe any of its covenants in this Commitment, all moneys received by CIBC from the Borrower or from any Security may be applied on such parts of the Borrower's liabilities to CIBC as CIBC may determine.

1.5 Right of Set-Off. At any time that the Borrower has failed (beyond any period of grace permitted by CIBC) to perform or observe any of its covenants in this Commitment, CIBC is authorized at any time to set-off following a notice and apply any deposits held by it and any other amounts owed by it to or for the credit of the Borrower against any and all of the obligations of the Borrower with respect to the Credits, irrespective of whether or not CIBC has made any demand and even though any such obligations may not yet be due and payable.

1.6 Registration of Security. The Security will be registered or filed in all jurisdictions and in all offices as CIBC considers necessary or advisable from time to time to create, perfect or protect any Lien created thereby.

1.7 Expenses. The Borrower will reimburse CIBC for all reasonable fees (including legal fees) and out-of-pocket expenses incurred in preparing and registering any Security, in responding to requests from the Borrower for waivers, amendments and other matters, and in enforcing CIBC's rights under this Commitment or any Security.

1.8 Further information requirements. The Borrower will provide such further information about its business and its Subsidiaries as is reasonably requested by CIBC from time to time, and such information shall be in a form acceptable to CIBC.

1.9 Consent to release information. CIBC may from time to time give any credit or other information about the Borrower to, or receive such information from, (i) any financial institution, credit reporting agency, rating agency or credit bureau, (ii) any person, firm or corporation with whom the Borrower may have or proposes to have financial dealings, and (iii) any person, firm or corporation in connection with any dealings the Borrower has or proposes to have with CIBC. The Borrower agrees that CIBC may use that information to establish and maintain the Borrower's relationship with CIBC and to offer any services as permitted by law, including services and products offered by CIBC's Subsidiaries when it is considered that this may be suitable to the Borrower.

1.10 Instructions by fax, phone and e-mail. The Borrower may deliver, and CIBC may accept, instructions by fax, telephone (including cellular phone) and internet e-mail ("Electronic Communication"), according to CIBC-approved procedures, which procedures may be limited to particular types of communications or services. Unless the Borrower expressly indicates otherwise, the Borrower agrees that CIBC may also communicate with the Borrower by e-mail or fax save if same relates to an Event of Default. This may include (i) CIBC sending confidential information to the Borrower, at the Borrower's request; or (ii) the Borrower sending confidential information to CIBC. An Electronic Communication may not be a secure means of communication and the Borrower assumes responsibility for the risks of using Electronic Communications including, without limitation, the possibility that an Electronic Communication is: intercepted by or sent to an unauthorized person, misunderstood, lost, delayed, or not received by CIBC at all. CIBC is entitled to rely upon any Electronic Communication from or purporting to be from the Borrower, as if such instructions were given in writing. However, CIBC may choose not to act upon an Electronic Communication if it believes that the Electronic Communication is unauthorized, incorrect or unclear. CIBC shall not be liable for, and the Borrower will indemnify and save CIBC harmless from, any claims,

losses, damages, liabilities and expenses that CIBC incurs (other than those due to CIBC's gross negligence or wilful misconduct) including among other things all legal fees and expenses, arising from CIBC acting or declining to act on any of your Electronic Communications given under this Commitment. This indemnity is in addition to any other indemnity or assurance against loss provided by you to CIBC under this Commitment or otherwise.

1.11 Further Assurances. The Borrower will from time to time promptly upon request by CIBC do and execute all such acts and documents as may be reasonably required by CIBC to give effect to the Credits and the Security, and to any transfer pursuant to section 1.15 of this Schedule.

1.12 Insurance. The Borrower will keep all its assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for similar property and for any other risks CIBC may reasonably require. If CIBC requests, these policies will include a loss payable clause (and with respect to mortgage security, a mortgagee clause) in favour of CIBC. As further security, the Borrower assigns all insurance proceeds to CIBC. The Borrower will provide to CIBC either the policies themselves or adequate evidence of their existence. If any insurance coverage for any reason stops, CIBC may (but shall have no obligation to) insure the property. Finally, the Borrower will notify CIBC immediately of any loss or damage to any of its property.

1.13 Environmental. The Borrower will carry on its business, and maintain its assets and property in accordance with all applicable environmental, health and safety laws and regulations. If there occurs or occurred in the past any release, deposit, discharge or disposal of any substance that may cause any environmental harm or adverse environmental effect or that is or may be regulated by any law for the protection of the environment, human health or safety, (collectively, a "Discharge") in connection with the business or property of the Borrower, and as a result CIBC suffers any third party claim, legal obligation, loss, expense or damage whatsoever, the Borrower will reimburse CIBC, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts that result (including amounts spent conducting any necessary environmental assessments or investigations or defending any third party claims or proceedings, government demands or orders). If CIBC asks, the Borrower will defend any third party claims or proceedings, investigations or prosecutions brought against CIBC or any of its directors, officers, employees and agents in connection with any Discharge. The Borrower's obligation under this section continues even after all Credits have been repaid and this Commitment has terminated.

1.14 Waiver. No delay on the part of CIBC in exercising any right or privilege will operate as a waiver thereof, and no waiver of any failure or default will operate as a waiver thereof unless made in writing and signed by an authorized officer of CIBC, or will be applicable to any other failure or default.

1.15 Assignment. CIBC may assign, sell or participate (herein referred to as a "transfer") all or any part of its rights and obligations under all or any of the Credits to any third party, and the Borrower agrees to sign any documents and take any actions that CIBC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under this Commitment as if it were a party to it, with respect to all rights and obligations included in the transfer. The Borrower may not assign any of its rights or obligations under any of the Credits.

1.16 Application to Subsidiaries. The Borrower will ensure that each of its Subsidiaries complies with sections 1.11, 1.12 and 1.13 of this Schedule, as if the references to the Borrower therein were references to each such Subsidiary.

1.17 Governing Law. This Commitment is governed by and interpreted in accordance with laws of the Province of Quebec and the laws of Canada applicable therein. Any legal proceeding arising out of this Commitment may be instituted before the courts of the district of Montreal (or any appellate court thereof) and the parties submit to the non-exclusive jurisdiction of such courts.

For greater certainty, the parties hereto acknowledge that the Loan Documents are to be governed by and interpreted in accordance with laws of the Province of Quebec and the laws of Canada applicable therein as well, except where conflict of laws require that the laws of another jurisdiction be applicable, such as for creation of security purposes for example..

1.18 Counterparts. This Commitment may be executed in one or more counterparts, and all of such counterparts shall constitute the same Commitment.

1.19 Certain Definitions. In this Commitment the following terms have the following meanings:

"Affiliate" means, with respect to any person, any other person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such person, and includes any person in like relation to an Affiliate.

A person shall be deemed to control another person if the first person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other person, whether through the ownership of voting securities, by contract or otherwise.

"Commitment" means the attached Commitment Letter between CIBC and the Borrower, including this Schedule and any other Schedules thereto, as the same may be amended or supplemented from time to time.

"Business Day" means (i) with respect to any amount denominated in US dollars and all matters pertaining thereto, any day excluding Saturday, Sunday and any day which is a legal holiday in Toronto, Canada; (ii) with respect to any amount denominated in US dollars (except as provided below) and all matters pertaining thereto, any day excluding Saturday, Sunday or any day which is a legal holiday in New York, U.S.A. or Toronto, Canada, and (iii) with respect to any LIBOR Loan and all matters pertaining thereto, any day which is a day for dealings by and between banks in US dollars in the London interbank market, excluding Saturday, Sunday or any day which is a legal holiday in London, England or New York, U.S.A. or Toronto, Canada.

"Compliance Certificate" means an Officer's Certificate stating, as of the applicable date, (i) that the Borrower is not in default of the observance or performance of any of its covenants in this Commitment (or describing any default then existing), (ii) that all representations and warranties contained in this Commitment are true and accurate as if made on and as of such date (or describing any thereof that are not then true and accurate), (iii) the particulars and calculation of all financial covenants of the Borrower contained in this Commitment, and (iv) where applicable, the amount and particulars of calculation of Receivable Value, Inventory Value and Priority Claims, and the resulting maximum available amount and undrawn amount of any Credit, as of such date. Unless otherwise prescribed by CIBC, a Compliance Certificate shall be substantially in the form attached to this Schedule A.

"Event of Default" means any of the following events or circumstances:

- I. If the Borrower or Guarantors fail to pay any principal amount of the Loan owing under this Commitment when due and payable and such failure continues for ten (10) business days or more after receipt of notice from Lender in respect to the same;
- II. if the Borrower or Guarantors fail to pay any interest, fee or other amount (except principal) when due and payable and such failure continues for ten (10) Business Days or more after receipt of notice from the Lender in respect of the same;
- III. if the Borrower or Guarantors fail to pay Realty Taxes or utility charges when due, or if any Priority Claim arises which creates a prior or equal claim in the Property or any part thereof and the same are not paid within ten (10) business days of notice from the Lender in respect of the same;
- IV. if the Borrower or Guarantors default in the performance or observance of any negative covenant contained in this Commitment and such default continues for 30 days or more after the earlier of the date on which the Borrower first has actual knowledge of such default and the date on which written notice of such default is given to it by CIBC;
- V. if the Borrower or Guarantors default in the performance or observance of any other term or covenant contained in this Commitment or the Security and such default continues for 30 days or more after the earlier of the date on which the Borrower first has actual knowledge of such default and the date on which written notice of such default is given to it by CIBC;
- VI. if any representation or warranty contained in this Commitment or the Security or in any certificate delivered to CIBC by or on behalf of the Borrower or Guarantor is untrue in any material respect on the date as of which it was made;
- VII. if there is outstanding any amount or amounts exceeding an aggregate of US\$ 5,000,000 (or the equivalent amount in any other currency) which any of the Borrower or Guarantors has failed to pay when due and payable, or if any amount or amounts exceeding an aggregate of US\$ 5,000,000 (or the equivalent amount in any other currency) may then be declared to be due and payable by any of the Borrower or Guarantors prior to the stated Maturity Date thereof or prior to the regularly scheduled date for payment thereof;
- VIII. if it is or will become unlawful for any of the Borrower or Guarantors to perform or comply with any of its obligations under this Commitment or the Security, or if any obligation of any of the Borrower or Guarantors under this Commitment or the Security ceases to be its legal, valid, binding and enforceable obligation, or if the enforceability of this Commitment or any of the Security is disputed by any of the Borrower or Guarantors, or if any of the Security provided by the Borrower under this Commitment ceases to constitute a Lien of the nature and priority contemplated by this Commitment;

- IX. if any Transfer occurs in breach or violation of the terms of this Commitment;
- X. any failure by the Borrower to comply with the insurance obligations under this Commitment;
- XI. if any of the Borrower or Guarantors commits an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada), or institutes proceedings for its winding up, liquidation or dissolution, or takes action to become a voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or other proceeding seeking reorganization, readjustment, arrangement, composition or similar relief under any bankruptcy law or insolvency law or consents to the filing of any such petition or other proceeding, or consents to the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of its property, or makes an assignment for the benefit of creditors, or publicly announces or admits in writing its inability to pay its debts generally as they become due, or suspends or threatens to suspend transaction of all or any substantial part of its usual business, or any action is taken by any of the Borrower or Guarantors or any shareholder of any of them in furtherance of any of the foregoing (collectively, an "Insolvency Act"). If a Guarantor commits an Insolvency Act, and the Borrower delivers to CIBC, within thirty (30) days of such Insolvency Act, a replacement guarantee for such insolvent Guarantor from a substitute guarantor whose financial strength, in the opinion of CIBC, acting reasonably, is the same or better than the financial strength of the insolvent Guarantor as at the date of this Commitment, the Insolvency Act shall not thereafter constitute an Event of Default;
- XII. if proceedings are instituted in any court of competent jurisdiction by any person (other than any of the Borrower or Guarantors or a shareholder of any of them) for the winding up, liquidation or dissolution of any of the Borrower or Guarantors, or for any reorganization, readjustment, arrangement, composition or similar relief with respect to any of the Borrower or Guarantors under any bankruptcy law or any other applicable insolvency law, or for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the whole or any material part of the property of any of the Borrower or Guarantors, and at any time thereafter such proceeding is not contested in good faith, or if any order sought in any such proceeding is granted (collectively, an "Insolvency Act"). If a Guarantor commits an Insolvency Act, and the Borrower delivers to CIBC, within thirty (30) days of such Insolvency Act, a replacement guarantee for such insolvent Guarantor from a substitute guarantor whose financial strength, in the opinion of CIBC, acting reasonably, is the same or better than the financial strength of the insolvent Guarantor as at the date of this Commitment, the Insolvency Act shall not thereafter constitute an Event of Default;
- XIII. if there is any default by the Borrower or Guarantors under any charge, mortgage, security interest or other financial encumbrance of all or any part of the Property whether ranking in priority to or subsequent to the security of the Loan Documents, which is not cured within any cure periods applicable thereto and which would have a Material Adverse Effect in the opinion of CIBC acting reasonably;
- XIV. if an encumbrancer (including without limitation an execution creditor) takes possession of any property of any of the Borrower or Guarantors which would have a Material Adverse Effect in the opinion of CIBC acting reasonably;
- XV. if there exists for any period of three consecutive Business Days one or more non-appealable judgements of a court of competent jurisdiction against any of the Borrower for an aggregate amount exceeding US\$5,000,000 (or the equivalent amount in any other currency) which has not been satisfied in full (exclusive of any amount adequately covered by insurance as to which the insurer has acknowledged coverage);
- XVI. the Property is abandoned or any act of waste is committed as to all or any part of the Property; or any building or other structure now or later being erected on the Property remains unfinished without any work being done on it for a period of thirty (30) consecutive days
- XVII. the Borrower change the use of the Property in any material respect or cease to carry on the business ordinarily carried on from the Property without the Lender's prior written consent;
- XVIII. all or any material part of the Property is expropriated;
- XIX. if in the reasonable opinion of CIBC there is any change in the effective control of the Borrower or Guarantors.
- XX. if in the reasonable opinion of CIBC there has occurred any event which has had a Material Adverse Effect; or
- XXI. if the Borrower or Guarantors commit a default, or an event of default, under the Swap Agreement;
- XXII. any other event of default expressly provided as an event of default under any Loan Documents.

"GAAP" means those accounting principles which are recognized as being generally accepted in Canada from time to time as set out in the handbook published by the Canadian Institute of Chartered Accountants. If the Borrower, or the party to which references to GAAP are intended to apply, has adopted International Financial Reporting Standards ("IFRS"), then the applicable references in this Commitment to GAAP or Generally Accepted Accounting Principles may be interpreted to mean IFRS, but only if CIBC has consented to such change.

"Investment" means, with respect to any person, any direct or indirect investment in or purchase or other acquisition of the securities of or any equity interest in any other person, any loan or advance to, or arrangement for the purpose of providing funds or credit to (excluding extensions of trade credit in the ordinary course of business in accordance with customary commercial terms), or capital contribution to, any other person, or any purchase or other acquisition of all or substantially all of the property of any other person.

"Lien" includes without limitation a mortgage, charge, lien, security interest or encumbrance of any sort on any property or asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases other than a lien disclosed in writing to the Lender prior to the Closing Date and subsequent to closing provided that such security interest does not secure an amount exceeding US\$5,000,000.

"Material Adverse Effect" means a material adverse effect on the business, property, condition (financial or otherwise) or prospects of the Borrower, considered as a whole, or a material adverse effect on the ability of any of the Borrower to perform its obligations under any of this Commitment and the Security to which it is a party.

"Normal Course Lien" means, at any time, the following:

- (i) Liens for taxes not overdue, or which are being contested if adequate reserves with respect thereto are maintained by the Borrower in accordance with GAAP and the enforcement of any related Lien is stayed;
- (ii) undetermined or inchoate Liens arising in the ordinary course of business which relate to obligations not overdue or a claim for which has not been filed or registered pursuant to applicable law;
- (iii) carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction or other similar Liens arising in the ordinary course of business which relate to obligations not overdue;
- (iv) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower;
- (v) zoning and building by-laws and ordinances and municipal by-laws and regulations so long as the same are complied with;
- (vi) statutory Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation;
- (vii) the reservations and exceptions contained in, or implied by statute in, the original disposition from the Crown and grants made by the Crown of interests so reserved or excepted;
- (viii) Liens created by the Security; and
- (ix) Liens in respect of which CIBC has given its specific written consent.

"Officer's Certificate" means a certificate, in form satisfactory to CIBC, signed by a senior officer of the Borrower.

"Operating Account" means US dollar account no. • of the Borrower with CIBC, or US dollar account no. • of the Borrower with CIBC, or any such other account as is agreed upon by the Borrower and CIBC from time to time for the purposes hereof.

"Priority Claims" means, at any time, any liability of any of the Borrower that ranks, in right of payment in any circumstances, equal to or in priority to any liability of the Borrower to CIBC, and may include unpaid wages, salaries and commissions, unremitted source deductions for vacation pay, arrears of rent, unpaid taxes, amounts owed in respect of worker's compensation, amounts owed to unpaid vendors who have a right of repossession, and amounts owing to creditors which may claim priority by statute or under a Purchase Money Lien.

"Purchase Money Lien" means any Lien which secures a Purchase Money Obligation permitted by this Commitment, provided that such Lien is created not later than 30 days after such Purchase Money Obligation is incurred and does not affect any asset other than the asset financed by such Purchase Money Obligation.

"Purchase Money Obligation" means any Debt (including without limitation a capitalized lease obligation) incurred or assumed to finance all or any part of the acquisition price of any asset acquired by any of the Borrower and or to finance all or any part of the cost of any improvement to any asset of any of the Borrower, provided that such obligation is incurred or assumed prior to or within 30 days after the acquisition of such asset or the completion of such improvement and does not exceed the lesser of the acquisition price payable by the Borrower for such asset or improvement and the fair market value of such asset or improvement; and includes any extension, renewal or refunding of any such obligation so long as the principal amount thereof outstanding on the date of such extension, renewal or refunding is not increased.

"Security" means, collectively, all of the items of security held by CIBC for the indebtedness and liabilities, or any part or parts thereof, of the Borrower to CIBC.

"Subsidiary" of any person means any other person of which shares or other equity units having ordinary voting power to elect a majority of the board of directors or other individuals performing comparable functions, or which are entitled to or represent more than 50% of the owners' equity or capital or entitlement to profits, are owned beneficially or controlled, directly or indirectly, by any one or more of such first person and the Subsidiaries of such first person, and shall include any other person in like relationship to a Subsidiary of such first person.

2. INTEREST RATES; PAYMENTS; CALCULATIONS

2.1 Interest Rates. Interest is payable with respect to:

- (i) excess amounts (provided that nothing herein shall be deemed to imply that the Borrower is entitled to obtain any such excess amount, or that the limit of a Credit is to be increased in any circumstance) above the limit of a Credit or a part of a Credit, as described in section 2.4 of this Schedule,
- (ii) amounts that are not paid when due, at the Interest Rate Applicable to Credit Limit Excesses, and
- (iii) any other amounts, at the rate specified in this Commitment.

2.2 **Variable interest.** Each variable interest rate provided for in this Commitment will change automatically, without notice, whenever the Prime Rate or the US Base Rate, as the case may be, changes.

2.3 **Payment of interest.** Interest is calculated on the applicable balance at the end of each day. Interest is payable in arrears once a month on the day required by CIBC, unless otherwise specified in this Commitment.

2.4 **Interest Rate Applicable to Credit Limit Excesses.** To determine whether the Interest Rate Applicable to Credit Limit Excesses is to be charged, the following rules apply:

(a) The Interest Rate Applicable to Credit Limit Excesses will be charged on the amount that exceeds the limit of any particular Credit.

(b) If there are several parts of a Credit, the Interest Rate Applicable to Credit Limit Excesses will be charged if the limit of a particular part is exceeded. For example, if Credit A's limit is \$250,000, and the limit of one part of Credit A is \$100,000 and the limit of that part is exceeded by \$25,000, the Interest Rate Applicable to Credit Limit Excesses will be charged on that \$25,000 excess, even if the total amount outstanding under Credit A is less than \$250,000.

(c) To determine if the limit of a Credit has been exceeded, any amounts in a currency other than the currency in which the limit is designated will be converted into that currency, as described in section 2.11 of this Schedule.

2.5 **Interest on Overdue Amounts.** Except as otherwise specified herein, if any principal is not paid when due, such overdue principal will bear interest (as well after as before judgement), payable on demand, at the interest rate applicable to such principal prior to default, and interest will be payable on overdue interest (as well after as before judgement) at the same rate as is applicable to the related principal. If any amount is not paid by the Borrower when due and there is no interest otherwise applicable to such amount specified herein, such overdue amount will bear interest (as well after as before judgement), payable on demand, at a rate per annum equal at all times to the Prime Rate plus 5% (in the case of any such amount payable in Canadian dollars) or the US Base Rate plus 5% (in the case of any such amount payable in US dollars) from the date of non-payment until paid in full.

2.6 Reductions of Limit of Credits. On or prior to each date on which the limit of any Credit is reduced, the Borrower will repay such outstanding amounts thereunder, if any, as are necessary so that, after giving effect to the repayment, the total of all amounts outstanding under such Credit does not exceed the limit as so reduced.

2.7 Payments. If any payment is due on a day other than a Business Day, such payment will be due on the next Business Day.

2.8 CIBC's pricing policy. The fees, interest rates and other charges for the Borrower's banking arrangements with CIBC are dependent upon each other. Accordingly, if the Borrower cancels or does not follow through with, in the manner originally agreed to in writing, any of these arrangements, CIBC reserves the right to require payment by the Borrower of increased or added fees, interest rates and charges as a condition of the continuation of the Borrower's banking arrangements.

2.9 Calculations. The following terms apply to all calculations under the Credits:

- (a) CDOR, Federal Funds Rate, Bankers' Acceptance Yield, LIBO Rate, Prime Rate and US Base Rate shall be determined by CIBC if and whenever such determination is required for the purpose of this Commitment, and such determination by CIBC shall be conclusive evidence of such rate.
- (b) Except as provided in the next sentence, all interest and fees hereunder shall be computed on the basis of the actual number of days elapsed divided by 365. Interest on each LIBOR Loan shall be computed on the basis of the actual number of days elapsed divided by 360. Any such applicable interest rate, expressed as an annual rate of interest for the purpose of the *Interest Act* (Canada), shall be equivalent to such applicable interest rate multiplied by the actual number of days in the calendar year in which the same is to be determined and divided by 365 or 360, as the case may be.
- (c) In calculating interest or fees payable hereunder for any period, unless otherwise specifically stated, the first day of such period shall be included and the last day of such period shall be excluded.

2.10 CIBC's Records. CIBC's loan accounting records will constitute prima facie evidence of all terms and conditions of the Credits such as principal loan balances, interest calculations, and payment dates.

2.11 Foreign Currency Conversion. If it is necessary for any purpose relating to the Credits that an amount denominated in a currency other than Canadian dollars be expressed in or equated to an amount of Canadian dollars (such as, for example, to determine whether amounts denominated in US dollars that are outstanding under a Credit which has a limit specified in Canadian dollars exceed the limit of such Credit so as to make applicable the Interest Rate Applicable to Credit Limit Excesses), the applicable amount of Canadian dollars shall be determined by CIBC in accordance with its normal practice.

2.12 Deemed Re-Investment Principle. For the purpose of the *Interest Act* (Canada) and any other purpose, the principle of deemed re-investment of interest is not applicable to any calculation under this Commitment, and the rates of interest and fees specified in this Commitment are intended to be nominal rates and not effective rates or yields.

2.13 Certain Definitions. If and whenever required for the purpose of this Commitment, the following terms have the following definitions:

"CDOR" means, for any day, the average of the annual discount rates for bankers' acceptances denominated in Canadian dollars of certain banks named in Schedule 1 to the *Bank Act* (Canada) for a specified term and face amount that appears on the CDOR page of the Reuters Screen as of 10:00 a.m. on such day (or, if such day is not a Business Day, as of 10:00 a.m. on the next preceding Business Day).

"Federal Funds Rate" means, for any day, an annual interest rate equal to the weighted average of the rates on overnight United States federal funds transactions with members of the Federal Reserve System arranged by United States federal funds brokers, as published for such day (or, if such day is not a business day in New York, for the next preceding business day in New York) by the Federal Reserve Bank of New York, or for any such business day on which such rate is not so published, the arithmetic average of the quotations for such day on such transactions received by CIBC from three United States federal funds brokers of recognized standing selected by it.

"Interest Rate Applicable to Credit Limit Excesses" means the annual interest rate generally established by CIBC from time to time for the purpose of calculating interest on overdrafts in accounts maintained with CIBC in Canada.

"Prime Rate" means a fluctuating annual interest rate equal at all times to the greater of (i) the reference rate of interest (however designated) of CIBC for determining interest chargeable by it on loans in Canadian dollars made in Canada and (ii) 3/4 of 1% per annum above the CDOR for 30-day bankers' acceptances from time to time.

"US Base Rate" means a fluctuating annual interest rate equal at all times to the greater of (i) the reference rate of interest (however designated) of CIBC for determining interest chargeable by it on loans in US dollars made in Canada, and (ii) 3/4 of 1% per annum above the Federal Funds Rate from time to time.

3. NOTICE OF BORROWING; NOTICE OF REPAYMENT; OVERDRAFTS

3.1 Notice of Borrowing. Whenever the Borrower desires to obtain any amount under a Credit (other than a loan by way of a permitted overdraft), it will give to CIBC irrevocable prior written notice (a "Notice of Borrowing") specifying the Credit under which such amount is to be obtained and the particulars of such amount including the term of any Bankers' Acceptances, the term of any LIBOR Period, the particulars of all maturing Bankers' Acceptances in the case of a rollover or conversion of Bankers' Acceptances, and the Business Day on which such amount is to be obtained. No amount shall be obtained if the term thereof or any LIBOR Period applicable thereto would mature beyond any scheduled repayment or reduction date for the applicable Credit and all or any part of such amount will be required to be repaid on such date. The amount to be obtained under any Credit at any time shall not exceed the undisbursed amount of that Credit at such time. CIBC will not be obliged to make available at any time LIBOR Loans in an aggregate amount less than US \$1,000,000. A notice requesting any loan in an amount exceeding \$10,000,000 or US \$10,000,000 (other than a LIBOR Loan) must be given not later than 10:00 a.m. on the Business Day preceding the applicable borrowing date; a notice requesting any Bankers' Acceptances in an amount exceeding \$10,000,000 must be given not later than 10:00 a.m. on the second Business Day preceding the applicable borrowing date; and a notice requesting any LIBOR Loan must be given not later than 10:00 a.m. on the third Business Day preceding the applicable borrowing date.

3.2 Notice of Repayment. Whenever the Borrower desires to make any repayment or repayments under one or more of the Credits in an aggregate amount exceeding \$10,000,000 (or an equivalent amount in any other currency) on any day, it will give to CIBC irrevocable written notice specifying the particulars of such repayment not later than 10:00 a.m. on the Business Day preceding the applicable repayment date.

3.3 Overdrafts. If the Borrower is entitled under any Credit to obtain loans in Canadian dollars or US dollars by way of overdraft, the debit balance in the Borrower's applicable Operating Account from time to time will be deemed to be a loan in Canadian dollars or US dollars, as the case may be, outstanding to the Borrower under such Credit and bearing interest as set out in this Commitment for loans in such currency under such Credit. If at any time the Borrower is a party to a cash concentration arrangement with CIBC, the amount of any overdraft from time to time in the Canadian dollar or US dollar concentration account of the Borrower established pursuant to such arrangement will also be deemed to be a loan in Canadian dollars or US dollars, as applicable, outstanding to the Borrower under the applicable Credit and bearing interest as set out above on the basis of the Prime Rate or the US Base Rate, as the case may be.

4. INDEMNITIES

4.1 Reserve Indemnity. If subsequent to the date of this Commitment any change in or introduction of any applicable law, or compliance by CIBC with any request or directive by any central bank, superintendent of financial institutions or other comparable authority, shall subject CIBC to any tax with respect to the Credits or change the basis of taxation of payments to CIBC of any amount payable under the Credits (except for changes in the rate of tax on the overall net income of CIBC), or impose any capital maintenance or capital adequacy requirement, reserve requirement or similar requirement with respect to the Credits, or impose on CIBC or the London interbank market (in the case of any matter relating to any actual or requested LIBOR Loan), any other condition or restriction, and the result of any of the foregoing is to increase the cost to CIBC of making or maintaining the Credits or any amount thereunder or to reduce any amount otherwise received by CIBC under the Credits, CIBC will promptly notify the Borrower of such event and the Borrower will pay to CIBC such additional amount calculated by CIBC as is necessary to compensate CIBC for such additional cost or reduced amount received. A certificate of CIBC as to any such additional amount payable to it and containing reasonable details of the calculation thereof shall be conclusive evidence thereof.

4.2 Currency Indemnity. Interest and fees hereunder shall be payable in the same currency as the principal to which they relate. Any payment on account of an amount payable in a particular currency (the "proper currency") made to or for the account of CIBC in a currency (the "other currency") other than the proper currency, whether pursuant to a judgement or order of any court or tribunal or otherwise and whether arising from the conversion of any amount denominated in one currency into another currency for any purpose, shall constitute a discharge of the

Borrower's obligation only to the extent of the amount of the proper currency which CIBC is able, in the normal course of its business within one Business Day after receipt by it of such payment, to purchase with the amount of the other currency so received. If the amount of the proper currency which CIBC is able to purchase is less than the amount of the proper currency due to CIBC, the Borrower shall indemnify and save CIBC harmless from and against any loss or damage arising as a result of such deficiency.

4.3 Tax Indemnity. All payments by the Borrower under this Commitment shall be made free and clear of, and without reduction for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, other than taxes imposed on the overall net income of CIBC or franchise taxes, taxes on doing business or taxes measured by the capital or net worth of CIBC (collectively "Excluded Taxes"), now or hereafter imposed, levied, collected, withheld or assessed by any country or any political subdivision thereof (collectively "Taxes"); provided, however, that if any Taxes are required to be withheld from any interest or other amount payable to the CIBC hereunder, the amount so payable to the CIBC shall be increased to the extent necessary to yield to CIBC, on a net basis after payment of all Taxes and after payment of all Excluded Taxes imposed by any relevant jurisdiction on any additional amounts payable under this section, interest or any such other amount payable hereunder at the rate or in the amount specified in this Commitment. The Borrower shall be fully liable and responsible for and shall, promptly following receipt of a request from CIBC, pay to CIBC any and all sales, goods and services taxes payable under the laws of Canada or any political subdivision thereof with respect to any and all goods and services made available hereunder to the Borrower by CIBC, and such taxes shall be included in the definition of "Taxes" for all purposes hereof. Whenever any Taxes are payable by the Borrower, as promptly as possible thereafter it shall send to CIBC, a certified copy of an original official receipt showing payment thereof. If the Borrower fails to pay any Taxes when due or fails to remit to CIBC as aforesaid the required documentary evidence thereof, the Borrower shall indemnify and save harmless CIBC from any incremental taxes, interest, penalties or other liabilities that may become payable by CIBC or to which CIBC may be subjected as a result of any such failure. A certificate of CIBC as to the amount of any such taxes, interest or penalties and containing reasonable details of the calculation thereof shall be *prima facie* evidence thereof.

4.4 Default Indemnity. The Borrower shall indemnify and save harmless CIBC from all claims, demands, liabilities, damages, losses, costs, charges and expenses, including any loss or expense arising from interest or fees payable by CIBC to lenders of funds obtained by it in order to make or maintain any amount under the Credits and any loss or expense incurred in liquidating or re-employing deposits from which such funds were obtained, which may be incurred by CIBC as a consequence of (i) default by the Borrower in the payment when due of any amount hereunder or the occurrence of any other default relative to any of the Credits, (ii) default by the Borrower in obtaining any amount after the Borrower has given notice hereunder that it desires to obtain such amount, (iii) default by the Borrower in making any optional repayment of any amount after the Borrower has given notice hereunder that it desires to make such repayment, or (iv) the repayment by the Borrower of any LIBOR Loan otherwise than on the expiration of any applicable LIBOR Period, or the repayment of any loan on which interest is payable at a fixed annual rate otherwise than on the expiration of the fixed interest rate period applicable thereto, or the repayment of any other amount otherwise than on any specified maturity date thereof. A certificate of CIBC as to any such loss or expense and containing reasonable details of the calculation thereof shall be *prima facie* evidence thereof.

5. CONDITIONS PRECEDENT

5.1 Conditions Precedent to advance of Tranches A & B (Please refer to Schedule B")

5.2 Conditions Precedent to All Amounts

CIBC shall not be obliged to make available any amount under the Credits unless:

- (a) CIBC shall have received any applicable Notice of Borrowing.
- (b) On the applicable borrowing date the Borrower shall not have failed to observe or perform any of its covenants in this Commitment in any material respect, and the Borrower shall have delivered to CIBC, if so requested by CIBC, an Officers' Certificate to such effect.
- (c) The representations and warranties contained in this Commitment shall be true on and as of the applicable borrowing date in all material respects with the same effect as if such representations and warranties had been made on and as of the applicable borrowing date, and the Borrower shall have delivered to CIBC, if so requested by CIBC, an Officers' Certificate to such effect.

- (d) All other conditions specified herein, to the extent not previously satisfied for any reason, other shall have been satisfied.
- (e) In respect of any amount that would result in the aggregate amount outstanding under the Credits being increased, there shall not have occurred subsequent to the date of last annual financial statements of the Borrower, in the opinion of CIBC, any event which (individually or with any other events) has had, or which has a reasonable possibility of having, a Material Adverse Effect.

6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties. To induce CIBC to establish and maintain the Credits, the Borrower represents and warrants as follows:

- (a) Each of the Borrower and has all necessary power and authority to own its property, to carry on the business carried on by it, to enter into and perform its obligations under such of this Commitment and the Security to which it is a party, and in the case of the Borrower to obtain amounts under the Credits. Each of the Borrower is in compliance with all applicable laws except to the extent that the failure to comply therewith would not, in the aggregate, have, or reasonably be expected to have, a Material Adverse Effect.
- (b) The Borrower has taken all action necessary to be taken to authorize the execution and delivery of and the performance of its obligations under this Commitment and the Security, and the obtaining of amounts under the Credits. Except as has been obtained and is in full force and effect, no consent, waiver or authorization of, or filing with or notice to, any person is required to be obtained in connection with the execution and delivery of and the performance by each of the Borrower of its obligations under this Commitment and the Security, or the obtaining by the Borrower of amounts under the Credits. This Commitment and the Security have been duly executed and delivered by each of the Borrower as are parties thereto, and constitute the legal, valid and binding obligation of each of them enforceable in accordance with their terms.
- (c) The execution and delivery by the Borrower of this Commitment and the Security and the performance by them of their obligations thereunder, and the obtaining by the Borrower of amounts under the Credits, will not conflict with or result in a breach of any applicable law, and will not conflict with or result in a breach of or constitute a default under, or permit the termination of, or cause any material right of any of the Borrower to be adversely affected under, any of the provisions of its constituting documents or by-laws or any agreement, permit, instrument, judgement, injunction or other contractual obligation to which it is a party or by which it is bound, or result in the creation or imposition of any Lien (other than the Security) upon any of its property or assets.
- (d) Except as disclosed in writing by the Borrower to CIBC prior to the date of this Commitment with specific reference to this paragraph or, with respect to events occurring subsequent to the date of this Commitment, as the Borrower has otherwise disclosed in writing to CIBC with specific reference to this paragraph, there is no action, suit or proceeding (whether or not purportedly on behalf of any of the Borrower) pending or, to the knowledge of the Borrower, threatened, against or affecting any of its Borrower before any court or before or by any governmental department, commission or agency, in Canada or elsewhere, or before any arbitrator or board, and none of the Borrower is in default with respect to any order or award of any arbitrator or government department, commission or agency.
- (e) The Borrower has delivered to CIBC a true and complete copy of its most recent financial statements, and such financial statements present fairly the financial position of the Borrower, in accordance with GAAP, as of the date thereof and for the fiscal period then ended. All financial statements of the Borrower delivered by the Borrower to CIBC after the date of this Commitment will present fairly the financial position of the Borrower, in accordance with GAAP, as of the dates thereof and for the fiscal periods then ended.
- (f) Since the date of the most recent financial statements of the Borrower delivered to CIBC, there has occurred no event which (individually or with any other events) has had, or which may reasonably be expected to have, a Material Adverse Effect.
- (g) The Borrower has not failed to observe or perform (beyond any period of grace permitted by CIBC) any of its covenants in this Commitment in any material respect.
- (h) Except as disclosed in writing by the Borrower to CIBC prior to the date of this Commitment with specific reference to this paragraph, to the best knowledge of the Borrower, (i) the business carried on and the property owned or used at any time by any of the Borrower and their respective predecessors (including the lands owned or occupied by any of them and the waters on or under such lands) have at all times been carried on, owned or used in compliance with all environmental laws; (ii) none of the Borrower is subject to any proceeding alleging the violation of any environmental law, and no part of its business or property is the subject of any proceeding to evaluate whether remedial action is needed as a result of the release from or presence of any hazardous substance on any lands owned or occupied by it; (iii) there are no circumstances that could reasonably be expected to give rise to any civil

or criminal proceedings or liability regarding the release from or presence of any hazardous substance on any lands used in or related to the business or property of any of the Borrower or on any lands on which any of the Borrower has disposed or arranged for the disposal of any materials arising from the business carried on by it, or regarding the violation of any environmental law by any of the Borrower or by any other person for which it is responsible; (iv) all hazardous substances disposed of, treated or stored on lands owned or occupied by any of the Borrower have been disposed of, treated and stored in compliance with all environmental laws; (v) there are no proceedings and there are no circumstances or material facts which could give rise to any proceeding in which it is or could be alleged that any of the Borrower is responsible for any domestic or foreign clean up or remediation of lands contaminated by hazardous substances or for any other remedial or corrective action under any environmental laws; (vi) each of the Borrower has maintained all environmental and operating documents and records relating to its business and property in the manner and for the time periods required by any environmental laws and has never had conducted an environmental audit of its business or property; and (vii) the Borrower is not aware of any pending or proposed change to any environmental law which would render illegal or materially adversely affect its business or property.

- (i) No representation or warranty made by the Borrower herein or in any other document furnished to CIBC from time to time contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they are made, not misleading. All projections and *pro forma* information delivered to CIBC from time to time by the Borrower were prepared in good faith based on assumptions believed by the Borrower to be reasonable at the time of delivery. There is no fact known to the Borrower on the date of this Commitment which has had, or which has a reasonable possibility of having, a Material Adverse Effect.

6.2 **Survival.** All representations and warranties contained in this Commitment shall survive the execution and delivery of this Commitment and the obtaining of amounts under the Credits, and the delivery of each Notice of Borrowing and the obtaining of any amount under any Credit shall constitute a reaffirmation on and as of such delivery date and such borrowing date, in each case by reference to the then-existing facts and circumstances, of all representations and warranties contained in this Commitment.

7. FINANCIAL COVENANTS

7.1 **Calculation.** All financial covenants will be calculated including the Borrower on a combined basis, and each amount derived from the Borrower's profit and loss statement shall be calculated as the total of such amount during the Borrower's four most recently-completed fiscal quarters (or, if agreed upon by CIBC in its sole discretion, during the Borrower's most recently-completed fiscal year), as shown in the Borrower's most recent financial statements delivered to CIBC.

7.2 **Certain Definitions.** In this Commitment the following terms have the following meanings:

"Debt" means, with respect to any person, (i) an obligation of such person for borrowed money, (ii) an obligation of such person evidenced by a note, bond, debenture or other similar instrument, (iii) an obligation of such person for the deferred purchase price of property or services, excluding trade payables and other accrued current liabilities incurred in the ordinary course of business in accordance with customary commercial terms, (iv) a capitalized lease obligation of such person, (v) a guarantee, indemnity, or financial support obligation of such person, determined in accordance with GAAP, (vi) an obligation of such person or of any other person secured by a Lien on any property of such person, even though such person has not

"Postponed Debt" means any Debt for borrowed money of any of the Borrower that is incurred at such time as no failure by the Borrower to perform or observe any of its covenants in this Commitment is continuing or would be created by the incurrence thereof (to be evidenced by *pro forma* financial statements delivered to CIBC) and which has the following attributes: (i) no principal thereof is repayable so long as any amount is owed by the Borrower to CIBC (or until such earlier date as CIBC may agree upon in writing), (ii) no covenant with respect to such Debt is more onerous than or in addition to the covenants specified herein, and (iii) all rights of the holder of such Debt are postponed and subordinated to all rights of CIBC under or in respect of the Credits pursuant to a subordination agreement containing payment and non-payment default standstills and other provisions satisfactory in form and substance to CIBC.

"Restricted Payments" means any payment by any person (i) of any dividends on any of its shares, (ii) on account of the purchase, redemption or other acquisition of any of its shares or any rights to acquire any such shares, or any other distribution in respect of any of its shares, (iii) of any principal, interest or other amount in respect of any Postponed Debt, or (iv) by way of gift or other gratuity or in an amount exceeding an arms-length amount to any of its shareholders or affiliates or to any director or officer thereof.

8. BANKERS' ACCEPTANCES

8.1 Power of Attorney. To facilitate the issuance of Bankers' Acceptances under the Credits, the Borrower appoints CIBC to execute, endorse and deliver on behalf of the Borrower drafts in the form or forms prescribed by CIBC for bankers' acceptances denominated in Canadian dollars (each such executed draft which has not yet been accepted by CIBC is referred to herein as a "Draft"). Each Bankers' Acceptance executed and delivered by CIBC on behalf of the Borrower as provided herein shall be binding upon the Borrower as if it had been executed and delivered by a duly authorized officer or officers of the Borrower.

8.2 Drafts. Notwithstanding the above section, the Borrower will from time to time provide to CIBC if so required by CIBC an appropriate number of Drafts drawn by the Borrower upon CIBC and payable and endorsed as specified by CIBC. The dates, maturity dates and face amounts of all Drafts delivered by the Borrower shall be left blank, to be completed by CIBC as required. All such Drafts shall be held by CIBC subject to the same degree of care as if they were such Lender's own property. CIBC will, upon written request by the Borrower, advise the Borrower of the number and designations, if any, of the Drafts of the Borrower then held by it. CIBC shall not be liable for its failure to accept a Draft as required hereby if the cause of such failure is, in whole or in part, due to the failure of the Borrower to provide appropriate Drafts to CIBC on a timely basis.

8.3 Term and Amount. The term of all Bankers' Acceptances issued pursuant to any Notice of Borrowing must be identical. Each Bankers' Acceptance shall be in a face amount not to exceed the outstanding amount of the Loan. Each Bankers' Acceptance will be dated the date on which it is issued, and will be for a term of **thirty (30) days** or such other period as may be agreed to by CIBC.

8.4 Calculation of Fee. The fee for any Bankers' Acceptance will be calculated, at the rate specified, on the basis of the face amount and term of such Bankers' Acceptance.

8.5 Payment of Fee. Upon acceptance of a Draft the Borrower will pay to CIBC the related fee specified in this Commitment, and to facilitate payment CIBC will be entitled to deduct and retain for its own account the amount of such fee from the amount to be paid by CIBC to the Borrower as the purchase price for the resulting Bankers' Acceptance.

8.6 Purchase by CIBC. Each Bankers' Acceptance will be purchased by CIBC for a price which produces a yield thereon equal to the Bankers' Acceptance Yield then in effect. Such price will be credited by CIBC to the applicable Operating Account.

8.7 No Market. If CIBC determines in good faith, which determination will be conclusive and binding on the Borrower, and so notifies the Borrower, that there does not exist at the applicable time a normal market in Canada for the purchase and sale of bankers' acceptances, then notwithstanding any other provision hereof any obligation of CIBC to purchase Bankers' Acceptances will be suspended until CIBC determines that such market does exist and gives notice thereof to the Borrower, and any Notice of Borrowing requesting Bankers' Acceptances will be deemed to be a Notice of Borrowing requesting Loans in Canadian dollars in a similar aggregate principal amount which Loans shall bear interest at the Prime Rate plus 50 bps per annum.

8.8 Payment on Maturity. On the maturity of each Bankers' Acceptance the Borrower will pay to CIBC, for the account of the holder of such Bankers' Acceptance, Canadian dollars in an amount equal to the face amount of such Bankers' Acceptance. The obligation of the Borrower to make such payment is absolute and unconditional, and will not be prejudiced by the fact that the holder of any such Bankers' Acceptance is CIBC. No days of grace may be claimed by the Borrower for the payment at maturity of any Bankers' Acceptance. If the Borrower does not make such payment, the amount of such payment shall be deemed to be a loan in Canadian dollars made to the Borrower by CIBC and payable on demand. The Borrower hereby confirms the application of the proceeds of such loan in payment of the liability of the Borrower with respect to the related Bankers' Acceptance.

8.9 Cash Collateralization. If any Bankers' Acceptance is outstanding at any time that an Event of Default occurs, the Borrower will forthwith upon demand by CIBC pay to CIBC, for the account of the holder of such Bankers' Acceptance, Canadian dollars in an amount equal to the face amount thereof. Such funds shall be held by CIBC for payment of the liability of the Borrower in respect of such Bankers' Acceptance on the maturity thereof.

8.10 Signatures on Drafts. The signature of any duly authorized officer of the Borrower on a Draft may be mechanically reproduced in facsimile, and all Drafts bearing such facsimile signature shall be binding upon the Borrower as if they had been manually signed by such officer, notwithstanding that such person whose manual or facsimile signature appears on such Draft may no longer hold office at the date thereof or at the date of acceptance of such Draft by CIBC or at any time thereafter.

8.11 Undisbursed Credit. For the purpose of calculating the undisbursed amount of any Credit and for any other relevant provision of this Commitment, the amount constituted by any Bankers' Acceptance shall be the face amount thereof.

8.12 Certain Definitions. In this Commitment the following terms shall have the following meanings:

"Bankers' Acceptance" or "B/A" means a Draft which has been accepted by CIBC pursuant to a Credit.

"Bankers Acceptance Yield" means, with respect to any Bankers' Acceptance to be purchased by CIBC at any time, the annual yield resulting from the price at which CIBC is offering to purchase at such time bankers' acceptances accepted by it having a term identical to such Bankers' Acceptance and in a comparable face amount to the Bankers' Acceptances to be purchased by CIBC from the Borrower at such time.

"face amount" means, with respect to any Bankers' Acceptance, the principal amount thereof payable on the maturity thereof.

9. INSTALMENT LOANS

9.1 Instalment Loans. The following terms apply to each Instalment Loan:

(a) **Non-revolving Loans.** Unless otherwise stated in this Commitment, any Instalment Loan is non-revolving. This means that any principal repayment is not available to be re-borrowed, and permanently reduces the amount of such Instalment Loan.

(b) **Floating Rate Instalment Loans.** Floating Rate Instalment Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest, as described below:

(i) **Blended payments.** If a Floating Rate Instalment Loan has blended payments, the amount of the monthly payments is fixed for the term of such Loan, but the interest rate will vary with changes in the Prime Rate on the US Base Rate (as the case may be). If the Prime Rate or the US Base Rate during any month is lower than it was at the outset, a larger portion of the monthly payment will be allocated to principal and as a result such Loan may be repaid prior to its original maturity. If, however, the Prime Rate or the US Base Rate is higher than it was at the outset, the amount of principal that is repaid will be reduced, and as a result there may remain principal outstanding on the original maturity date.

(ii) **Payments of principal plus interest.** If a Floating Rate Instalment Loan has specified principal payments, in addition to interest, such principal payments are due on each specified payment date. The interest payment is also due on the same date, and will usually be a different amount each month due to the reducing balance of the Loan, the number of days in the month, and changes in the Prime Rate or the US Base Rate (as the case may be) during the month and from month to month.

(c) **Prepayment.** Unless otherwise specified in this Commitment:

(i) all or part of a Floating Rate Instalment Loan may be prepaid at any time without penalty; and

(ii) all (but not part) of a Fixed Rate Instalment Loan may be prepaid provided that the Borrower also pays to CIBC, on the prepayment date, any amount determined by CIBC pursuant to clause 4.4(iv) of this Schedule.

(d) **Demand of Fixed Rate Instalment Loans.** Upon demand for payment of a Fixed Rate Instalment Loan the Borrower will pay to CIBC the prepayment fee specified in clause 10.1(c)(ii) above.

(e) **Certain Definitions.** In this Commitment the following terms have the following meanings:

"Fixed Rate Instalment Loan" means an Instalment Loan with respect to which interest is payable at a fixed annual rate of interest (as opposed to being payable on the basis of the Prime Rate or the US Base Rate).

"Floating Rate Instalment Loan" means an Instalment Loan with respect to which interest is payable on the basis of the Prime Rate or the US Base Rate.

"Instalment Loan" means a loan that is repayable either in fixed instalments of principal, plus interest, or in blended instalments of both principal and interest, and that (notwithstanding any such specified instalments) is repayable on demand by CIBC at any time if so specified in this Commitment.

10. LIBO RATES AND LIBOR LOANS

10.1 Selection of LIBOR Periods. The Borrower shall select the term of each LIBOR Period with respect to each LIBOR Loan made or to be made available to it by telephone notice (to be confirmed the same day in writing) or facsimile received by CIBC not later than 10:00 a.m. on the third Business Day prior to the commencement of such LIBOR Period. The first LIBOR Period for each LIBOR Loan will commence on (and include) the date of advance of such LIBOR Loan, and each LIBOR Period occurring thereafter for such LIBOR Loan will commence on (and include) the last day of the immediately preceding LIBOR Period for such LIBO Loan. In each case, a LIBOR Period will end on the day in the last calendar month included therein that numerically corresponds to the first day of such LIBOR Period. Notwithstanding the foregoing: (i) if CIBC has not received due notice of renewal of the LIBOR Period with respect to any outstanding LIBOR Loan in accordance with the first sentence of this section, such LIBOR Loan will be automatically converted on the expiry of such existing LIBOR Period to a Loan bearing interest on the basis of the US Base Rate; (ii) any LIBOR Period that begins on the last Business Day in a calendar month, or on a day for which there is no numerically corresponding day in the calendar month in which such LIBOR Period would otherwise end, will end on the last Business Day in the calendar month in which such LIBOR Period would otherwise end; (iii) if any LIBOR Period would otherwise end on a day that is not a Business Day, such LIBOR Period will end on the next Business Day; provided, however, that if such next Business Day falls in the next calendar month, such LIBOR Period will end on the preceding Business Day; (iv) all LIBOR Periods in effect at any time must end on not more than five different days; and (v) if, on the day that the Borrower delivers a Notice of Borrowing or otherwise notifies CIBC of the selection of a LIBOR Period with respect to any LIBOR Loan made or to be made to the Borrower, or on the day that any such LIBOR Period is to become effective, there exists any failure by the Borrower (beyond any period of grace permitted by CIBC) to perform or observe any of its covenants in this Agreement, then, at the option of CIBC, in the case of any Loan then outstanding as a LIBOR Loan, on the last day of the LIBOR Period then applicable thereto the interest thereon shall cease to be calculated hereunder on the basis of a LIBO Rate and shall commence to be calculated hereunder on the basis of the US Base Rate, and in the case of any LIBOR Loan to be made hereunder, the applicable Notice of Borrowing shall be deemed to request instead a Loan in US dollars in the same amount bearing interest on the basis of the US Base Rate.

10.2 Failure of the LIBO Rate. If at any time CIBC determines (which determination shall be conclusive and binding) that by reason of circumstances affecting the London interbank market or any other relevant financial market or the position of CIBC therein (i) adequate and reasonable means do not exist for ascertaining the LIBO Rate to be applicable during any LIBOR Period, or (ii) the LIBO Rate does not adequately reflect the effective cost to CIBC of the funds to be used by it to make or continue the applicable Loan for any LIBOR Period, or (iii) US dollars in the amount of the applicable Loan are not readily available to CIBC for the applicable LIBOR Period in the London Interbank market, then CIBC shall give notice thereof (by telephone to be confirmed the same day in writing) or by facsimile to the Borrower. On the last day of the LIBOR Period then applicable thereto, the interest on each Loan then outstanding from CIBC as a LIBOR Loan shall cease to be calculated hereunder on the basis of a LIBO Rate and shall commence to be calculated hereunder on the basis of the US Base Rate. Any Notice of Borrowing which has been delivered to CIBC requesting a LIBOR Loan on a day on or subsequent to such notification date will be deemed to request instead a Loan in US dollars in the same amount bearing interest on the basis of the US Base Rate. The Borrower will not be entitled to obtain any LIBOR Loan from CIBC so long as any such condition shall continue to exist, and any Loan that would otherwise have been made by CIBC as a LIBOR Loan shall instead be made by CIBC as a Loan in US dollars bearing interest on the basis of the US Base Rate.

10.3 Interest Payment Dates. Interest on each LIBOR Loan is payable on the last day of each LIBOR Period applicable thereto and also, with respect to each LIBOR Period of a term longer than three months, at the end of each three month period included therein.

10.4 Certain Definitions. In this Agreement the following terms have the following definitions:

"LIBO Rate" means, with respect to each LIBOR Period for each LIBOR Loan, an annual interest rate equal to the rate at which CIBC is offered deposits of US dollars by leading banks in the London interbank market as of 11:00 a.m. (London time) on the second Business Day prior to the commencement of such LIBOR Period, for delivery on the first day of such LIBOR Period for a period equal to the number of months comprised therein and in an amount equal to the amount of such LIBOR Loan.

"LIBOR Loan" means any loan with respect to which interest is calculated hereunder for the time being on the basis of the LIBO Rate.

"LIBOR Period" means, from time to time with respect to a LIBOR Loan, the applicable interest period of one, two, three or six months, as selected in accordance with the provisions hereof.

This is not a contract

ORB 6900 Ps 1234

conclusive evidence of payment of any assessment therein stated to have been paid.

Section 5.08. Effect of Non-Payment of Assessment; the Lien; Personal Obligation; Remedies of Association. If any assessment is not paid on the date when due, such assessments shall then become delinquent, and a late fee of twenty-five dollars and no cents (\$25.00) per month for each calendar month or portion of a calendar month that such payment is late shall be added to such assessment. If the assessment is not paid within thirty (30) days after the due date, the Board of Directors of the Association, at its discretion, may, upon five (5) days' notice, declare due and payable all assessments applicable to the Owner's Lot for the year in which the delinquency occurs. The assessment when due, the late fee when imposed, and the accelerated assessment for the year if and when such assessments are accelerated, shall become a continuing lien on the parcel of real property in the hands of the Owner, his heirs, devisees, personal representatives, and assigns, and shall also be the continuing personal obligation of the Owner against whom the assessment was levied.

If the assessment is not paid within thirty (30) days after the due date, the Association may at any time thereafter (whether or not assessments for the year are accelerated) bring an action to foreclose the lien against the Lot in like manner to a foreclosure of a mortgage on real property and/or a suit on the personal obligation against the Owner. There shall be added to the amount of such assessment the Association's cost of preparing and filing the complaint in such action, all court costs, attorneys' fees and other legal costs, including attorneys' fees in connection with any appellate proceedings arising out of any suit for collection or enforcement. In the event a judgment is obtained, such judgment shall include interest on the assessment (including all costs as described in the preceding sentence) from the date such action is filed.

Section 5.09. Subordination of Lien to Mortgages. The lien securing payment of the assessments provided for in this Article in favor of the Association shall be a lien superior to all other liens, save and except for tax liens and first mortgage liens which are amortized in monthly or quarter-annual payments over a period of not less than then (10) years and are not payable to parties related to the Owner of the Lot in question ("First Liens"). Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof concerning a First Lien shall extinguish the lien of such assessments as to the payments which become due prior to such sale or transfer; provided, however, that the personal obligation of the person who was owner prior to such transfer shall continue in full force and effect. No sale or transfer

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shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 5.10. Working Capital Contribution. At the time he takes title to a Lot from the Developer or from Hooker, each Class A Member will pay to the Association, as a one-time contribution, a "Working Capital Contribution" equal to three (3) times the monthly assessment on a Lot at the time the Working Capital Contribution is made. The purpose of the Working Capital Contribution is to provide funds for prepaid expenditures. The budget of the Association shall be so structured as to assure the replenishment of the Association's working capital during the course of each fiscal year. The Working Capital Contribution is in addition to the regular monthly assessment charged on a Lot.

Section 5.11. Collection of Assessments. The Association shall be responsible for the collection of the periodic assessments to the Association.

Section 5.12. Exempt Property. The Board of Directors of the Association shall have the right to exempt property subject to this Declaration from the assessments, charges, or liens created herein if such property is used (and so long as it is used) for any of the following purposes:

- (a) Any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;
- (b) All Common Areas;
- (c) All properties exempted from ad valorem taxation by the laws of the State of Florida, to the extent agreed to by the Association.

No land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens under this Section 5.12. Any owner of any property exempted under this Section 5.12 shall not have any membership rights with respect to the exempted property as long as the property is exempted, but shall otherwise be subject to the provisions of this Declaration.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 6.01. Scope of Article VI. This Article shall not apply to Developer and Hooker, but shall apply to all other Owners.

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Section 6.02. Submission of Plans. No building, fence, wall, swimming pool, aerial, antenna, sewer, drain, disposal system, paving or other structure shall be commenced, erected, placed, or maintained upon any of the Properties, nor shall any addition to, or change or alteration therein, be made until the plans, specifications, and location of same (hereinafter referred to as the "Plans") shall have been submitted to the Architectural Review Board (hereinafter referred to as "ARB") of the Association and approved in accordance with the procedure set out in Section 6.03. The ARB shall be a committee of the Board of Directors of the Association and shall consist of three members, at least one of whom shall be named by the Developer so long as the Developer owns any lot in Hanover Square or in Windy Creek and one of whom shall be a member of the Board of Directors of the Hanover Square Association.

Section 6.03. Procedure.

(a) The Owner seeking approval must obtain approval of the Plans by the ARB in writing before making the addition, change, improvement or alteration. The failure of the ARB to render a written decision within sixty (60) days after the submission shall be deemed to be approval of the Plans.

(b) In the event the ARB disapproves the Plans within sixty (60) days after the submission, then the Owner seeking approval must use the following appeal procedure in seeking a reversal of such decision:

(i) The Owner seeking approval must make a written request within thirty (30) days after the ARB's written decision of disapproval to the Board of Directors of this Association.

(ii) A reversal by such Board of the ARB's written decision of disapproval or a failure of such Board to render a decision within forty (40) days after such written request is received by such Board (which shall be deemed to be an approval by such Board of the Owner's request), shall be dispositive of the issue with respect to the necessity of the ARB's approval.

(ii) In the event that such Board approves the ARB's decision of disapproval, then such Owner shall have the right, upon making a written request to the Secretary within the required time for notice of membership meetings, to have the matter placed upon the agenda for the next membership meeting, to

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have the Board's decision reviewed by the membership of the Association.

(c) In the event the Owner seeking approval fails to meet any of the time requirements above for appeal, then the decision of disapproval shall be deemed final and dispositive of the issue and such Owner shall have no further right to have the matter considered.

Section 6.04. Criteria.

(a) The ARB shall adopt criteria from time to time for making decisions relating to approval or disapproval of additions, changes, improvements or alterations. Such criteria may be amended from time to time by the ARB. Each Lot Owner, his heirs, successors and assigns, (by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance) shall be bound by such criteria or any amendments or revisions thereof, notwithstanding the fact that such criteria, amendments or revisions are adopted after the Lot Owner purchases his Lot.

(b) Such criteria may include but shall not be limited to considerations as to size, style, color, conformity of design, location, relationship with surrounding structures, impact on neighboring Lots, aesthetic qualities and quality of construction.

(c) It is intended that the ARB have flexibility in determining criteria based on the existing structures at the time the members of the ARB are sitting; provided, however, that no amendments or revisions of the criteria shall be applicable to a request for approval of an addition, change, improvement or alteration received by the ARB prior to the adoption of such amendment or revision.

Section 6.05. Compliance with Law. Even though such addition, change, improvement or alteration shall have been approved by the ARB, it shall conform to the applicable laws and codes then in effect promulgated by Palm Beach County or its successor. It shall be the sole responsibility of the Owner seeking to make such addition, change, improvement, or alteration to determine such compliance.

ARTICLE VII

RULES, REGULATIONS AND RESTRICTIONS

Section 7.01. Rules and Regulations. Every Owner's use and enjoyment of his Lot and of the Common Areas shall be subject to

such rules, regulations and restrictions as are adopted by the Board of Directors of the Association with respect to such use.

Section 7.02. Restrictions: Covenants Running with the Land. The agreements, covenants, and conditions set forth in the rules and regulations adopted by the Board of Directors shall constitute an easement and servitude in and upon the Properties and every part thereof, and they shall run with the land and shall inure to the benefit of and be enforceable by the Association and/or the Owner(s) and/or Developer and/or Hooker and failure to enforce any building restrictions, covenants, conditions, obligations, and reservations, rights, powers, or charge hereinbefore or hereinafter contained, however long continued, shall in no event be deemed a waiver of the right to enforce as aforesaid thereafter as to the same breach or violation occurring prior or subsequent thereto. Failure to enforce same shall not, however, give rise to any liability on the part of the Association with respect to parties aggrieved by such failure.

Section 7.03. Remedies for Violation. -- Violation or any breach of any condition, restriction or covenant set forth in said Rules and Regulations shall give the Association and/or Owner(s) and/or Developer and/or Hooker, in addition to all other remedies, the right to proceed at law or in equity to compel a compliance with the terms of said conditions, restrictions, or covenants, and to prevent the violations or breach of any of them, and the expense of such litigation shall be borne by the then Owner or Owners of the subject property, provided such proceeding results in a finding that such Owner was in violation of said Restrictions. Expenses of litigation shall include reasonable attorneys' fees incurred by the Association in seeking such enforcement. The invalidation by any court of any of the Restrictions herein contained shall in no way affect any of the other Restrictions, but they shall remain in full force and effect.

Section 7.04. Transaction of Business by Developer. Notwithstanding any other provision in this Declaration, Developer is irrevocably empowered to sell, lease, or rent Lots on any terms to any purchasers or lessees for as long as it owns any Lot in Windy Creek or any lot in Hanover Square. Developer shall have the right to transact any business necessary to consummate sales of said Lots, including but not limited to the right to maintain model Lots, have signs, have employees in the offices, use the Common Areas and show Lots. Sales office signs and all items pertaining to sales shall not be considered property of the Association and shall remain the property of the Developer. Hooker shall have the same rights as Developer under this Section 7.04.

ARTICLE VIII

HANOVER SQUARE

Section 8.01. Acknowledgment. Each of the parties to this Declaration acknowledges that it is the intent of each of them that, at such time as neither Developer nor Hooker shall own any Lot in Windy Creek, Windy Creek shall be governed by the provisions of the Amended Hanover Square Declaration and each Owner of a Lot in Windy Creek shall then become a member of the Hanover Square Association. Each of the parties to this Declaration further acknowledges that Developer may elect to cause Windy Creek to be governed by the provisions of said Amended Hanover Square Declaration at such earlier date as Developer may elect.

Section 8.02. Notice to Hanover Square. Upon the first to happen of the following events:

- a) neither Developer nor Hooker shall own any Lot in Windy Creek, or
- b) Developer shall elect to give the "Merger Notice," as defined,

then the Association or Developer shall give notice to the Hanover Square Association (the "Merger Notice"), which notice shall inform Hanover Square that the Association is to be merged into the Hanover Square Association within thirty (30) days of the date of the Merger Notice. The Association shall thereupon be obligated to provide to the Hanover Square Association the following, at the Association's sole expense:

- access to the books and records of the Association on a reasonable basis, and
- proposed documents effecting the merger of the Association into the Hanover Square Association and the addition of Windy Creek to the properties governed by the Hanover Square Association, such that the present Declaration is of no further force and effect from and after the date such documents are recorded in the Public Records of Palm Beach County, Florida.

Section 8.03. Further Assurances. Each of the parties to this Declaration agrees that it shall provide such further

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assurances and instruments as may be necessary or useful to give effect to the intent of this Article VIII, including, without limitation, the giving by the Association to the Hanover Square Association of quit-claim deeds to the common areas such as roads shown on the Windy Creek Plat.

ARTICLE IX

GENERAL PROVISIONS

Section 9.01. Duration. The covenants and restrictions hereof shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by Developer, Hooker, the Association, or any Owner subject to this Declaration, and their respective legal representatives, heirs, successors and assigns for the period of time from the date this Declaration is recorded, until the earlier of such time as the Association merges with the Hanover Square Association or the date thirty (30) years from the date this Declaration is recorded, in which case said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then owners of two-thirds (2/3) of the Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part; provided, however, that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 9.02. Notices. Any Notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as an Owner on the records of the Association at the time of such mailing.

Section 9.03. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 9.04. Amendment. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Owners and thereafter, by an instrument signed by not less than seventy-five percent (75%) of the Owners. No amendment shall alter any of the provisions of this Declaration which concern the rights of Developer or Hooker without the prior approval of the affected party. Developer shall have the right, at any time and from time to time within five (5) years from the date hereof, to amend this

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Declaration to correct scrivener's errors and to clarify any ambiguities determined to exist herein, or to change or add provisions to this Declaration for the purpose of meeting the requirements of governmental agencies (including, without limitation, the Department of Housing and Urban Development and the Federal Housing Administration of the Veterans Administration), so long as such amendments do not materially affect the rights of Owners, lienors or mortgagees. Such Amendment need be executed and acknowledged by Developer only, and need not be approved by the Association, Owners, lienors or mortgagees of units, whether or not elsewhere required for amendments.

Section 9.05. Leases. Any lease agreement relative to any Lot shall be for a term of no less than three (3) months and shall provide that the terms of the lease are subject in all respects to the provisions of this Declaration and that any failure by the lessee to comply with terms of this Declaration and the rules and regulations in effect from time to time is a default under the lease. All leases shall be in writing with a copy to be sent to the Board of Directors.

Section 9.06. Encroachments. In the event any portion of any Lot encroaches upon the Common Areas as a result of the construction, reconstruction, repair, shifting, settlement or moving of any portion of the Properties, a valid easement for the encroachment, and for the maintenance of the same, shall exist so long as the encroachment exists. Likewise, if any portion of any roof or of any air conditioning equipment of any unit overhangs and thereby encroaches upon the Common Areas or another Unit, then a valid easement for the encroachment, and for the maintenance of same, shall exist so long as the encroachment exists.

Section 9.07. Cause of Action. The failure of any Owner to comply with the provisions of this Declaration will give rise to a cause of action in the Association, in Developer, in Hooker, and in any aggrieved Owner for the recovery of damages, or for injunctive relief, or both.

Section 9.08. Standards for Consent, Approval, Completion, Other Actions and Interpretation. Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by Developer, Hooker, the Association or the Architectural Review Board, such consent, approval, or action may be withheld (except as it relates to matters regarding taxes or maintenance) in the sole and unfettered discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed by Developer, Hooker, the Association, or the Architectural Review Board, shall be deemed so completed or

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substantially completed when such matters have been completed or substantially completed in the sole and unfettered opinion of the Developer, Hooker, the Association, or the Architectural Review Board, as appropriate. This Declaration shall be interpreted by the Board of Directors and an opinion of counsel of the Association rendered in good faith that a particular interpretation is not unreasonable shall establish the validity of such interpretation.

Section 9.09 Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and By-laws of the Association and the Articles shall take precedence over the By-laws.

Section 9.10. Effective Date. This Declaration shall become effective upon its recordation in the Public Records of Palm Beach County, Florida.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand and seal this 21 day of January, 1991, joined by Hooker Homes, Inc., by Windy Creek Homeowners' Association, Inc., and by Hanover Square Homeowners' Association, Inc.

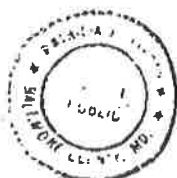
WITNESSES:

Mary Ann Schultze
MARY ANN SCHULTZE
Chris C. Ports
CHRIS C. PORTS

Richard Davison
RICHARD DAVISON, as Trustee
under a Florida land trust
known as "Land Trust B"

STATE OF Maryland,
COUNTY OF Baltimore SS:

The foregoing instrument was acknowledged before me, the undersigned authority, this 22 day of January, 1991, by RICHARD DAVISON, as Trustee under a Florida land trust known as "Land Trust B" on behalf of that land trust.



Patricia J. Hauran
Notary Public
PATRICIA J. HAURAN

My Commission expires: 2-15-93

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JOINDER AND CONSENT OF ASSOCIATION

WINDY CREEK HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, hereby consents to and joins in the foregoing Declaration of Covenants and Restrictions for WINDY CREEK and hereby consents to the recording of the same and related documents in the Public Records of Palm Beach County, Florida.

WINDY CREEK HOMEOWNERS' ASSOCIATION, INC.

By: [Signature]
President FRANK A. KSIAZEK

Attest: [Signature]
Secretary ROGER FRIEDBAUER

STATE OF FLORIDA)
) ss.
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this 23rd day of January 1991, by Frank A. Ksiazek, the President and Roger Friedbauer, the Secretary of WINDY CREEK HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit.

[Signature]
Notary Public, State of Florida
JAN CARSON CHAZEM
Notary Public, State of Florida
My Commission Expires May 24, 1991
Banded Blue Tree Palm - Notary Public

My Commission expires:

JOINDER AND CONSENT OF
HOOKEE

HOOKEE HOMES, INC., a Georgia corporation, the owner of certain lots in Windy Creek, hereby consents to and joins in the

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foregoing Declaration of Covenants and Restrictions of WINDY CREEK and hereby consents to the recording of the same and related documents in the Public Records of Palm Beach County, Florida.

HOOKEE HOMES, INC.

By: Suzanne Kruse, V.P.
SUZANNE KRUSE
Attest: Josephine Cicchetti
JOSEPHINE CICCHETTI

STATE OF Florida)
COUNTY OF Palm Beach) ss.

The foregoing instrument was acknowledged before me this 17th day of January, 1991 by Suzanne Kruse, and Josephine Cicchetti, the Vice President and Secretary, respectively, of HOOKEE HOMES, INC., a Georgia corporation, on behalf of that corporation.

Frank A. Ksiasek
Notary Public FRANK A. KSIASEK

My Commission expires:

Notary Public, State of Florida
My Commission Expires March 27, 1996
Florida Notary Public Insurance, Inc.

JOINDER AND CONSENT OF
HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.

Hanover Square Homeowners' Association, Inc., a Florida corporation not-for-profit, hereby consents to and joins in the foregoing Declaration of Covenants and Restrictions for WINDY CREEK and hereby consents to the recording of the same and

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related documents in the Public Records of Palm Beach County, Florida.

HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit

By: Ronald L. Meggison
President RONALD L. MEGGISON

Attest: Barbara S. Jansen
Secretary BARBARA S. JANSEN

STATE OF Florida)
COUNTY OF Palm Beach) ss.

The foregoing instrument was acknowledged before me this 19th day of January 1991, by Ronald L. Meggison, the President and Barbara S. Jansen, the Secretary of HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, on behalf of the corporation.

Adelle M. Russell
Notary Public, State of Florida
ADELE M. RUSSELL

My Commission expires: Notary Public, State of Florida
My Commission Expires Jan. 26, 1993
Bonded Three Thousand Dollars

THIS INSTRUMENT PREPARED BY:

Jan Carson Cheezem, Attorney at Law
Jan Carson Cheezem, P.A.
777 Brickell Avenue, Suite 1116
Miami, Florida 33131
(305) 371-9808

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EXHIBIT "A"

The following Lots as shown in the plat for Windy Creek, a subdivision, as recorded in Plat Book 64 at Page 39 of the Public Records of Palm Beach County, Florida:

Lots 1 through 28, Block 1; Lots 7 through 14 and Lots 17 and 18, Block 2; Lots 1 through 12, Block 3; Lots 1 through 4, Block 4; and Lots 1 through 4, Block 5.

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EXHIBIT "B"

The following Lots as shown in the plat for Windy Creek, a subdivision, as recorded in Plat Book 64 at Page 39 of the Public Records of Palm Beach County, Florida:

Lots 1 through 6, Block 2.

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EXHIBIT "C"

The following lots as shown in the plat for Windy Creek, a subdivision, as recorded in Plat book 64 at Page 39 of the Public Records of Palm Beach County, Florida:

Lot 15, Block 2.

Lot 16, Block 2.

Instrument prepared by and
return to:

Jan Carson Cheezem, Esq.

Jan Carson Cheezem, P.A.

777 Brickell Ave., Suite 1116
Miami, Florida 33131

JUL-23-1991 03:16PM 91-209037

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AGREEMENT

THIS AGREEMENT, made as of the 23rd day of January, 1991, by and among HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit (the "Hanover Square Association"), WINDY CREEK HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit (the "Windy Creek Association"), RICHARD DAVISON, NOT INDIVIDUALLY BUT AS TRUSTEE OF LAND TRUST B (the "Developer"), and HOOKER HOMES, INC., a Georgia corporation authorized to do business in Florida ("Hooker"),

W I T N E S S E T H:

WHEREAS, Hanover Square Associates, a Florida general partnership, caused plats of Hanover Square and Hanover Square First Addition to be filed, respectively, in Plat Book 48 at Page 192 (the "Hanover Square Plat") and in Plat Book 53 at Page 198 (the "First Addition Plat") of the Public Records of Palm Beach County, Florida; and

WHEREAS, Hanover Square Associates as "developer" joined by the Hanover Square Association, caused to be filed in the Public Records of Palm Beach County, Florida, at Official Records Book 4484, Page 84 et seq., a "Declaration of Covenants and Restrictions" for the land comprising both the Hanover Square Plat and the First Addition Plat (the "Original Declaration"); and

WHEREAS, Developer, the Hanover Square Association, and Hooker subsequently joined in the replat of the First Addition Plat as "Windy Creek," according to the Plat thereof as recorded in Plat Book 64 at Page 39 of the Public Records of Palm Beach County, Florida (the "Windy Creek Plat"); and

WHEREAS, the property shown on the Hanover Square Plat is referred to as "Hanover Square" and the property shown on the Windy Creek Plat is referred to as "Windy Creek"; and

WHEREAS, the Original Declaration has been amended and restated by a certain Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Hanover Square (the "Amended Hanover Square Declaration"), such that the Amended Hanover Square Declaration, rather than the Original Declaration, is the document which controls the development of Hanover Square and such that neither the Original Declaration nor the Amended Hanover Square Declaration applies to Windy Creek; and

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WHEREAS, Windy Creek is now governed by a certain Declaration of Covenants, Conditions and Restrictions (the "Windy Creek Declaration") of even date herewith; and

WHEREAS, under the provisions of the Amended Hanover Square Declaration, the Hanover Square Association will be assuming certain maintenance responsibilities which will affect the Windy Creek Association and the Developer; and

WHEREAS, the Hanover Square Association and the Windy Creek Association are also entering into a certain "Management Agreement" of even date herewith, under the provisions of which the Hanover Square Association is assuming certain further maintenance and administrative responsibilities for the Windy Creek Association; and

WHEREAS, the parties wish to memorialize their agreement on certain matters relating to their respective rights and obligations;

NOW THEREFORE, the parties agree as follows:

ARTICLE A

Standards of Maintenance

Section A-1. The Hanover Square Association agrees that it shall assure the following minimum standards of maintenance in Windy Creek and in Hanover Square:

- a. It shall cause the grass in the common areas and the front yards of Hanover Square and of Windy Creek to be cut at least twice monthly, except that such grass shall be cut at least three times each month during the months of June, July, and August.
- b. It shall cause the pool and spa area, including the cabana baths and shelter area, to be cleaned at least once each week and it shall assure that the requirements of all relevant health and safety codes are met.
- c. It shall cause the landscaping in the common areas to be maintained and replaced as needed so that

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the common areas present a neat and cared-for appearance at all times.

- d. It shall cause all perimeter walls and fences to be maintained and repaired as needed so that the perimeter areas present a neat and cared-for appearance at all times.
- e. It shall assure that the interior streets in Hanover Square are repaired and replaced as needed, in a timely manner.
- f. It shall cause the tennis courts to be maintained in a state of good repair such that they can be used for their intended purpose.
- g. It shall cause the lights at the entry to the community and the street lights within the community to be kept operational and in a state of good repair; provided, however, that street lights located next to vacant lots need not be lit.
- h. It shall cause the guard house at the community entry and the retention pond area to be maintained in a state of good repair, such that the same present a neat and cared-for appearance at all times.
- i. It shall cause the irrigation system to be maintained in a state of good repair and replaced, in whole or in part, as needed.

Section A-2. The Developer may, at his sole cost and expense, from time to time, improve and add to the landscaping in the entry area of Hanover Square, including the area around the pond located to the left of the entry. The Hanover Square Association shall thereafter be responsible for maintaining such improved landscaping.

Section A-3. The Developer or Hooker may, from time to time and at his or its sole cost and expense, put a guard at the entry guardhouse to Hanover Square on such schedule as the Developer or Hooker wishes. The Developer or Hooker may, from time to time and at his or its sole cost and expense, activate the automatic gates at the entry guardhouse the Hanover Square and maintain the same at his sole cost and expense. In either event, the Hanover Square Association and the Windy Creek Association agree to cooperate with the Developer and Hooker to assure the efficient operation of controlled access to Hanover Square and to Windy Creek.

ARTICLE B

Irrigation

Section B-1. Present System. The Hanover Square Association acknowledges that the irrigation system now in place services a portion of Windy Creek and the Hanover Square Association agrees not to interfere with such present use.

Section B-2. Future Easements. The Hanover Square Association agrees that, upon request from the Developer or Hooker or the Windy Creek Association, it will grant to the Windy Creek Association an easement or easements for an irrigation system to service Windy Creek, from the present retention pond or otherwise, provided only that the Developer or Hooker or the Windy Creek Association shall bear any costs of creating such easement and of the repair to any of the common areas of Hanover Square necessitated by the installation of such irrigation system.

ARTICLE C

Developer's and Hooker's Contributions

Section C-1. Hooker's Contribution to Operating Expenses. For calendar year 1991, Hooker agrees to contribute the following sums towards the operating expenses of the Hanover Square Association and the Windy Creek Association: (a) Forty Dollars (\$40.00) per month for each empty lot or lot with a home under construction in Hanover Square and Windy Creek which it owns on the first day of that month, which amount shall be payable on the first day of each calendar month in 1991; and (b) One hundred and five Dollars (\$105.00) per month for each completed home in Hanover Square and Windy Creek which it owns on the first day of that month, which amount shall be payable on the first day of each calendar month in 1991. Hooker agrees that, should the Hanover Square Association engage a third-party manager for Hanover Square and Windy Creek, a prorata portion of the cost of such manager may be added to the sum it pays on each completed home. Until such time as Hooker may receive notice that the Management Agreement is being cancelled, Hooker shall make all payments under this Section to the Hanover Square Association.

Section C-2. Developer's Contribution to Operating Expenses. For calendar year 1991, Developer agrees to contribute

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ORB 6900 Ps 1253

the following sums towards the operating expenses of the Hanover Square Association and the Windy Creek Association: (a) Forty Dollars (\$40.00) per month for each empty lot or lot with a home under construction in Hanover Square and Windy Creek which it owns on the first day of that month, which amount shall be payable on the first day of each calendar month in 1991; and (b) One hundred and five Dollars (\$105.00) per month for each completed home in Hanover Square and Windy Creek which it owns on the first day of that month, which amount shall be payable on the first day of each calendar month in 1991. Developer agrees that, should the Hanover Square Association engage a third-party manager for Hanover Square and Windy Creek, a prorata portion of the cost of such manager may be added to the sum it pays on each completed home. Until such time as Developer may receive notice that the Management Agreement is being cancelled, Developer shall make all payments under this Section to the Hanover Square Association.

Section C-3. Limits on Contributions. The Hanover Square Association agrees that, until such time as the Windy Creek Association shall have ceased to exist and its functions shall have been assumed by the Hanover Square Association, the amounts payable by the Developer and by Hooker on account of lots owned by them on which a home has not been completed shall not (a) increase by more than ten percent (10%) per calendar year or (b) be greater than the amount charged any other owner of a lot in Hanover Square or Windy Creek. The amounts payable by the Developer and by Hooker on account of completed homes owned by them shall be the same amount payable by any other Owner of a home in Windy Creek or Hanover Square. For purposes of this Article C, a home shall be considered "completed" thirty days after a certificate of occupancy shall have been issued for the same.

ARTICLE D

Miscellaneous

Section D-1. Severability. If any provision of this Agreement is determined to be invalid, unlawful or incapable of being enforced, by reason of rule of law or public policy, all other provisions of this Agreement which can be given effect without the invalid, unlawful or unenforceable provision shall, nevertheless, remain in full force and effect, and no provision shall be deemed dependent upon any other provision unless so expressed herein.

This is Not

ORB 6900 Pg 1254

Section D-2. Entire Agreement, Amendment. This Agreement represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior negotiations, representations and agreements made by and between the parties. This Agreement may be amended, modified, superseded or cancelled, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by all of the parties hereto, or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same. No waiver by either party hereto of any condition, or of the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

Section D-3. Parties in Interest. Each and every covenant, term, provision and agreement herein contained shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto.

Section D-4. Attorneys' Fees and Costs. In connection with any litigation including appellate proceedings arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs.

IN WITNESS WHEREOF, the parties have set their respective hands and seals as of the date first above written.

HANOVER SQUARE HOMEOWNERS'
ASSOCIATION, INC.

By: Ronald D. Heck

RONALD D. HECK

Attest: Barbara S. Taneen

BARBARA S. TANEEN

WINDY CREEK HOMEOWNERS'
ASSOCIATION, INC.

By: Frank A. Ksarsky

FRANK A. KSARSKY

Attest: Rüger Friedbauer

RÜGER FRIEDBAUER

This is Not a Certified Copy

ORB 6900 Pg 1255

Witnesses as to Davison:

MARY ANN SCHULTZ
LOIS G. PORTE

Richard Davison
Richard Davison, not
individually but as Trustee
under Land Trust B

HOOKEE HOMES, INC.

By: Suzanne Kruse, V.P.
SUZANNE KRUSE
Attest: Josephine Cichetti
JOSEPHINE CICHETTI

STATE OF FLORIDA)
COUNTY OF PALM BEACH) SS.

The foregoing instrument was acknowledged before me this 19th day of January, 1991, by Ron Meggison and ROBARA S. TANSAN, the President and Secretary, respectively, of HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, on behalf of the corporation.

Adelle M. Russell
Notary Public, State of Florida
Adelle M. Russell
My Commission expires:
Notary Public, State of Florida
My Commission Expires Jan. 26, 1993
Notary Public Seal - Adelle M. Russell

STATE OF FLORIDA)
COUNTY OF DADE) SS.

The foregoing instrument was acknowledged before me this 15th day of January, 1991, by Frank A. Ksiazek and Roger Friedbauer, the President and Secretary, respectively, of WINDY CREEK

This is not a certified copy

ORB 6900 Pg 1256

HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, on behalf of the corporation.

Alan Carson Chieffo
Notary Public, State of Florida
JAN CARSON CHIEFFO
My Commission expires:
Tallahassee, State of Florida
My Commission Expires: 11-11-1994

STATE OF *Maryland*)
COUNTY OF *Baltimore*) ss.

The foregoing instrument was acknowledged before me this 22 day of January, 1991, by Richard Davison, not individually but as Trustee of Land Trust B.



Patricia T. Hauran
Notary Public, State of Florida
PATRICIA T. HAURAN
My Commission expires: 2-1-93

STATE OF *Florida*)
COUNTY OF *Polk*) ss.

The foregoing instrument was acknowledged before me this 17th day of January, 1991, by Seymour Koute and , a Vice President and Assistant Secretary, respectively, of HOOKER HOMES, INC., a Florida corporation not-for-profit, on behalf of the corporation.

Frank A. Ksiasek
Notary Public, State of Florida
FRANK A. KSIASEK

My Commission expires:

Tallahassee, State of Florida
My Commission Expires: March 27, 1994
Florida Notary Public Association, Inc.

\\HOAForms\\WindyCrk\\Agreemnt
14.1.91 (4)

-8-

RECORD VERIFIED
PALMERBACH COUNTY, FLA
JOHN B. DUNKLE
CLERK CIRCUIT COURT

This instrument prepared by:
Jan Carson Cheezem, P.A.
777 Brickell Avenue, Suite 1116
Miami, Florida 33131

AFFIDAVIT

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

SS:

JUL-23-1991 03:16PM 91-209039

-- ORB 6900 Pg 1259

BEFORE ME, the undersigned authority, duly qualified to take acknowledgments and administer oaths within the said state, personally appeared BARBARA JANSEN, who, after being duly sworn, deposes and says:

1. That she is the secretary of HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit (the "Association").

2. That a special meeting of the members of the Association was duly called and validly held on January 8, 1991.

3. That the following resolution was duly adopted at said meeting:

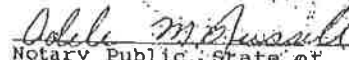
RESOLVED, that the following documents be approved by the Members of the Association, joined in and executed by the President and the Secretary of the Association on its behalf, and recorded in the Public Records of Palm Beach County, Florida:

- Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square;
- Amended and Restated By-Laws of Hanover Square Homeowners' Association, Inc.;
- Declaration of Covenants, Conditions, and Restrictions for Windy Creek; and
- Agreement among the Association, the Windy Creek Association, Mr. Davison as Trustee of Land Trust B, and Hooker Homes, Inc.

FURTHER AFFIANT SAYETH NOT.


BARBARA JANSEN

Sworn to and subscribed before me this 16 day of April, 1991.


Notary Public, State of
Florida
ADELE M. RUSSELL

My Commission expires:

Jan 23, 1993

\\HOAForms\\Affidavi.A2

RECORD VERIFIED
PALM BEACH COUNTY, FLA
JOHN B. DUKAKIS
CLERK CIRCUIT COURT

Return to: Jan Carson Cheezem, P.A.
777 Brickell Ave., Suite 1116
Miami, Florida 33131

JUL-21-1995 4:01pm 95-233431

888 8846 Pg 1496

PREPARED BY AND
TO BE RETURNED TO:
LARRY SCHONE, ESQ.
Perry & Schone, P.A.
50 S.E. 4th Avenue
Delray Beach, FL 33483

**FIRST AMENDMENT TO AMENDED AND RESTATED BY LAWS OF
HANOVER SQUARE HOMEOWNERS ASSOCIATION, INC.**

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square has been duly recorded in the Public Records of Palm Beach County, Florida, in Official Records Book 6900, Page 1151 ("Declaration"); and

WHEREAS, The Declaration contains as an Exhibit the Amended and Restated By-Laws of Hanover Square Homeowners Association, Inc. ("By-Laws"); and

WHEREAS, at a duly called and noticed meeting of the members of Hanover Square Homeowners Association, Inc. the following amendments to the By-Laws and Rules and Regulations of Hanover Square Homeowners Association, Inc. were approved by a majority of the votes of the lots represented at said meeting.

NOW, THEREFORE, the undersigned hereby certify that the following amendments to the Amended and Restated By-Laws of Hanover Square Homeowners Association, Inc. and the Rules and Regulations are a true and correct copy of the Amendments approved by the Board of Directors and a majority of all lot owners;

1. Article IV, Section 4.01 of the Amended and Restated By-Laws of Hanovers Squares Homeowners Association, Inc. is deleted in its entirety and replaced with the following:

Section 4.01. Number. The affairs of the Association shall be managed by a Board of Directors composed of not less than three (3) Members, but as many Members as a majority of the Members may from time to time determine. Directors shall be Members of Hanover Square Homeowners' Association, Inc. or Windy Creek Homeowners' Association, Inc. During the period from the recording of these By-Laws in the Public Records of Palm Beach County, Florida, until the date that Windy Creek Homeowners' Association, Inc., shall deed its common areas and transfer all of its

This
functions to the Association, at least one (1) of the Directors shall be a representative of Davison or his successors.

2. Article VII Section 8.08 (d) of the Amended and Restated By-Laws of Hanover Square Homeowners Association, Inc. is deleted in its entirety and replaced with the following:

(d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association together with the President; keep proper books of account; cause an annual review of the Associations books to be made by a public accountant at the completion of each fiscal year except that the treasurer shall cause an audit of the Association books to be made once every five (5) years at the completion of such fiscal year instead of a review with the first audit to be conducted in the fiscal year ending in 1996; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

3. The Rules and Regulations of Hanover Square Homeowners Association, Inc., are hereby amended by deleting the last full paragraph of Paragraph 5 of the Rules and Regulations and replacing it with the following:

Parking on the lots or common areas shall be subject to the following rules and conditions:

- a. Parking shall be allowed only on an owner's driveway on his lot or in the street. There shall be no parking on the grass and any damage to the sprinkler system caused by such parking shall be the responsibility of the owner.
- b. Parking on the street shall be allowed for no more than four (4) consecutive hours.
- c. Overnight parking shall be allowed at the pool area. Such parking shall only be during the hours the pool is closed.
- d. Illegally parked or unauthorized vehicles

ORG 2546 Pg 1498
DOROTHY H. WILKEN, CLERK PB COUNTY, FL

on grass areas or in the street in
contravention of these rules will be towed at
the owner's expense.

IN WITNESS WHEREOF, Hanover Square Homeowners Association,
Inc., has caused this Certificate of Amendment to the Amended and
Restated Declaration of Covenants, Conditions and Restrictions for
Hanover to be executed pursuant to the vote of a majority of the
lot owners present at a duly called annual meeting held February
11, 1995, at which a quorum was present.

Dated this 29th of June, 1995.

GB Lavery
Witness

Ken Brooks
Witness

HANOVER SQUARE HOMEOWNERS
ASSOCIATION, INC., a Florida
not for profit corporation

BY: Thomas P. Keating
President

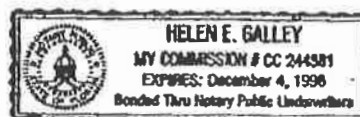
Attest: Diara Diemer
Secretary

STATE OF FLORIDA:
COUNTY OF PALM BEACH:

The foregoing instrument was acknowledge before me this
29th day of June, 1995 by THOMAS P. KEATING
as President and DIARA DIEMER as Secretary of
Hanover Square Homeowners Association, Inc., who are personally
known to me or who have produced a N/A as
identification and who ~~did~~ (did not) take an oath.

Helen E. Galley
Notary Public State of Florida

b:\amf\hanover\1st-amd.



MAR-19-1998 4:36PM 98-097897
ORB 10291 Pg 437

from the recording of these By-Laws in the Public Records of Palm Beach County, Florida, until the date that Windy Creek Homeowners' Association, Inc. shall deed its common areas and transfer all of its functions to the Association, at least one (1) of the Directors shall be a representative of Davison or his successors.

2. Article VI of the Amended and Restated By-Laws of Hanover Square Homeowners Association, Inc. is amended by adding the following:

Section 6.04. Voting Procedure. At any regular or special meetings of the Board of Directors, the President of the Association shall not vote on issues before the Board, unless there is a tie among the other Directors, in which event the President shall be entitled to vote.

3. Article VIII, Section 8.01 of the Amended and Restated By-Laws of Hanover Square Homeowners Association, Inc. is deleted in its entirety and replaced with the following:

Section 8.02. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. The president shall be a member of that association, either Hanover Square Homeowners Association, Inc. or Windy Creek Homeowners Association, Inc., with four (4) members on the Board of Directors.

4. Article XIII, Section 13.01 of the Amended and Restated By-Laws of Hanover Square Homeowners Association, Inc. is deleted in its entirety and replaced with the following:

Section 13.01. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of votes of Lots represented at a meeting at which a quorum of Members is present in person or by proxy. However, Article IV, Section 4.01 shall not be amended prior to February 2001 except by a vote of one hundred percent (100%) of the Members.

IN WITNESS WHEREOF, Hanover Square Homeowners Association, Inc., has caused this Certificate of Amendment to the Amended and Restated By Laws to be executed pursuant to the vote of a majority of the lot owners present at a duly called annual meeting held June 25, 1997, at which a quorum was present.

Dated this 18th of March, 1998.

Michael D. Edwards
Witness

[Signature]
Witness

HANOVER SQUARE HOMEOWNERS
ASSOCIATION, INC., a Florida
not for profit corporation

BY: Harrison S. Johnston
President
ATTEST: Diana M. Diemer
Secretary

STATE OF FLORIDA:
COUNTY OF PALM BEACH

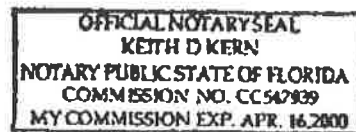
The foregoing instrument was acknowledged before me this 18 day of March, 1998 by Harrison S. Johnston as President and Diana M. Diemer as Secretary of Hanover Square Homeowners Association, Inc. who are personally known to me or who have produced _____ as identification.

[Signature]
Notary Public State of Florida

KEITH D. KERN
Printed Name of Notary

My Commission Expires: 4/16/00

H:\KK\HANOVER\AMEND2



PREPARED BY AND
RETURN TO:
Perry & Schone, P.A.
50 S.E. Fourth Avenue
Delray Beach, FL 33483

**FIRST AMENDMENT TO THE AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR HANOVER SQUARE EFFECTUATING MERGER OF
HANOVER SQUARE AND WINDY CREEK
AND
NOTICE OF TERMINATION OF DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR WINDY CREEK**

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square has been duly recorded in the Public Records of Palm Beach County, Florida, in Official Record Book 6900, Page 1151 ("Hanover Square Declaration"); and

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Windy Creek has been duly recorded in the Public Records of Palm Beach County, Florida in Official Record Book 6900, Page 1222 ("Windy Creek Declaration"); and

WHEREAS, Article VIII, Section 8.01 of the Windy Creek Declaration provides that the Developer, as defined in Article I, Section 1.03, may elect to cause the members of Windy Creek to be governed by the Hanover Square Declaration; and

WHEREAS, Article VIII, Section 8.01 of the Hanover Square Declaration provides that "Richard Davison, as Trustee under a Florida land trust known as Land Trust B, his successors and assigns" may elect to cause the members of Windy Creek to be governed by the Hanover Square Declaration; and

WHEREAS, Associated Community Builders L.C. and Comet Properties, Inc. (collectively "Developers") are the successors and assigns of Davison;

WHEREAS, the "Developers" have elected to merge Windy Creek with Hanover Square. Copies of Merger Notices from each Developer are attached hereto as Exhibits A and B; and

WHEREAS, in order to effectuate the merger, it is necessary to amend the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square to reflect the addition of the properties and lots of Windy Creek to the properties

governed by the Hanover Square Declaration.

NOW THEREFORE, the undersigned hereby certify that the following Amendments to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square and to the Declaration of Covenants, Conditions and Restrictions for Windy Creek are true and correct copies of the Amendments approved by the respective Boards of Directors to effectuate the merger of the associations and their properties and lots:

1. The following are the Amendments to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square:

A. Article I, Section 1.05 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square, is deleted in its entirety and replaced with the following:

Section 1.05: "Lot" shall mean and refer to any lot on which a dwelling unit may be constructed, designated as such on the Plat of Hanover Square recorded in Plat Book 48, page 192; as amended by the Hanover Square Replat recorded in Plat Book 75, page 88, and on the Plat of Windy Creek recorded in Plat Book 64, page 39, all of the Public Records of Palm Beach County, Florida.

B. Exhibit A of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square shall be amended by deleting Exhibit "A" in its entirety and replacing it with the following:

Exhibit "A". All of that real property shown on the Hanover Square Replat recorded in Plat Book 75, page 88, and on the Plat of Windy Creek recorded in Plat Book 64, page 39, all of the Public Records of Palm Beach County, Florida.

2. Upon recordation of this First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square, the Declaration of Covenants, Conditions and Restrictions for Windy Creek shall be of no further force and effect.

IN WITNESS WHEREOF, Hanover Square Homeowners' Association, Inc. and Windy Creek Homeowners' Association, Inc., have caused this First Amendment to the Amended and Stated Declaration of Covenants, Conditions and Restrictions For Hanover Square to be executed this 9th of SEPTEMBER, 1998.

Witness

Witness

Witness

Witness

HANOVER SQUARE HOMEOWNERS ASSOCIATION, INC., a Florida not for profit corporation

BY:

Harrison S. Johnston, President

ATTEST:

W. KENNETH McNALL, Secretary

WINDY CREEK HOMEOWNERS' ASSOCIATION, INC., a Florida not for profit corporation

BY:

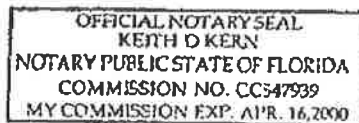
GEORGE G. BELMAR resident

ATTEST:

Secretary

STATE OF FLORIDA:
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 9th day of September, 1998 by Harrison S. Johnston as President and W. KENNETH McNALL as Secretary of Hanover Square Homeowners Association, Inc. who are personally known to me or who have produced _____ as identification.



Keith D. Kern
Notary Public State of Florida

Keith D. Kern


This is a certified copy

Printed Name of Notary

My Commission Expires:

STATE OF FLORIDA:
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 3 day of August 1998 by George C. Bernard as President and _____ as Secretary of Windy Creek Homeowners Association, Inc. who are personally known to me or who have produced _____ as identification.


Notary Public State of Florida
EDWARD J. Kaplan
Printed Name of Notary

My Commission Expires:

H:\KKHANOVER\MERGER\MEND.DEC

EDWARD J. KAPLAN
COMMISSION # CC 563969
EXPIRES AUG 16, 2000
BONDED THRU
ATLANTIC BONDING CO., INC.

A

MERGER NOTICE

Pursuant to Article VIII, Sections 8.01 and 8.02 of the Declaration of Covenants, Conditions and Restrictions for Windy Creek, Associated Community Builders, L.C., ("Developer"), hereby notifies Hanover Square Homeowners' Association, Inc. ("Hanover Square") of Developer's election to cause the members of Windy Creek Homeowners' Association, Inc. ("Windy Creek") to be governed by the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square, as amended.

Windy Creek shall be merged into Hanover Square within thirty (30) days of the date of this Merger Notice. Windy Creek shall convey to Hanover Square by quit claim deed all common areas, including roads, as shown on the Plat of Windy Creek recorded in Plat Book 64, page 39 of the Public Records of Palm Beach County, Florida.

ASSOCIATED COMMUNITY BUILDERS, L.C.

By:

GEORGE G. BERMAN, PARTNER
Printed Name and Title

STATE OF FLORIDA
COUNTY OF PALM BEACH
BROWARD

The foregoing instrument was acknowledged before me this 3 day of August, 1998 by GEORGE G. BERMAN as PARTNER/MEMBER Associated Community Builders, L.C., who is personally known to me or who produced _____ as identification.



Patricia Tartaglia
Notary Public, State of Florida

Printed, typed or stamped name of Notary

My Commission Expires: _____

EXHIBIT

B

ARB 10685 Pg 40
 DE. JAY H. WILKEN, CLERK PB COUNTY, FL

MERGER NOTICE

Pursuant to Article VIII, Sections 8.01 and 8.02 of the Declaration of Covenants, Conditions and Restrictions for Windy Creek, Comet Properties, Inc., ("Developer"), hereby notifies Hanover Square Homeowners' Association, Inc. ("Hanover Square") of Developer's election to cause the members of Windy Creek Homeowners' Association, Inc. ("Windy Creek") to be governed by the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square, as amended.

Windy Creek shall be merged into Hanover Square within thirty (30) days of the date of this Merger Notice. Windy Creek shall convey to Hanover Square by quit claim deed all common areas, including roads, as shown on the Plat of Windy Creek recorded in Plat Book 64, page 39 of the Public Records of palm Beach County.

COMET PROPERTIES, INC.

By: *[Signature]*

William Handke V.P.
 Printed Name and Title

STATE OF FLORIDA
 COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 17 day of Aug, 1998 by William Handke, as V.P. of Comet Properties, Inc., who is personally known to me or who produced as identification.

Lene K. Dixon
 Notary Public, State of Florida

Printed, typed or stamped name of Notary

My Commission Expires: _____



Lene K Dixon
 My Commission CC670880
 Expires Jul. 21, 2000

H:\KK\HANOVER\MERGER\MERGER NOT

PREPARED BY AND
RETURN TO:
Perry & Schone, P.A.
50 S.E. Fourth Avenue
Delray Beach, FL 33483

TERMINATION OF AGREEMENT

THIS AGREEMENT made the 17 day of AUGUST, 1998, by and between HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., a Florida not for profit corporation ("HANOVER SQUARE"), WINDY CREEK HOMEOWNERS' ASSOCIATION, INC., a Florida not for profit corporation ("WINDY CREEK"), COMET PROPERTIES, INC., a Florida corporation, and ASSOCIATED COMMUNITY BUILDERS L.C.

WHEREAS, HANOVER SQUARE is responsible for the maintenance of the common areas shown on the Plat of Hanover Square recorded in Plat Book 48, page 192; as amended by the Hanover Square Replat recorded in Plat Book 75, page 88, and on the Plat of Windy Creek recorded in Plat Book 64, page 39, all of the Public Records of Palm Beach County, Florida.

WHEREAS, HANOVER SQUARE, WINDY CREEK, RICHARD DAVISON, as Trustee of Land Trust B, and HOOKER HOMES, INC., a Georgia corporation, entered into that certain Agreement dated January 23, 1991 (the "Agreement") which Agreement was recorded in Official Record Book 6900, page 1249 of the Public Records of Palm Beach County, Florida; and

WHEREAS, COMET PROPERTIES, INC. and ASSOCIATED COMMUNITY BUILDERS L.C. are the successors to RICHARD DAVISON, as Trustee of Land Trust B and HOOKER HOMES, INC. and are therefore parties in interest according to Section D-3 of the Agreement; and

WHEREAS, the Agreement provided that HANOVER SQUARE would assume certain maintenance and administrative responsibilities for WINDY CREEK; and

WHEREAS, HANOVER SQUARE and WINDY CREEK have been merged as of the 16 day of SEPTEMBER, 1998 pursuant to Article VIII, Section 8.01 of the Declaration of Covenants, Conditions and Restrictions for Windy Creek and Article VII, Section 8.01 of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square; and

WHEREAS, Section D-2 of the Agreement allows for the cancellation of the Agreement by written instrument executed by all of the parties thereto; and

WHEREAS, due to the foregoing merger, the Agreement dated January 23, 1991

is no longer necessary, and all parties desire to cancel the Agreement;

NOW THEREFORE, the parties agrees as follows:

1. The agreement dated January 23, 1991 is hereby cancelled and of no further force and effect.

Witnesses:

HANOVER SQUARE HOMEOWNERS
ASSOCIATION, INC.

By:

Harrison S. Johnston

HARRISON S. JOHNSTON, PRESIDENT
Print Name and Title

WINDY CREEK HOMEOWNERS
ASSOCIATION, INC.

By:

George C. Berman
GEORGE C. BERMAN, PRESIDENT
Print Name and Title

ASSOCIATED COMMUNITY BUILDERS, L.C.

By:

George C. Berman
GEORGE C. BERMAN PARTNER
Print Name and Title

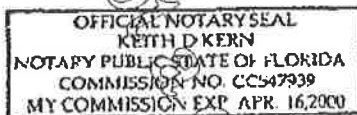
COMET PROPERTIES, INC.

By:

William Handlar
William Handlar Vice Pres.
Print Name and Title

State of Florida)
County of Palm Beach)

The foregoing instrument was acknowledged before me the 9 day of SEPTEMBER, 1998 by WILLIAM HARRISON JR. - 11201500 as PRESIDENT of Hanover Square Homeowners Association, Inc., who is personally known to me or who has produced _____ as identification.



Keith D. Kern
Notary Public, State of Florida

Keith D. Kern
Printed typed or stamped name

My Commission Expires

State of Florida
County of Palm Beach
Broward

The foregoing instrument was acknowledged before me the 3 day of Aug, 1998 by GEORGE G BURMAN as PRESIDENT of Windy Creek Homeowners Association, Inc. who is personally known to me or who has produced _____ as identification.



Patricia Tartaglia
Notary Public, State of Florida

Printed typed or stamped name

My Commission Expires.

State of Florida)
County of Palm Beach)
mailed

The foregoing instrument was acknowledged before me the 3 day of Aug, 1998, by GEORGE G. BERMAN, as PARTNER (MEMBER) of ASSOCIATED COMMUNITY BUILDERS, L.C., who is personally known to me or who has produced _____ as identification.



Patricia Tartaglia
Notary Public, State of Florida

Printed, typed or stamped name

My Commission Expires:

State of Florida)
County of Palm Beach)

The foregoing instrument was acknowledged before me the 17 day of Aug, 1998, by William H. Hader, as V.P. of COMET PROPERTIES, INC., who is personally known to me or who has produced _____ as identification.

Rene K. Dixon
Notary Public, State of Florida

Printed, typed or stamped name

My Commission Expires:

H:\KKH\ANOVER\MERGER\TERMINAT.ACM



Rene K Dixon
My Commission CC870880
Expires Jul. 21, 2000



01/14/2002 11:34:51 20020022264
DR BK 13306 PB 0696
Palm Beach County, Florida

PREPARED BY
Board of Director
Hanover Square Homeowner's Association, Inc.

RETURN TO
Perry & Kern, P.A.
50 S.E. Fourth Avenue
Delray Beach, FL 33483

THIRD AMENDMENT TO AMENDED AND RESTATED BY LAWS OF
HANOVER SQUARE HOMEOWNERS ASSOCIATION, INC.

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square has been duly recorded in the Public Records of Palm Beach County, Florida, in Official Records Book 6900, Page 1151 ("Declaration"); and

WHEREAS, The Declaration contains as an Exhibit the Amended and Restated By-Laws of Hanover Square Homeowners Association, Inc. ("By-Laws"); and

WHEREAS, the Amended and Restated By Laws of Hanover Square Homeowners Association, Inc. were amended by the First Amendment to Amended and Restated By Laws of Hanover Square Homeowners Association, Inc., having been duly recorded in the Public Records of Palm Beach County, Florida in Official Records Book 8846, Page 1496 ("First Amendment"); and

WHEREAS, the Amended and Restated By Laws of Hanover Square Homeowners Association, Inc. were amended by the Second Amendment to Amended and Restated By Laws of Hanover Square Homeowners Association, Inc., having been duly recorded in the Public Records of Palm Beach County, Florida in Official Records Book 8846, Page 1496 ("Second Amendment"); and

WHEREAS, at a duly called and noticed meeting of the members of Hanover Square Homeowners Association, Inc. the following amendments to the By-Laws of Hanover Square Homeowners Association, Inc. were approved by a majority of the votes of the lots represented at said meeting.

NOW THEREFORE, the undersigned hereby certify that the following amendments to the Amended and Restated By Laws of Hanover Square Homeowners Association, Inc. are a true and correct copy of the Amendments approved by the Board of Directors and a majority of all lot owners:

1. Article 2, Section 2.2, of Schedule A is deleted in its entirety and replaced with the following:

Section 2.2 PETS. All pets shall be walked on a leash when outside of a home or outside of a fenced in area.

2. Article 2, Section 2.3 of Schedule A is deleted in its entirety and replaced with the following:

Section 2.3 PETS. Any solid animal waste shall be immediately picked up and removed properly, and shall not be deposited on or within common areas.

3. Article 2, Section 2.4 of Schedule A is deleted in its entirety and replaced with the following:

Section 2.4. PETS. Pet owners are financially responsible for any property damage, personal injury, or disturbance, which their pet may cause or inflict. Each owner who keeps a pet agrees to indemnify the Association and hold the Association harmless against any loss or liability of any kind or character whatsoever arising from or growing out of his or her having an animal on the property.

4. Article 2, Section 2.5 of Schedule A shall be deleted in its entirety and replaced with the following:

Section 2.5 PETS. If any pet becomes an annoyance to the Homeowner or surrounding Homeowners, by barking, disturbing the peace or otherwise, the owner shall cause the problem to be corrected. If the problem is not corrected satisfactorily, the owner, upon written notice from the Association shall be required to remove the animal from within the Associations jurisdiction.

5. Article 3, Section 3.1 of Schedule A shall be deleted in its entirety and replaced with the following:

Section 3.1 GARBAGE. All persons must put all garbage and trash in closed receptacles, closed bags or other suitable, sanitary closed containers

designated for this purpose, and said containers must be placed at curbside on the evening prior to the scheduled trash pickup, no earlier than 5:00 P.M. Trash in sealed plastic bags may only be placed at curbside on the morning of the scheduled trash pickup date.

6. Article 3, Section 3.2 of Schedule A shall be deleted in its entirety and replaced with the following:

Section 3.2 GARBAGE. Other trash, i.e. tree limbs, grass or hedge clippings and other waste materials must be placed on the curb the evening prior to the scheduled bulk trash pickup date, no earlier than 5:00 P.M.

7. Article 3, Section 3.3 of Schedule A shall be deleted in its entirety and replaced with the following:

Section 3.3 GARBAGE. All other trash, including hazardous waste, shall be taken promptly to the proper County waste facility and shall not remain on any lot or any common area.

8. Article 3, Section 3.4 of Schedule A shall be deleted in its entirety and replaced with the following:

Section 3.4 GARBAGE. All trash containers shall be removed from curbside pickup, on the day of collection and placed out of sight.

9. Article 4. of Schedule A is deleted in its entirety and replaced with the following:

Section 4 SIGNS. No sign, display, poster, advertisement, notice, or any other lettering shall be exhibited, inscribed, painted or affixed on the lot or home or any element of the Common areas without the prior written approval of the Architectural Review Board. Without limiting the Board's authority to approve or disapprove any signage in accordance with the preceding sentence, the Board may approve only one sign of any type displayed on the exterior of any home. The sign must be no larger than a total of 94 square inches, and must be mounted on a five foot high stake in the front yard of the lot. It must be at least five feet from the road. Real estate approved signs are acceptable. No homeowner shall display any personal signage (i.e. garage sale, auto for sale), on common area grounds.

10. Article 5, Section 5.3 of Schedule A is deleted in its entirety and replaced with the following:

Section 5.3 FOREIGN OBJECTS. All objects, foreign to the architectural exterior of the home, must be kept out of sight, including; without limitations: Commercial vehicles, mopeds, motorcycles, boats, trailers, campers, trucks (except non-commercial vans and pickup trucks) and motor homes.

11. Article 5, Section 5.4 of Schedule A is deleted in its entirety and replaced with the following:

Section 5.4 FOREIGN OBJECTS. Boats, trailers, and recreational vehicles may be temporarily parked in the driveway of a home for a period of no longer than 24 consecutive hours.

12. Article 5, Section 5.5 of Schedule A is deleted in its entirety and replaced with the following:

Section 5.5 FOREIGN OBJECTS. During periods of a Hurricane Watch or Warning, items 5.3 and 5.4 shall be suspended until 24 hours after the Watch or Warning has been officially lifted.

13. Article 6.0 PARKING of Schedule A is deleted in its entirety and replaced with the following:

Section 6.1 PARKING. Parking shall be allowed only on an owner's driveway on his lot, and, only if absolutely necessary, on the street. No parking is allowed on the grass areas. Any damage to the grass or sprinkler systems caused by such parking be the responsibility and liability of the homeowner.

Section 6.2 PARKING. Overnight parking at the pool shall be reserved exclusively for the guests of homeowners, and not for the homeowner's personal use. A permit is required and these are available from the Board. Such overnight parking shall be allowed only during the hours when the pool is closed.

Section 6.3 PARKING. Illegally parked and unauthorized vehicles parked on the grass or the street and not in compliance with the above Rules, will be

towed at the owner's expense.

Section 6.4 PARKING. Parking on the street, in compliance with Section 6.1, shall be done in such a manner so as not to restrict the access of emergency vehicles, service vehicles, and may not restrict the view of road signage.

14. Article 7 of Schedule A is deleted in its entirety and replaced with the following:

Article 7 PROPERTY ALTERATIONS. No alterations to the exterior of any unit or building visible from the street, in accordance with these Rules shall be done without prior written approval from the Architectural Review Board and the Board for Directors of the Association.

15. Article 8 of Schedule A is deleted in its entirety and replaced with the following:

Section 8.1 RECREATIONAL AREAS. With respect to the recreational areas and common areas, homeowners shall be held responsible for the actions and conduct of their family members, guests, invitee and tenants. Decorum, good conduct, cleanliness and safety shall be observed, and will be strictly enforced.

Section 8.2 RECREATIONAL AREAS. Any damage to the recreational or common areas or any equipment thereon, caused by the homeowner, family member, guest, invitee or tenant, shall be repaired or replaced at the expense of the homeowner.

Section 8.3 RECREATIONAL AREAS. Each person who uses the recreational and other common areas does so at their own risk.

Section 8.4 RECREATIONAL AREAS. Wheelchairs and baby strollers shall be the only wheeled vehicles allowed in the recreational areas. This includes the tennis courts and pool areas.

Section 8.5 RECREATIONAL AREAS. The Association shall not be responsible for any personal injury, or of any loss of personal property at any of the recreational areas regardless of where such property is kept, stored, checked, or left on those premises.

16. Article 9 of Schedule A is deleted in its entirety and replaced with the following:

Section 9.1 LEASES. All leases shall provide for a minimum term of one year and must be in writing. The homeowner must provide the Association with a copy of all executed leases in their entirety.

Section 9.2 LEASES. The owner of a leased home shall be jointly and severally liable with his or her tenant for compliance with the Association Assessments and/or for any claim for injury to persons or property caused by the acts or omissions of the tenants and/or those for whom the Owner is responsible.

Section 9.3 LEASES. All leases shall provide that the Association shall have the right to terminate the lease upon the tenant's failure to observe any provisions of the Association Documents and Rules and Regulations. The Owner must provide the tenant with a copy of the Association Documents and Rules and Regulations and the lease must include a statement that the tenant has read these documents and agrees to abide by them.

17. Article 10 of Schedule A is deleted in its entirety and replaced with the following:

Article 10. Notice must be given by homeowner promptly to the Board of Directors of the Association whenever title passes to a new homeowner. The homeowner transferring/selling the property must provide the new homeowner with a copy of the Association Documents and Rules and Regulations.

18. Article 11 of Schedule A is deleted in its entirety and replaced with the following:

Article 11. No exterior television, radio or satellite dishes or other antennae shall be permitted except for DSS type mini dishes, which are in conformance with Section 8, as amended, of Schedule B of the Rules and Regulations.

19. Article 12 of Schedule A is deleted in its entirety and replaced with the following:

Section 12.1. All vehicles shall observe the posted speed limits.

Section 12.2. All vehicles shall observe the posted stop signs.

Section 12.3. The operation of golf carts and ATV's on the streets is a privilege to homeowners, and may be exercised only by a duly licensed

motor vehicle operators. Operators of such vehicles must obey all traffic signs, and be operated in a safe manner.

Section 12.4. Homeowners shall be responsible and assume full liability for any damage to property, including common areas, as a result of the operation by any homeowner, guest, tenant or invitee, during the operation of aforementioned vehicles.

Section 12.5. Any minor operating a battery powered or gas powered toy vehicle must do so under the direct supervision of an adult.

20. Article 13 of Schedule A is deleted in its entirety and replaced with the following:

Section 13.1. Construction vehicles shall be allowed entry to the community only after approval of a project by the Architectural Review Board and the Board of Directors of the Association, and only after the issuance of a valid certificate of liability insurance to the Association.

Section 13.2. No construction or maintenance work shall be allowed prior to 8:00 AM and all workers must leave the community by 8:00 PM.

Section 13.3. No contracted construction or maintenance work, except for emergency maintenance or repair work shall be conducted on Sundays, and the following holidays: Thanksgiving, Christmas Day, New Years Day, Labor Day and Independence Day.

Section 13.4. No family members or guests of construction workers or maintenance or repair workers shall be permitted on the construction site unless they are engaged in the work being done in an official capacity.

Section 13.5. Construction debris shall be placed in an appropriate container located on the homeowner's driveway. New construction materials shall be placed on the homeowner's property pending commencement of the construction project.

Section 13.6. Construction, maintenance and other personnel serving the community shall observe all Rules and Regulations of this community.

Section 13.7. Homeowners shall be fully liable and responsible for personnel that they hire for any purpose to service the homeowner's home and shall

ensure that such personnel comply with the Rules and Regulations of the community.

21. Article 1 of Schedule B is deleted in its entirety and replaced with the following:

Article 1. All property change requests and all violation reports shall be forwarded to the Board of Directors for approval, execution, or investigations. Any owner who desires to construct an improvement or structure of any kind on his lot shall submit two (2) complete sets of all plans and specifications and samples (i.e. paint chips, tiles, etc.) of proposed building materials to the Architectural Review Board of Directors. One set will be returned to the homeowner with a copy of the Board's decision. All work thereafter shall be completed in a timely manner.

22. Article 2 of Schedule B is deleted in its entirety and replaced with the following

Article 2. All exterior building changes shall be real and not artificial, the exteriors shall be consistent with the original building theme adopted by the Developer.

23. Article 3 of Schedule B is deleted in its entirety and replaced with the following:

Article 3. All games and play structures shall be located behind the residence constructed on the lots.

24. Article 4 of Schedule B is deleted in its entirety and replaced with the following:

Article 4. All walls located in the front yard of a lot shall be either concrete block or wood framed with a stucco finish and in accordance with the design of the house. All fencing shall not be greater than six (6) feet in height and must be well maintained.

Article 4 Section 4.1. Wood fencing (shadow box style) shall have a natural, clear varnish, brown, white, or redwood finish, and the finish must continue the length of the fence.

Article 4 Section 4.2. Vinyl coated cyclone fences must have hedges placed on the immediate exterior of the fence along its entire length. The hedge is to be trimmed to the height of the fence, and must conceal its presence. Any gates facing the roadway must have the appearance of a wood fence or

must be completely hidden from direct view by shrubbery.

Article 4 Section 4.3. Simulated wood fencing (PVC) shall have the appearance similar to shadow box style fencing and may be either white or brown in color.

25. Article 5 of Schedule B is deleted in its entirety and replaced with the following:

Article 5. No window or wall air conditioning or window mounted fan units are permitted with the exception of kitchen exhaust fans.

26. Article 6 of Schedule B is deleted in its entirety and replaced with the following:

Article 6. All mailboxes or receptacles for the delivery of newspapers, magazines, or mail shall be approved by the Architectural Review Board and the Board of Directors prior to the installation on any lot and must be in accordance with the regulations established by the United States Postal Service. All mailboxes shall be maintained in good working order and physical condition.

27. Article 7 of Schedule B is deleted in its entirety and replaced with the following:

Article 7. All lawns must be fully landscaped and properly watered to prevent the proliferation of weeds and dead grass. All areas of dead grass must be either re-seeded or re-sodden at the expense of the homeowner, other than the common areas which are the responsibility of the Association. The homeowner shall properly maintain all shrubbery and landscaping that is not the responsibility of the Association. All trees in front lots of homes shall be maintained and kept well trimmed by the homeowner. Trees that extend beyond the boundaries of the homeowner's lot shall be trimmed to allow uninhibited passage of any vehicle. All hedges, walls or fences may not exceed six (6) feet in height in front of side street yards, and those in interior side or rear yards shall not exceed eight (8) feet in height, and must be trimmed so as not to interfere with sidewalks, traffic or neighbors yards.

8. Article 8 of Schedule B is deleted in its entirety and replaced with the following:

Article 8. No exterior television or radio antennas of any type are permitted. Dish style satellite receivers (DSS) shall be no larger than 18" in diameter, and must not be immediately visible from the road.

9. Article 9 of Schedule B is deleted in its entirety and replaced with the following:

Article 9. The Architectural Review Board and the Board of Directors must approve any change of color of a home. The color of paint of each home must be done in an aesthetically pleasing manner as to maintain uniformity within the existing colors in the neighborhood. Painted exteriors must be maintained in good visible condition.

10. Article 10 of Schedule B is deleted in its entirety and replaced with the following:

Article 10. No awnings (canvas or otherwise) shall be permitted on house openings that are visible from the street. No Bahamas or Colonial style hurricane or decorative shutters shall be permitted on house openings that are visible from the street.

Article 11. Roofs must be maintained and kept clean, and must not have large areas of mildew visible from the street. All roofs needing repair or replacement shall be re-roofed with the same type material as was originally installed.

Article 12. Driveways that are of concrete material shall be well maintained and free from extensive stains (i.e. oil, grease, rust and mildew). Refinishing of the original surface shall be subject to the approval of the Architectural Review Board and the Board of Directors, and must be well maintained. Asphalt driveways shall be properly maintained and free of extensive cracks and deterioration. All concrete walkways which are part of the home, shall be well maintained and free of extensive staining or cracks.

Article 13. All exterior fixtures (i.e. lampposts) shall be well maintained and in good working order.

IN WITNESS WHEREOF, Hanover Square Homeowners Association, Inc., has caused this Certificate of Amendment to the Amended and Restated By Laws to be executed pursuant to the vote of a majority of the lot owners present at a duly called annual meeting held June 25, 1997, at which a quorum was present.

Dated this 21 of December, 2001.

Witness

Witness

HANOVER SQUARE HOMEOWNERS
ASSOCIATION, INC., a Florida not for
profit corporation

BY:

Jake Epperson
JAKE EPPERSON, President

STATE OF FLORIDA:
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 21 day of
December, 2001 by JAKE EPPERSON, as President of Hanover Square Homeowners
Association, Inc. who is personally known to me or who has produced _____
as identification.



Keith D. Kern
MY COMMISSION # CC921747 EXPIRES
April 16, 2004
KERN D. KERN REAL ESTATE, INC.

Keith D. Kern
Notary Public State of Florida

KEITH D. KERN
Printed Name of Notary

My Commission Expires:

This Instrument Prepared by
and PLEASE RETURN TO:

Shannoya C. Robinson
Gelfand & Arpe, P.A.
WFLA, CALL BOX 58
1555 Palm Beach Lakes Blvd.
Suite 1220
West Palm Beach, Florida 33401-2329
(561) 835-6224

CFN 20040426736
OR BK 17296 PG 1773
RECORDED 07/23/2004 15:53:13
Palm Beach County, Florida
Dorothy H Wilken, Clerk of Court

**FOURTH CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED BYLAWS OF
HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.**

THE UNDERSIGNED of HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., P.O. Box 6575, Delray Beach, FL 33484 certifies that the Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. recorded in Official Records Book 6900 at Page 1173 of the Public Records of Palm Beach County, Florida, has been amended as set forth in Exhibit "A" attached hereto. The Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. affects real property legally described as:

All of that real property shown on the Hanover Square Replat Recorded in Plat Book 75, Page 88, and on the Plat of Windy Creek, recorded in Plat Book 64, Page 39, all of the Public Records of Palm Beach County, Florida.

The Amendment in Exhibit "A" was duly adopted as an Amendment to the Bylaws. The Amended and Restated Declaration on Covenants, Conditions and Restrictions for Hanover Square was recorded in Official Records Book 6900 at Page 1151. The Declaration of Covenants and Restrictions for Hanover Square was recorded in Official Records Book 4484 at Page 0084.

Dated this 7th day of June, 2004.

Witnessed By:

Signature here:

Print name here:

Signature here:

Print name here:

Hanover Square Homeowners' Association, Inc.

By:

Shay Peschl, President

By:

Adele Russell, Secretary

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

[CORPORATE SEAL]

The foregoing instrument was acknowledged before me this 7th day of June, 2004 by Shay Peschl and Adele Russell, the President and Secretary, respectively of Hanover Square Homeowners' Association, Inc., who are personally known to me or who have produced Florida Drivers Licenses as identification and who did not take an oath.



Signature here:

Print name here:

Craig R. Travis

Craig R. Travis

Notary Public, State of Florida

Serial Number:

My commission expires:

EXHIBIT "A" TO THE FOURTH CERTIFICATE OF AMENDMENT TO THE AMENDED AND
RESTATED BYLAWS OF HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.

The Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc.,
§4.01 "Number" and §4.02 "Term of Office" are amended as follows: (The language added is
underlined; the language deleted is struck out:

Section 4.01. Number. The affairs of the Association shall be managed by a Board
of Directors composed of five ~~eight (8)~~ Members of the Association. At least three
(3) of said Directors shall be members of Hanover Square Homeowners Association,
Inc. and at three (3) of said Directors shall be members of Windy Creek Homeowners
Association, Inc. During the period from the recording of these By-Laws in the
Public Records of Palm Beach County, Florida, until the date that Windy Creek
Homeowners Association, Inc. shall deed its common areas and transfer all of its
functions to the Association, at least one (1) of the Directors shall be a representative
of Davison or his successors.

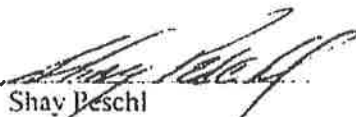
Section 4.02. Term of Office. At the first Annual Meeting held after the adoption
of this provision turnover of the Association by the Developer, the Members shall
elect one director for a ~~(term)~~ of one year and the four directors elected at the 2004
annual members meeting for two year terms shall continue in office until the 2006
annual members meeting. ~~one director for a term of two years, and one director for~~
~~a term of three years; and at~~ At the 2006 annual members meeting the Members shall
elect four directors, the three nominees with the highest number of votes serving two
years and the nominee with the fourth highest number of votes serving one year. At
each annual Members' meeting thereafter, the Members shall elect the appropriate
number of directors for a term of two three years. It is the intent of the this provision
that the Members elect directors for staggered terms of two years; however, if the
staggered terms are inadvertently disrupted, then the Board of Directors shall take
reasonable steps so as to provide for elections at the following annual members'
meeting to ensure staggered terms. Each Director named by Davison or his successor
shall serve at the pleasure of the entity having named him to the Board.

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Gelfand & Arpe, P.A.
Regions Financial Tower, Suite 1220, 1555 Palm Beach Lakes Blvd., West Palm Beach, FL 33401-2329
(561) 655-6224

6. The Hanover Square Homeowners' Association, Inc. is that Association referenced in the Amended and Restated Declaration on Covenants and Restrictions for Hanover Square recorded in Official Records Book 6900 at Page 1151. The Declaration of Covenants and Restrictions for Hanover Square was recorded in Official Records Book 4484 at Page 0084.

FURTHER AFFIANT SAYETH NAUGHT.


Shay Peschl

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 7th day of June, 2004 by , Shay Peschl who is personally known to me or who has produced Florida Drivers Licenses as identification and who did take an oath that the matters contained therein were true and correct.



Craig R. Travis Craig R. Travis
PRINT NAME

Notary Public, State of Florida
Serial Number:
My commission expires:

F:\SR\0201\5A13\WINS\479d

ARTICLES OF INCORPORATION

OF

HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.

FILED
ER 11-5-74

The undersigned by these Articles hereby form this corporation not for profit under the laws of the State of Florida, pursuant to Chapter 617, Florida Statutes, and certify as follows:

ARTICLE I

NAME

The name of the corporation shall be Hanover Square Homeowners' Association, Inc. For convenience, the corporation shall be referred to in this instrument as "the Association."

ARTICLE II

PURPOSES AND POWERS

The Association does not contemplate pecuniary gain or profit to the members thereof. The specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential lots and Common Properties within that certain Community more particularly described in the Declaration of Covenants and Restrictions of Hanover Square (hereinafter "the Declaration of Covenants"), and to promote the health, safety and welfare of the residents within the Community and any additions in order to effectuate these purposes, the Association shall have the power to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration of Covenants, which powers and privileges include but are not limited to the following:

- (1) to file, levy, collect and enforce payment by any lawful means all appropriate charges or assessments;
- (2) to pay all expenses incident to the conduct of the business of the Association, including all licenses, taxes and governmental charges levied or imposed against the Common Properties;
- (3) to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of the Common Properties on behalf of the membership of the Association;

NOTED, INDEXED, LISTED & CLASSIFIED OFFICE OF THE CLERK OF THE CIRCUIT COURT, MIAMI, FLORIDA: 10 JUL 1974. 144-05.

EXHIBIT A

(4) to borrow money and mortgage, pledge or hypothecate any or all of the Common Properties as security for money borrowed or debts incurred;

(5) to participate in mergers and consolidations with other non-profit corporations organized for the same purposes; and

(6) to have and to exercise any and all powers, rights and privileges which a corporation organized under the Florida Non-Profit Corporation Law may now or hereafter have or exercise.

ARTICLE III

MEMBERSHIP AND VOTING

A. Membership. Every person or entity who is a record owner of any Unit in the Community shall be a member of the Association. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation. Change of membership in the Association shall be established by recording in the Public Records of Palm Beach County, Florida, and/or any other instrument establishing a record title to any Unit in a transfer and the delivery to the Association of a certified copy of such instrument. Upon each delivery, the transferee designated by such instrument shall become a member of the Association and the membership of the transferor shall be terminated.

B. Appurtenance to Unit. The share of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

C. Voting Rights. Subject to Developer's preservation of voting rights in the Declaration of Covenants, each Owner shall be entitled to one vote for each Unit owned. When more than one person holds an interest or interests in any Unit, the vote for such Unit shall be limited to one vote as the owners among themselves determine. The manner of exercising voting rights shall be determined by the By-Laws of the Association.

D. Meetings. The By-Laws shall provide for meetings of the members.

ARTICLE IV

BOARD OF DIRECTORS

A. Membership of Board. The affairs of this Association shall be managed by a Board consisting of the number of Directors determined by the By-Laws, but not fewer than three (3) Directors.

- 2 -

ADDITIONAL COPIES OF THIS DOCUMENT ARE ON FILE IN THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA. FOR A FEE OF \$10.00 PER COPY.

RECORDER'S MEMO: Legibility of document
unsatisfactory when received

B. Election and Renewal. Directors shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board shall be filled in the manner provided by the By-Laws.

C. First Board of Directors. The names and addresses of the persons who shall act in the capacity of Directors until their successors shall be elected and qualified are as follows:

<u>NAME</u>	<u>ADDRESS</u>
RAUL PLAMAS	7700 S. Kendall Drive Suite 309 Miami, FL 33156
CATHERINE BATES	7700 S. Kendall Drive Suite 309 Miami, FL. 33156
SERAFIN LEAL	7700 North Kendall Drive Suite 309 Miami, FL 33156.

The Directors named above shall serve until the first election of Directors, as determined by the By-Laws and any vacancies in their number occurring before the first election of Directors shall be filled by act of the remaining Directors.

ARTICLE V

OFFICERS

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

RAUL PLAMAS	President
SERAFIN LEAL	Vice President
CATHERINE BATES	Secretary-Treasurer.

ARTICLE VI

INDEMNIFICATION

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel 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 of the Association, whether or not he is a Director or Officer of the Association at the time such expenses are incurred, except when the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE VII

BY-LAWS

The first By-Laws of the Association shall be adopted by the Board and may be thereafter altered, amended or rescinded in the manner provided in such By-Laws.

ARTICLE VIII

AMENDMENTS

Amendments to the Articles of Incorporation may be considered at any regular or special meeting of the members and may be adopted in the following manner:

1. Notice of the subject matter of a proposed amendment and of the meeting at which a proposed amendment is considered, and said notice shall be made as required by the By-Laws.
2. A resolution for the adoption of a proposed amendment may be proposed either by the Board or by a majority of the voting members. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. Such amendments must be approved by not less than sixty-one (61%) percent of the votes of the voting members.

ARTICLE IX

TERM

The term of the Association shall be perpetual.

ARTICLE X

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of the voting members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication shall be refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XI

SUBSCRIBERS

The names and addresses of the subscribers of these Articles of Incorporation are as follows:

EDGAR LEVIN	111 N.E. First Street Miami, Florida 33132
JOHN S. ALLISON, III	111 N.E. First Street Miami, Florida 33132
TERRY V. RAUSER	111 N.E. First Street Miami, Florida 33132.

ARTICLE XII

miscellaneous

A. Developer's Rights. No amendment of these Articles of Incorporation or the By-Laws shall change Developer's rights and privileges set forth in the Declaration of Covenants without Developer's prior written approval so long as Developer owns any Unit.

B. Stock. The Association shall issue no shares of stock of any kind or nature whatsoever.

C. Severability. Invalidity of any one or more of the provisions hereof shall in no way affect any other provisions, which shall remain in full force and effect.

B. The initial registered office of the Association shall be c/o Keith, Nash, Lewis and Allison, 111 N.E. First Street, Miami, FL 33132. The initial registered agent at that address shall be Terry V. Hauser.

IN WITNESS WHEREOF, the subscribers have affixed their signatures this 3 day of December 1984.

[Signature]
EDGAR LEVIE
[Signature]
JOHN R. ALLISON, III
[Signature]
TERRY V. HAUSER

STATE OF FLORIDA)
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this 3 day of December, 1984, by EDGAR LEVIE, JOHN R. ALLISON, III and TERRY V. HAUSER.



[Signature]
NOTARY PUBLIC, State of Florida
at Large

Having been named to accept service of process for the above-named corporation at the place designated in these Articles, I hereby agree to act in such capacity and agree to comply with the provisions of all applicable statutes concerning the proper and complete performance of my duties.

[Signature]
TERRY V. HAUSER

FILED
DEC 5 PM 4:15
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

This Instrument Prepared by
and PLEASE RETURN TO:

Shannoya C. Robinson, Esq.
Gelfand & Arpe, P.A.
WILL CALL BOX 58
1655 Palm Beach Lakes Blvd.
Suite 1220
West Palm Beach, Florida 33401-2329
(561) 655-6224

CFN 20040453372
OR BK 17356 PG 1988
RECORDED 08/05/2004 11:20:02
Palm Beach County, Florida
Dorothy H Wilken, Clerk of Court

**FIFTH CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED BYLAWS OF
HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.**

THE UNDERSIGNED of HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC. P.O. Box 6575, Delray Beach, FL 33484 certify that the Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. recorded in Official Records Book 6900 at Page 173 of the Public Records of Palm Beach County, Florida, has been amended and the amendment was duly adopted as an amendment of the Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. and affects real property in Palm Beach County, Florida legally described as:

All of that real property shown on the Hanover Square Replat recorded in Plat Book 75, Page 88, and on the Plat of Windy Creek recorded in Plat Book 64, Page 39, all of the Public Records of Palm Beach County, Florida.

The Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square is Recorded in Official Records Book 6900 at Page 1151 of the Public Records of Palm Beach County, Florida. The original Declaration of Covenants and Restrictions for Hanover Square was recorded in Official Records Book 4484 at Page 0084 of the Public Records of Palm Beach County, Florida.

WHEREAS, the Board of Directors held a meeting in July 2004 and approved unanimously a motion to amend the Association's Rules and Regulations to rescind all of the changes to Schedule A and Schedule B of the Bylaws as the changes are set forth in the Third Amendment to Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. The Affidavit of Scrivener's Error Concerning Third Amendment to Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. is attached as Exhibit "A."

Dated this 24th day of July 2004.

Witnessed by:

Signature here:

Print name here:

Signature here:

Print name here:

Hanover Square Homeowners' Association, Inc.

By:

By:

Shay Peschl, President

Adele Russell, Secretary

STATE OF FLORIDA

COUNTY OF PALM BEACH

[CORPORATE SEAL]

The foregoing instrument was acknowledged before me this 24th day of July 2004 by Shay Peschl and Adele Russell, the President and Secretary, respectively of Hanover Square Homeowners' Association, Inc., who are personally known to me and who are licensed FL Drivers License as identification and who did not take an oath.

Signature here:

Print name here:

Craig R. Travis
Notary Public, State of Florida
Serial Number:
My commission expires:

**EXHIBIT "A" TO THE FIFTH CERTIFICATE OF AMENDMENT
TO THE AMENDED AND RESTATED BYLAWS OF
HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.**

**AFFIDAVIT OF SCRIVENER'S ERROR CONCERNING THIRD AMENDMENT TO
AMENDED AND RESTATED BYLAWS OF HANOVER SQUARE HOMEOWNERS'
ASSOCIATION, INC.**

STATE OF FLORIDA ss :
COUNTY OF PALM BEACH :

BEFORE ME, the undersigned authority, personally appeared Jake Epperson who, being duly sworn, deposes and says:

1. My name is Jake Epperson. I am over the age of eighteen. This affidavit is made from my personal knowledge.
2. I was the President for Hanover Square Homeowners' Association, Inc. in 2001.
3. In my capacity as President, I executed the Third Amendment to Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. ("Third Amendment").
4. The Third Amendment can be found in Official Records Book 13306 at Page 0696 of the Public Records of Palm Beach County, Florida.
5. Page 11 of the Third Amendment states that the instrument was executed pursuant to the vote of a majority of the lot owners present at a duly called annual meeting held on June 25, 1997, at which a quorum was present. This statement contains a scrivener's error because the lot owners did not vote or approve the execution of the instrument.

This is Not a Copy

6. A majority of the Board of Directors present at a duly called Board meeting held in 2001 voted to approve the Rules and Regulations included in the Third Amendment.

7. The Third Amendment was prepared without the aid of counsel.

FURTHER AFFIANT SAYETH NAUGHT.

John W. Epp

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 20th day of July 2004 by , who is personally known to me or who has produced FL Drivers License as identification and who did take an oath that the matters contained therein were true and correct.

Craig R. Travis



PRINT NAME: Craig R. Travis
Notary Public, State of Florida
Serial Number:
My commission e. exp:

F:\SCR\028131\00cent.wpd

This Instrument Prepared by and
PLEASE RETURN TO:

Hanover Square Homeowners
Association, Inc., President
P.O. Box 6575 - *770 NW 1st Ct*
Delray Beach, Florida 33445
(561) 274-4040

CFN 20060313214
QR BK 20390 PG 1184
RECORDED 05/25/2006 16:58:19
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 1184 - 1196; (13pgs)

SIXTH CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED BYLAWS OF
HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.

THE UNDERSIGNED of HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., P.O. Box 6575, Delray Beach, FL 33484 certifies that the Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. recorded in Official Records Book 6900 at Page 1173 of the Public Records of Palm Beach County, Florida, has been amended as set forth in Exhibits "A & B" attached hereto. The Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. affects real property legally described as:

All of that real property shown on the Hanover Square Replat Recorded in Plat Book 75, Page 88, and on the Plat of Windy Creek recorded in Plat Book 64, Page 39, all of the Public Records of Palm Beach County, Florida

The Amendments in Exhibit "A & B" were duly adopted as an Amendment to the Bylaws. The Amended and Restated Declaration on Covenants, Conditions and Restrictions for Hanover Square was recorded in Official Records Book 6900 at Page 1151. The Declaration of Covenants and Restrictions for Hanover Square, was recorded in Official Records Book 4484 at Page 0084.

WHEREAS, the Board of Directors held a meeting May 10, 2006 and approved unanimously a motion to amend the Association's Rules and Regulations and Architectural Rules and Regulations as attached as Exhibits "A & B".

Dated this 16 day of May, 2006

Witnessed by:

Signature here *Samantha Meggion*
Print name here Samantha Meggion

Signature here *Kristi Pippin*
Print name here Kristi Pippin

Hanover Square Homeowners' Association, Inc.

By *Shay Peschl*
Shay Peschl, President

By *Adele Russell*
Adele Russell, Secretary

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this 16 day of May, 2006 by Shay Peschl and Adele Russell, the President and Secretary, respectively of Hanover Square Homeowners' Association, Inc., who are personally known to me or who have produced _____ as identification and who did not take an oath.

Signature here *Paul S. Pietras*

Print name here Paul S. PIETRAS

Notary Public, State of Florida

Serial Number:

My commission expires:

NOTARY PUBLIC-STATE OF FLORIDA
Paul S. Pietras
Commission # DD438175
Expires: JUNE 25, 2009
Bonded thru Atlantic Bonding Co., Inc.

INDEX

5/2006

SCHEDULE "A"

RULES AND REGULATIONS OF THE HANOVER SQUARE HOMEOWNERS ASSOCIATION, INC.

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Book20390/Page1185

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SCHEDULE "A"

HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.

RULES AND REGULATIONS

All residents, guests, agents, and invitees (herein called "persons") shall be governed by the obligations and duties set forth in Hanover Square Homeowners' Association, Inc., Articles of Incorporation, the By-Laws, the Declaration, and any amendments thereto and these following Rules and Regulations.

Section 1 LOT USE:

Each person must use his Lot and all common areas in a manner that does not interfere with the safety and peaceful enjoyment, disturb or become a nuisance to or cause injury to others or to the reputation of the Association.

Section 2 PETS:

2.1 Pet owners must have control of their pets at all times.

2.2 All pets shall be walked on a leash when outside of a fenced in area. Fenced in areas shall fully contain the pets within the boundaries of the homeowners property and all fences walls, latches and gates shall be properly maintained to ensure full compliance.

2.3 Any solid animal waste shall be immediately picked up and removed properly, and shall not be deposited on or within common areas.

2.4 Each Pet owner is financially responsible for any property damage, personal injury, or disturbance, which their pet may cause or inflict and agrees to indemnify the Association and hold the Association harmless against any loss or liability of any kind what so ever arising from or growing out of his/her having any animal in the community.

2.5 If any pet becomes an annoyance to the Homeowner or surrounding Homeowners, by barking, disturbing the peace or otherwise, the owner shall cause the problem to be corrected. If the problem is not corrected satisfactorily, the owner, upon written notice from the Association shall be required to remove the animal from within the Associations jurisdiction.

Section 3 GARBAGE, BULK TRASH, HURRICANE DEBRIS :

3.1 All persons must put all garbage and trash in closed receptacles, closed bags or other suitable, sanitary closed containers designated for this purpose. Proper containers may be placed curbside in front of the home, the evening prior to the scheduled trash pickup, but no earlier than 5:00 P.M. Trash in sealed plastic bags may only be placed at curbside in front of the home, on the morning of the scheduled trash pickup date. All County waste regulations are to be followed.

3.2 Other bulk trash, such as tree limbs, grass or hedge clippings and other waste materials shall only be placed curb side in front of the home, prior to the scheduled bulk trash pickup date, but not sooner than three (3) days prior to the scheduled bulk pickup. No trash or debris shall be placed on or along 4th Avenue other than Hurricane or Tropical Storm debris for County bulk removal. Homeowners shall comply with broadcasted Hurricane pick up instructions. Failure to comply with this rule will result in the Lot owner(s) being billed for the removal of the trash and any necessary sod and or common sprinkler repair or replacement.

3.3 All other trash, including hazardous waste, shall be taken promptly to the proper County waste facility and shall not remain on any lot or any common area. Failure to comply with this rule will result in the Lot owner's being billed for the removal of the trash.

3.4 All trash containers shall be removed from curbside pickup, by the evening on the day of collection and stored out of sight from the front of the home and roadways.

Section 4 SIGNS:

4.1 No sign, display, poster, advertisement, notice, or any other lettering shall be exhibited, inscribed, painted or affixed on the lot or home or any element of the Common areas without the prior written approval of the Architectural Review Board. Without limiting the Board's authority to approve or disapprove any signage in accordance with the preceding sentence, the Board may approve only one sign of any type displayed on the exterior of any home. The sign must be no larger than a total of 94 square inches, and must be mounted on a five foot high stake in the front yard of the lot. It must be at least five feet from the road. Real estate approved signs are acceptable. No homeowner shall display any personal signage (i.e. garage sale, auto for sale), on common area grounds.

Section 5 FOREIGN OBJECTS:

5.1 All objects, foreign to the architectural exterior of the home, must be kept out of sight of the front of the home. Objects including; without limitations: Inoperative motor vehicles or parts hereof, clothes hanging devices and antennas commercial vehicles, mopeds, motorcycles, boats, trailers, campers, trucks (except non-commercial vans and pickup trucks) and motor homes shall be kept behind a fenced area and screened from view on four sides.

5.2 Boats, trailers, and recreational vehicles may be temporarily parked in the driveway of a home for a period of no longer than 24 consecutive hours preparing for use and or transport.

5.3 During periods of a Hurricane Watch or Warning, items 5.1 and 5.2 shall be suspended until 24 hours after the Watch or Warning has been officially lifted.

Section 6 PARKING:

6.1 Parking shall be allowed only on an owner's driveway on his lot, and shall not block a sidewalk and, only if necessary, on the street. No vehicles may park on 41st Avenue for more than 3 hours and only if necessary for a party or function. No parking is allowed on the grass areas. Any damages and required repairs to the grass or sprinkler systems caused by such parking shall be the responsibility and liability of the homeowner.

6.2 Overnight parking at the pool shall be reserved exclusively for short term guests of homeowners, not to exceed 14 days in each calendar month and not for the homeowner's personal use. Such overnight parking shall be allowed only during the hours when the pool is closed and the owner shall assume all liability thereof.

6.3 Illegally parked and unauthorized vehicles parked on the grass or the street and not in compliance with the above Rules, will be towed at the owner's expense after notification from the Association.

6.4 Parking on the street, in compliance with Section 6.1, shall be done in such a manner so as not to restrict the access of emergency vehicles, service vehicles, and to impede or prevent ready ingress or egress to another Resident's driveway. Parking may not restrict the view of road signage. Vehicles parked on the street must be parked with the directional flow of traffic.

Section 7 PROPERTY ALTERATIONS:

7.1 All alterations to the exterior of any unit or building in accordance with these Rules and the A.R.B. Schedule "B" shall not be done without prior written approval from the Architectural Review Board and the Board of Directors of the Association. Failure to comply with this rule and to receive the Associations approval may cause and require the homeowner to remove or restore the alteration(s) to its original state at the homeowners' expense.

Section 8 RECREATIONAL AREAS:

8.1 With respect to the recreational areas, pool and common areas, all homeowners, family members, guests, invitee and tenants shall obey the posted rules and regulations and all homeowners shall be held responsible for the actions and conduct of their family members, guests, invitee(s) and tenants, decorum, good conduct, cleanliness. Safety shall be observed at all times and will be strictly enforced.

8.2 Any damage to the recreational or common areas or any equipment thereon, caused by the homeowner, family member, guest, invitee or tenant, shall be repaired or replaced at the expense of the homeowner.

8.3 Each person who uses the recreational and other common areas does so at their own risk. Persons using the recreational areas must leave the areas in a clean condition.

8.4 Wheelchairs and baby strollers shall be the only wheeled vehicles allowed in the recreational areas. This includes the tennis courts and pool areas.

8.5 The Homeowner, his/her family, guests, invitees and tenant shall hold harmless the Association, residents and agents from any and all loss, cost, claim, injury, damage or liability sustained or incurred by him/her/them resulting there from. And/or from any act, omission, misconduct, negligence or loss of personal property sustained or incurred not addressed within these Rules and Regulations, Declaration, By Laws or Posted rules.

8.6 Children under the age of 16 must have adult supervision while using the pool, recreational facilities and all common areas of the Association. Children must be toilet trained to use the pool. Children wearing diapers are NOT permitted in the pool for health reasons.

Section 9 LEASES:

9.1 All leases shall provide for a minimum term of ONE year and must be in writing. The homeowner must provide the Association with a copy of all executed leases and required accompanying documents in their entirety. No home may be sub-let without prior notification to the Associations.

9.2 The unit owner (lessor) of a leased home shall be jointly and severally liable with his or her tenant for compliance with the Governing Documents and these Rules and Regulations. They shall be jointly and severally liable to the Association to pay all the Association Assessments and/or any open claim for injury or damages to persons or property caused by the acts or omissions of the tenants, guest or invitees, contractors and/or those for whom the Owner is responsible.

9.3 All leases, or a written and signed statement attached to the lease, shall provide that the Association shall have the right to terminate the lease upon the tenant's failure to observe any provisions of the Associations Governing Documents and these Rules and Regulations. The Owner (lessor) must provide the tenant with a copy of the Associations Declaration, Articles of Incorporation, By-Laws and Rules and Regulations and the lease must include an attached signed letter that the tenant has read these documents and agrees to abide by them.

9.4 The unit owner assumes full financial responsibility for his tenant's, guests, invitee's, contractors and laborers damage to any of the Common Areas.

Section 10. DSS type mini dishes are permitted, which are in conformance with Section 8, as amended, of Schedule B of the Rules and Regulations. No antennae, aerials or ham radios shall be placed or erected on any lot, home or common property except to the extent applicable law requires the Association to permit such device. In such event, will be deemed an Alteration and subject to the Rules & Regulations of the Association.

Section 11. Notice must be given promptly by homeowner to the Board of Directors of the Association whenever title passes to a new homeowner. The homeowner transferring or selling the property must provide the new homeowner with a copy of the Association Declaration, Articles of Incorporation, By-Laws and Rules and Regulations, coupon book and appropriate common property keys. The seller or new owner must provide the Association with a copy of the new homeowners Warranty Deed.

Section 12 VEHICLES:

12.1 All vehicles shall observe the posted speed limit and stop signs.

12.2 The operation of powered recreational vehicles and classes of golf carts, ATVs or any other vehicles which are not able to be licensed or registered on the streets is a privilege to homeowners, and may be exercised only by a duly licensed motor vehicle operator. Operators of such vehicles may not operate any such vehicle while in an intoxicated condition. Operators must obey all traffic signs and may not make excessive noise, blow horns, whistles or the like which shall disturb the residents. Vehicles must have headlights and tail lights for night time operation. Vehicles may only be driven on roadways and not on common property or grasses and must maintain all original safety equipment as provided by the manufacture and windshields as required after July 2002. Operators must operate the vehicles in a manner safe to themselves, passengers and the community and shall not hang off or out of the vehicles while in motion or be a cause of nuisance to the residents and or the community. Abuse, Violation or Violator of these privileges may be cause for the Association Board to amend or withdraw approval for the use and operation of the vehicle or all such type of vehicles within the community.

12.3 During the operation of golf carts, golf cart type, gas powered and unregistered vehicles, Homeowners, their guest, tenants or invitees shall be held responsible and assume full risks and liability's for any damages to persons or property including but not limited to, common areas, as a result of the operation of the vehicles. Homeowners', guest, tenants and invitees agree to hold harmless what so ever the Association from their acts in the operation of the vehicles.

12.4 Any minor operating a battery powered or gas powered toy vehicle or radio controlled device must do so under the direct supervision of an adult and at their own risk.

Section 13 Construction:

13.1 Construction vehicles shall be allowed entry to the community only after approval of a project by the Architectural Review Board and the Board of Directors, the issuance of a valid certificate of liability insurance to the Association and any other documentation as may be required by the Boards, all applicable laws, zoning ordinances and regulations.

13.2 No construction or maintenance work shall be allowed prior to 8:00 AM and all workers must leave the community by 6:00 PM.

13.3 No contracted or hired, disrupting or excessively noisy construction work, except for emergency maintenance or repair, shall be conducted on Sundays, and the following holidays: Thanksgiving, Christmas Day, New Years Day, Labor Day and Independence Day.

13.4 No family members or guests of construction workers or maintenance and repair workers shall be permitted on the construction site unless they are engaged in the work being done in an official capacity.

13.5 Construction debris shall be placed in an appropriate container located on the homeowner's driveway. New construction materials shall be placed on the homeowner's property pending commencement of the construction project not to exceed 7 days prior to its use and shall be removed or soundly secured in the event of a Hurricane Warning. All risks and liability shall be born by the owner for damage(s) caused by the materials and debris. All sidewalks, easements, swales and roadways shall be left broom clean and undamaged at the end of each construction day. All obstructions to the above areas must be cleared as soon as reasonably possible.

13.6 Construction, maintenance and other personnel serving the community shall observe all Rules and Regulations of the community and conduct themselves in a professional manner at all times.

13.7 Homeowners shall be held fully liable and responsible for personnel, contractors and laborers that perform services for any purpose involving the homeowner's home and property and shall ensure that such personnel comply with Governing Documents and the Rules and Regulations of the community.

Section 14 Conflicts with Other Documents & Waivers:

It is not intended that the Rules & Regulations shall amend any other governing document. In the case of any apparent conflict between these Rules & Regulations and the Declaration, the provisions of the latter shall govern. Any waiver by the Board of the Rules & Regulations and/or consents or approvals may be altered or reversed by the Board at any time and shall apply only to the individual or situation which led to its adoption and not be considered to set a precedent.

The Board reserves the right to amend, clarify or add to these Rules & Regulations at any time, by majority vote of the Board of Directors at a duly called and noticed meeting.

SCHEDULE "B"
RULES AND REGULATIONS OF THE
ARCHITECTURAL REVIEW BOARD OF
HANOVER SQUARE HOMEOWNERS ASSOCIATION, INC.

1. Any Owner who desires to construct an improvement or structure or make an exterior alteration, other than maintenance to or alterations to the units landscaping, shall be forwarded to the Board of Directors for approval, execution, or investigations. The unit owner shall submit two (2) complete sets of all plans and specifications on the provided request form(s) and samples (i.e. paint chips, tiles, etc.) of proposed building materials and colors to the Architectural Review Board and Board of Directors. Additional documentation may be required and must be submitted to the Board of Directors upon their written request prior to the Board's approval. One set will be returned to the homeowner with a copy of the Board's decision and within 30 days of the Board's receipt. All work thereafter shall adhere to the Association's Rules and Regulations and Local Government Requirements and Codes and shall be completed in a timely manner.
2. Exterior changes shall be compatible with the original building theme adopted by the Developer unless otherwise approved.
3. All fixed and portable play structures shall be located behind the residence constructed on the lots. Mobil basketball hoops may remain in front of the unit owner's home and may not obstruct the flow of traffic. All such fixtures shall be maintained in good repair or must be immediately removed or disposed of upon the written request of the Architectural Review Board and the Board of Directors.
4. All walls located in the front yard of a lot shall be either concrete block or wood framed with a stucco finish and in accordance with the design of the house. All front fencing shall not be greater than six (6) feet in height and rear fencing not greater than eight (8) feet in height and must be well maintained.
 - 4.1 Wood fencing (shadow box style) shall have a natural, clear varnish, brown, white, or redwood finish. The finish must continue the length of the fence. All wood fencing shall be maintained in complete, upright good repair or be removed at the owners expense.
 - 4.2 Vinyl coated cyclone fences in front of the unit must have hedges placed on the immediate exterior of the fence along its length and interior of the fence along its entire length on the sides and back of the unit. Hedges are to be trimmed to a minimum height of the top edge of the fence, and must conceal its presence.
 - 4.3 Simulated wood fencing (PVC) may be either white or brown in color.

1 of 3

5. No window or wall air conditioning or window mounted fan units are permitted with the exception of kitchen exhaust fans. Exceptions shall be made to this rule during extended power outages.

6. All mailboxes or receptacles for the delivery of newspapers, magazines, or mail shall be in accordance with the regulations established by the United States Postal Service. All mailboxes shall be maintained in good working order and physical condition and may not adversely affect the visual surrounding environment.

7. All lawns must be fully landscaped and properly watered to prevent the proliferation of weeds and dead grass. All areas of dead grass must be either re-seeded or re-sodden at the expense of the homeowner, other than the common areas which are the responsibility of the Association. Grass damaged within the homeowners easements by causes of the homeowner must be re-sod at the expense of the homeowner. The homeowner shall properly maintain all shrubbery and landscaping that is not the responsibility of the Association. All trees in front lots of homes shall be maintained and kept well trimmed and kept cut away from the community street lighting by the homeowner. Trees that extend beyond the boundaries of the homeowner's lot shall be trimmed to allow uninhibited passage of any vehicle. All hedges, walls or fences may not exceed six (6) feet in height in front of side street yards, and those in interior side or rear yards shall not exceed eight (8) feet in height, and must be maintained or trimmed so as not to interfere with sidewalks, traffic, neighbors yards or common community property.

8. Antennas and Dish style satellite receivers (DSS) shall be no larger than 18" in diameter, and must not be immediately visible from the road if the signal can be obtained in a non visible location first.

9. The Architectural Review Board and the Board of Directors must approve any change of color of a home. The color of paint of each home must be done in an aesthetically pleasing manner as to maintain uniformity within the existing colors in the neighborhood and neighbors. Painted exteriors must be maintained in good visible condition.

10. Awnings, Canvas materials or otherwise and decorative shutters shall be permitted on house openings and walkways that are visible from the street upon approval of the Board. All materials shall be maintained in good visible repair and condition and shall be repaired, removed or replaced upon written notification from the Architectural Review Board and the Board of Directors. Metal scalloped or claim shell type collapsible awnings shall not be permitted on the front exterior of a home.

11. Roofs must be maintained and kept clean, and must not have large areas of mildew visible from the street. All roofs needing repair or replacement shall be re-roofed constant with the neighborhood and Developers concept. Asphalt tile material roofs are not permitted.

12. Driveways that are of concrete material shall be well maintained and free from extensive cracks or stains (i.e. oil, grease, rust and mildew). Refinishing of the original surface shall be subject to the approval of the Architectural Review Board and the Board of Directors, and must be well maintained. Asphalt driveways shall be properly maintained and free of extensive cracks and deterioration. All concrete walkways which are part of and in front of the home, shall be well maintained and free of extensive staining or cracks.

13. All exterior fixtures (i.e. lampposts and house lights) shall be well maintained and in good working order.

14. Unapproved changes and or non-compliance with the stated Architectural Review Board and the Associations Rules and Regulations may be cause, upon demand, for the homeowner to immediately make the necessary changes for compliance. After notification, non-compliance shall be cause to have the Architectural Review Board and the Board of Directors make the necessary conforming changes. A lien shall be filed against the homeowners property for the recovery of such expenses and all fees incurred by the Association for the correction.

CFN 20110338071
OR BK 24736 PG 0058
RECORDED 09/09/2011 15:36:33
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0058 - 69; (12pgs)

This instrument was prepared by:
PETER C. MOLLENGARDEN, ESQUIRE
Rosenbaum Mollengarden Janssen & Siracusa
250 S. Australian Avenue - 5th Floor
West Palm Beach, FL 33401
(W-C 195)

**SEVENTH CERTIFICATE OF AMENDMENT TO THE AMENDED AND RESTATED BYLAWS OF
HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.**

THE UNDERSIGNED of HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC., d/b/a WINDY CREEK HOMEOWNERS ASSOCIATION, INC. certifies that the Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. recorded in Official Records Book 6900 at Page 1173 of the Public Records of Palm Beach County, Florida, has been amended by replacing Exhibits "A & B" thereto in their entirety with Exhibits "A & B" attached hereto. The Amended and Restated Bylaws of Hanover Square Homeowners' Association, Inc. affects real property legally described as:

All of that real property shown on the Hanover Square Replat Recorded in Plat Book 75, Page 88, and on the Plat of Windy Creek recorded in Plat Book 64, Page 39, all of the Public Records of Palm Beach County, Florida.

WHEREAS, The amended Exhibits "A & B" attached hereto were duly adopted as an Amendment to the Bylaws. The Amended and Restated Declaration of Covenants, Conditions and Restrictions for Hanover Square was recorded in Official Records Book 6900 at Page 1151. The original Declaration of Covenants and Restrictions for Hanover Square, was recorded in Official Records Book 4484 at Page 0084.

WHEREAS, the Board of Directors held a meeting July 27, 2011, for which notice was provided to the membership of the Association in accordance with the Amended and Restated Bylaws and Chapter 720, Florida Statutes, and approved a motion to amend the Association's Rules and Regulations and Architectural Rules and Regulations in their entirety as attached as Exhibits "A & B" hereto.

HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.
d/b/a WINDY CREEK HOMEOWNERS ASSOCIATION, INC.

By: Don Binette
President

Witness

Walter Corntrell
(PRINT NAME)

Witness

Scott Reid
(PRINT NAME)

Attest: Sue Corey
Treasurer - Secretary

Sue Corey

STATE OF FLORIDA:
COUNTY OF PALM BEACH:

The foregoing instrument was acknowledged before me this 1st day of September, 2011, by Don Binette and Sue Corey, as President and Secretary, respectively, of Hanover Square Homeowners' Association, Inc., a Florida not-for-profit corporation d/b/a Windy Creek Homeowners Association, Inc., on behalf of the corporation. They are personally known to me, or have produced _____ as identification and did take an oath.



W. Keith Grant (Signature)
W. Keith Grant (Print Name)
Notary Public, State of Florida at Large

21F6313

WINDYCREEK HOA

EXHIBIT "A" August/2011

Rules and Regulations

All lot owners, residents, renters, guests, agents and invitees (herein called "Persons") of any lot shall be governed by the obligations and duties set forth in the Windycreek H.O.A., Inc. (the "HOA"), Declaration, Articles of Incorporation, Bylaws, and any amendments thereto and these following Rules and Regulations (herein sometimes collectively referred to as the "Governing Documents").

Section 1: LOT USE: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

Each person must use their Lot and all common areas, for single family residential use only, in a manner that does not interfere with the safety or peaceful use and enjoyment of any owner or resident of a lot, and does not otherwise disturb, annoy or become a nuisance, or cause any injury to others or to the reputation of the HOA.

Section 2: PETS: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

2.1: Pet owners must have control of their pets at all times.

2.2: All pets must be walked on a leash when outside of a fenced in area. Fenced in areas shall fully contain the pets within the boundaries of the homeowner's property and all fences, walls, latches and gates shall be properly maintained to ensure full compliance with this provision.

2.3: Any solid animal waste shall be immediately picked up and removed properly, and shall not be deposited on or within common areas.

2.4: Each pet owner is financially responsible for any property damage, personal injury, or disturbance which their pet may cause or inflict and agrees to indemnify the HOA and hold the HOA harmless against any damage, injury, expense, claim, loss or liability of any kind whatsoever arising from or growing out of his/her having any animal in the community.

2.5: If any pet becomes an annoyance to the HOA or any Persons by barking, disturbing the peace, aggression, or otherwise, the owner shall cause the problem to be corrected immediately. If the problem is not corrected satisfactorily, the owner, upon written notice from the HOA shall be required to remove the animal from within the HOA jurisdiction. Persons' are expected to control, or if necessary, temporarily or permanently (as determined by the Board of Directors of the HOA) remove any domestic pet which makes frequent, repetitive or continuous sounds which disturb or interfere with the peace and comfort of any other Persons (as determined by the Board of Directors of the HOA).

2.6: Pets that tend to have an aggressive nature or display aggressive outbursts or behavior when unprovoked shall be subject to confinement or removal at the request of the Board of Directors of the HOA (herein sometimes referred to as the "BOD").

Section 3: Garbage, Bulk Trash, Recycle, and Hurricane debris: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

3.1: All persons must put household garbage in receptacles provided by the City of Delray Beach, and receptacles must not be put at curbside earlier than 5:00 PM the evening before the scheduled day of pickup. All City of Delray Beach waste regulations are to be followed and any non compliance will be reported to code enforcement.

3.2: All bulk trash shall only be placed curbside in front of the homeowners' lot line and no earlier than 5 PM the night prior to bulk pickup. (In the event of a hurricane or other severe weather, the homeowner is responsible to remove and secure the bulk trash immediately).

3.3: No garbage, trash or bulk trash shall be left on 41st Ave. Zero tolerance

3.4: All trash receptacles and leftover loose debris shall be removed from curbside pickup the day of collection and stored out of sight from the front of the home and roadways.

Section 4: Signs: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

4.1: No sign other than a single Real Estate sign approved by the Board of Directors prior to display thereof is permitted on any common area, street or lot.

Section 5: Vehicles: The following guidelines shall apply with regard to permitted and prohibited vehicles: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

5.1: Registered, insured and operational automobiles, Motorcycles, Police automobiles, Pickup trucks, or Vans are allowed in the driveway.

5.2: Boats, Trailers, RV's, Semi Tractors or Tractor Trailers, Buses, Commercial Vehicles, Limousines, Golf carts, or any similar vehicles and/or any other vehicles not mentioned in section 5.1 are not allowed in Windycreek.

5.3: While engaged in making deliveries or service calls, prohibited trucks and commercial vehicles may be temporarily parked on the street of the lot being serviced. Contractors or vendors hired or retained by the Association or a Homeowner to provide maintenance or other services may park their vehicles within the community and/or street while performing such maintenance or services but they must be clearly marked for service.

5.4: The Board may adopt and amend additional rules and regulations regarding the issuance and display of decals to identify dwelling unit owners', tenants' or guests' vehicles and to otherwise regulate, consistent with the provisions of these Rules and Regulations and the Declaration, parking by dwelling unit owners, tenants, guests, licensees, invitees, employees, agents or contractors.

Section 6: Parking: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

6.1: Subject to the provisions of Section 5 above, vehicles must be parked in the driveway or garage on a lot and shall not block **sidewalks and/or any easement**. No vehicle shall be parked on the **streets, grass, or sidewalk at anytime**. Any offending vehicle will be towed and removed from the property at vehicle owners' or operator's expense.

6.2: Parking at the pool and tennis courts is limited to those using such facilities, provided, however, other Persons' will be permitted to occasionally use such parking areas when necessary on a short term **(but in no event overnight from 11:00 pm to 6:00 am)** basis, provided, however, if the Board, or its authorized designee or agent, determines in its sole and absolute discretion that any owner (or the owners' family members, guests, lessees or invitees) is abusing such short term parking privilege the lot owner will be notified, in writing, by the Association and any subsequent use of the parking area by such owner or his or her family member(s), guest(s), lessee(s) or invitee(s) (other than for using the pool or tennis courts) will result in the Persons' vehicle being towed and the Association may exercise all other remedies available.

Overnight parking available at the Hamlet strip plaza if needed, see the WindycreekHOA.com website for more info.

6.3: All vehicles parked on the common areas contrary to the provisions contained herein shall be subject to being towed in accordance with **Section 715.07, Florida Statutes**, as amended from time to time, at the expense of the owner of the vehicle. Towing shall not be the exclusive remedy of the Association.

Section 7: Property alterations: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

7.1: All alterations and improvements made to any lot or the exterior of any homeowners' dwelling unit must be in accordance with these rules, the ARB Schedule "B" and the provisions of the Declaration.

7.2: No lot or homeowner shall increase the size of their dwelling unit in any manner other than enclosing any existing patio area with the prior approval of the ARB and in accordance with any criteria or specifications of the ARB.

Section 8: Recreational areas and Use: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

8.1: With respect to recreational areas, pool and common areas, every homeowners' family members, guests, invitees and tenants shall obey the posted rules and regulations and all homeowners' shall be held responsible for the actions and conduct of their family members, guests, invitees and tenants. Any Persons using such facilities must conduct themselves with proper decorum and cleanliness.

8.2: Any damage to the recreational or common areas, or any equipment thereon, caused by a homeowner or his/her family member, guest, invitee(s) or tenant shall be repaired or replaced at the homeowners' expense.

8.3: All Persons' using the recreational and other common areas does so at their own risk. Person(s) using the recreational areas must leave the area in a clean condition.

8.4: Common areas (Pool and Tennis courts) are for recreational use only and not intended for purpose of lessons or commercial use.

8.5: Pets are not allowed in the pool, on the pool deck, or on the tennis courts.

8.6: Children under the age of 16 must have adult supervision while using the pool, tennis courts, or other recreational areas and all common ground of the HOA. Children must be toilet trained to use the pool. Persons' wearing diapers are NOT permitted in the pool for health reasons.

8.7: No use of fireworks and/or fire crackers or any other such explosive or incendiary item or device is permitted on or within any property within the jurisdiction of the HOA. This is also prohibited by City of Delray Beach ordinance.

Section 9 Purchase and Lease: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

9.1: New home purchases must have an estoppel performed and a credit, eviction and background check from the HOA at the new homeowners' expense (Fees given at the time of estoppels)

9.2: Notice must be given promptly by the homeowner(s) to the BOD whenever title passes to a new homeowner. The home owner transferring or selling his/hers property must provide the new homeowner(s) with a copy of the Declaration, Articles of incorporation, By-Laws and Rules and Regulations, Monthly assessment payment coupon booklet, and the Pool key. The seller or new owner(s) must provide the HOA with a copy of the new homeowner Deed.

9.3: All homeowners' renting their home for single family use only must have, see instructions below,

- 1- Copy of the lease given to the HOA
- 2- A copy of their renters permit from the City of Delray Beach (Law)
- 3- Must have an eviction, credit and background check done by the HOA. Fee applicable (\$150)

9.4: The unit owner (Lessor) of a leased home shall be jointly and severally liable with his or her tenant for compliance with the Governing Documents and these rules and regulations. They shall be jointly and severally liable to the HOA to pay all the HOA assessments and/or any open claim for injury or damages to persons or property caused by the acts or omission of the tenant, guest, or invitees, contractors and/or those for whom the owner is responsible.

9.5: All leases, or a written and signed statement attached to the lease, shall provide that the HOA shall have the right to terminate the lease upon the tenant's failure to observe any provisions of the HOA, or the Governing Documents. The owner(s) (Lessor), must provide the tenant with a copy of the HOA Declaration, Articles of Incorporation, By-Laws and the Rules and Regulations and the lease must include an attached signed letter that the tenant has read these documents and agrees to abide by them.

9.6: The unit owner(s) assumes full financial responsibility for his tenant's, guest's, invitee's, contractor's and laborer's damage to any of the common area.

Section 10: Dues and Assessments

10.1: All dues and assessment are to be paid by the 1st of the month, if paid after the 10th they will be subject to a late fee of the greater of \$25.00 or 5% of the delinquent assessment (or the delinquent installment of an assessment) or such greater amount allowed by law from time to time.

10.2: NSF or returned checks will be subject to a \$35 NSF charge plus a late fee of the greater of \$25.00 or 5% of the delinquent assessment (or the delinquent installment of an assessment) or such greater amount allowed by law from time to time.

Section 11: Maintenance: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

11.1: All lot owners' front and back lawns must be kept watered and properly maintained. In the event an owner fails to do so the HOA shall have all remedies available without limitation, including the right to impose or levy fine(s) and the right to maintain, restore or repair the lot, the cost of which shall be added to the assessments levied against the lot and owner by the HOA.

11.2: All front and rear trees and hedges must be properly trimmed and maintained.

11.3: All lot owners' must have an adequate watering system to maintain their lawns.

11.4: All lot owners' must keep roofs & driveways maintained and free of mildew, fungus and dirt

11.5: All lot owners' must keep outside walls of their dwelling maintained and properly painted.

Section 12: Construction: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

12.1: Construction vehicle(s) shall be allowed entry to the community only after (1) approval of a project by the ARB and the BOD, (2) the HOA has been provided a valid certificate of liability insurance with respect to the contractor(s) being utilized and a copy of all required permits for the project, and (3) the HOA has been provided any other documentation as may be required by the BOD and/or the ARB.

12.2: Except in an emergency, no construction or maintenance work shall be allowed prior to 7:00 AM and all workers must leave the community by 8:00 PM.

12.3: Construction debris shall be placed in appropriate container(s) located on the homeowner's driveway. New construction materials shall be placed on the homeowner's property pending commencement of the construction project not to exceed 7 days prior to its use and shall be removed or soundly secured in the event of a Tropical Storm or Hurricane Warning. All risk and liability shall be borne by the owner(s) for damage(s) caused by any materials and/or debris. All sidewalks, easements, swales and roadways shall be left broom clean and undamaged at the end of each construction day. All obstruction to the above areas must be cleared as soon as reasonably possible.

Section 13: Zero Lot Line: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

13.1: In light of the fact the lots within Windy Creek are zero lot line, the owners' of such lots are granted an easement and right of access by law and/or these Rules and Regulations over and upon the adjacent lot(s) to the extent reasonably necessary for the maintenance, upkeep and repair of their lots and all improvements situated thereon. After seven days written notice by the lot owner desiring to perform maintenance to the owner of the adjacent lot, such adjacent lot owner may not obstruct or interfere with such right of access (in the event of an emergency no prior notice shall be required). The owner of the lot upon which the maintenance or repair is being performed shall be responsible for any damage caused to an adjacent lot or improvements thereon as a result of such maintenance or repair to the owner's lot and/or home.

Additionally, in the event water runoff from the roof of a home on a zero lot line home is causing damage or disturbance to an adjacent lot or home, as determined by the B.O.D., the owner of such lot/home causing the damage must install gutter(s) of a type, style and color approved or designated by the B.O.D. to address the situation within 14 days of written notice from the B.O.D. Failure to do so shall result in the Association being entitled to hire a contractor to install the gutter(s) and assessing the cost against the subject lot and lot owner, which shall be collectible in the same manner as common expenses levied against the lot and lot owner by the Association pursuant to the Declaration. The Association, or any agent or invitee thereof, shall have a right of access over and upon the subject lot and home to perform the installation of the gutter(s). Subsequent to installation, the lot owner shall be responsible for the maintenance, repair and replacement of the gutter(s). The aforesaid right of the Association to install the gutter(s), and assess the lot and lot owner the cost thereof, shall be in addition to, and not in lieu of, all other remedies available to the Association by law to enforce these Rules and Regulations.

Section 14: Garages: Fine imposed (Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time.) Section 720.305, Florida Statutes

14.1: No garage, public, or commercial sales of any type are permitted in Windycreek.

Section 15: Conflicts with other documents & waivers; Enforcement:

15.1: It is not intended that the Rules and Regulations shall amend any other Governing Documents. In the case of any apparent conflict between these Rules and Regulations and the Declaration, the provisions of the latter shall govern. Any waiver by the BOD of the Rules and Regulations and/or consents or approvals may be altered or reversed by the BOD at any time and shall apply only to the individual or situation which led to its adoption and shall not be considered to set a precedent.

The BOD reserves the right to amend, clarify or add to these Rules and Regulations at any time, by a majority vote of the BOD at a duly called and noticed meeting.

These Rules and Regulations may be enforced by the Association pursuant to all rights and remedies available at law or in equity, including, without limitation, the imposition of fines up to the greatest amount allowed by law from time to time. All remedies available to the Association shall be cumulative, and the use of any remedy shall not preclude the use or exercise of any other remedy available to the Association.

CHAPTER 720.305 EFFECTIVE July 1, 2010 HOMEOWNERS' ASSOCIATIONS For fines

EXHIBIT "B"
Index 8/2011
WINDYCREEK H.O.A.

Rules and Regulations of the Architectural Review Board

ITEMS

- 1: Construction of structure or improvements.
- 2: Exterior changes.
- 3: Play structures, Basketball hoops.
- 4: Walls, construction, wood and chain link fence.
- 5: Air conditioners and Window fans.
- 6: Mailboxes.
- 7: DDS dish receivers and Antenna's.
- 8: House colors, changes and approvals.
- 9: Awnings, types, installations
- 10: Enforcement notice and remedy

SCHEDULE "B" WINDYCREEK H.O.A.

Rules and Regulations of the Architectural Review Board

1: Any owner who desires to construct an improvement or structure or make an exterior alteration shall submit the following to the A.R.B. for approval: (2) complete sets of all plans and specifications on the provided request form(s) and samples of proposed building materials and colors (i.e. paint chips, tiles etc.). Additional documentation may be required prior to the ARB's decision. One set will be returned to the homeowner with a copy of the decision. If the ARB disapproves you may appeal the decision to the B.O.D pursuant to the procedure set forth in Section 6.03 of the Declaration as amended or renumbered from time to time. All work thereafter shall adhere to the Association's Rules and Regulations and local government requirements and codes and shall be completed in a timely manner. Maintenance and repairs which do not alter or change the exterior appearance of a lot or dwelling are exempt from ARB approval.

2: Exterior changes shall be compatible with the original building theme adopted by the developer unless otherwise approved.

3: All fixed or portable play structures shall be located behind the residence constructed on the lots. Mobile basketball hoops may remain in front of the unit owner's driveway and may not obstruct the flow of traffic. All such fixtures shall be maintained in good repair or must be immediately removed or disposed of upon the written request of the A.R.B. and/or B.O.D.

4: All fence walls located in the front yard of a lot shall be concrete block with a stucco finish and in accordance with the design of the house. All front fencing shall not be greater than 6 feet in height and rear fencing not greater than 8 feet in height and must be well maintained.

4.1: Wood fencing (shadow box style) shall have a natural, clear varnish, brown, white, or redwood finish. The finish must continue the length of the fence. All wood fencing shall be maintained in complete and upright good repair or be removed at the owner's expense.

4.2: Vinyl coated cyclone fences in front of the home must have hedges placed on the immediate exterior of the fence along its length and interior of the fence along its entire length on the sides and back of the lot. Hedges are to be trimmed to a minimum height of the top edge of the fence, and must conceal its presence.

4.3: Simulated wood fencing (PVC) may be either white or brown in color.

5: No window or wall air conditioning or window mounted fan units are permitted with the exception of kitchen exhaust fans. Exceptions shall be made to this rule during extended power outage.

6: All mailboxes or receptacles for the delivery of newspapers, magazines and/or mail shall be in accordance with the regulations established by the United States Postal Service. All mailboxes must be maintained in good working order and physical condition and may not adversely affect the visual surrounding environment.

7. Antennas and Dish style satellite receivers (DSS) shall be no larger than one meter in diameter, and must not be immediately visible from the road if the signal can be obtained in a non visible location.

8. The A.R.B. and/or B.O.D. must approve any change of the exterior color of a home. The color(s) of paint of each home must be done in an aesthetically pleasing manner as to maintain uniformity and consistency with the existing colors in the neighborhood and neighboring homes and improvements. Painted exteriors must be maintained in good visible condition.

9. Awnings made of canvas materials or otherwise and decorative shutters shall be permitted on house openings and walkways that are visible from the street upon approval of the ARB. All materials shall be maintained in good visible repair and condition and shall be repaired, removed or replaced upon written notification from the A.R.B and/or B.O.D. Metal scalloped or clamshell type collapsible awnings shall not be permitted on the front exterior of a home.

10. Unapproved changes and/or non-compliance with the stated A.R.B. and the H.O.A. Rules and Regulations may be cause, upon demand, for the homeowner to immediately make the necessary changes for compliance. After notification, non-compliance shall be cause for the A.R.B. and/or B.O.D. to make the necessary conforming changes. The HOA can remedy the offense and recover such expenses and all fees incurred by the Association in remedying the non-compliance. Such expenses and fees incurred by the HOA shall be an assessment against the owner and owner's lot collectible in the same manner as assessments for common expenses levied by the HOA. In addition to such remedy, a fine shall be issued against the homeowner and the homeowner's property and the Association may also file suit against the lot owner seeking all remedies available at law or in equity.

Fine of \$100 per violation or such greater amount allowed by law. The Association may impose fines of up to one hundred dollars (\$100.00) per day for a continuing violation up to one thousand dollars (\$1,000.00), or such greater amount allowed by the Governing Documents or by law, as applicable, from time to time. Section 720.305, Florida Statutes

This is a Draft

INDEX

5/2006

SCHEDULE "A"

RULES AND REGULATIONS OF THE

HANOVER SQUARE HOMEOWNERS ASSOCIATION, INC.

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This is not a contract

SCHEDULE "A"
HANOVER SQUARE HOMEOWNERS' ASSOCIATION, INC.
RULES AND REGULATIONS

All residents, guests, agents, and invitees (herein called "persons") shall be governed by the obligations and duties set forth in Hanover Square Homeowners' Association, Inc., Articles of Incorporation, the By-Laws, the Declaration, and any amendments thereto and these following Rules and Regulations:

Section 1 LOT USE:

Each person must use his Lot and all common areas in a manner that does not interfere with the safety and peaceful enjoyment, disturb or become a nuisance to or cause injury to others or to the reputation of the Association.

Section 2 PETS:

2.1 Pet owners must have control of their pets at all times.

2.2 All pets shall be walked on a leash when outside of a fenced in area. Fenced in areas shall fully contain the pets within the boundaries of the homeowners property and all fences walls, latches and gates shall be properly maintained to ensure full compliance.

2.3 Any solid animal waste shall be immediately picked up and removed properly, and shall not be deposited on or within common areas.

2.4 Each Pet owner is financially responsible for any property damage, personal injury, or disturbance, which their pet may cause or inflict and agrees to indemnify the Association and hold the Association harmless against any loss or liability of any kind what so ever arising from or growing out of his/her having any animal in the community.

2.5 If any pet becomes an annoyance to the Homeowner or surrounding Homeowners, by barking, disturbing the peace or otherwise, the owner shall cause the problem to be corrected. If the problem is not corrected satisfactorily, the owner, upon written notice from the Association shall be required to remove the animal from within the Associations jurisdiction.

Section 3 GARBAGE, BULK TRASH, HURRICANE DEBRIS :

3.1 All persons must put all garbage and trash in closed receptacles, closed bags or other suitable, sanitary closed containers designated for this purpose. Proper containers may be placed curbside in front of the home, the evening prior to the scheduled trash pickup, but no earlier than 5:00 P.M. Trash in sealed plastic bags may only be placed at curbside in front of the home, on the morning of the scheduled trash pickup date. All County waste regulations are to be followed.

3.2 Other bulk trash, such as tree limbs, grass or hedge clippings and other waste materials shall only be placed curb side in front of the home, prior to the scheduled bulk trash pickup date, but not sooner than three (3) days prior to the scheduled bulk pickup. No trash or debris shall be placed on or along 41st Avenue other than Hurricane or Tropical Storm debris for County bulk removal. Homeowners shall comply with broadcasted Hurricane pick up instructions. Failure to comply with this rule will result in the Lot owner(s) being billed for the removal of the trash and any necessary sod and or common sprinkler repair or replacement.

3.3 All other trash, including hazardous waste, shall be taken promptly to the proper County waste facility and shall not remain on any lot or any common area. Failure to comply with this rule will result in the Lot owner's being billed for the removal of the trash.

3.4 All trash containers shall be removed from curbside pickup, by the evening on the day of collection and stored out of sight from the front of the home and roadways.

Section 4 SIGNS:

4.1 No sign, display, poster, advertisement, notice, or any other lettering shall be exhibited, inscribed, painted or affixed on the lot or home or any element of the Common areas without the prior written approval of the Architectural Review Board. Without limiting the Board's authority to approve or disapprove any signage in accordance with the preceding sentence, the Board may approve only one sign of any type displayed on the exterior of any home. The sign must be no larger than a total of 94 square inches, and must be mounted on a five foot high stake in the front yard of the lot. It must be at least five feet from the road. Real estate approved signs are acceptable. No homeowner shall display any personal signage (i.e. garage sale, auto for sale), on common area grounds.

Section 5 FOREIGN OBJECTS:

5.1 All objects, foreign to the architectural exterior of the home, must be kept out of sight of the front of the home. Objects including; without limitations: Inoperative motor vehicles or parts hereof, clothes hanging devices and antennas commercial vehicles, mopeds, motorcycles, boats, trailers, campers, trucks (except non-commercial vans and pickup trucks) and motor homes shall be kept behind a fenced area and screened from view on four sides.

5.2 Boats, trailers, and recreational vehicles may be temporarily parked in the driveway of a home for a period of no longer than 24 consecutive hours preparing for use and or transport.

5.3 During periods of a Hurricane Watch or Warning, items 5.1 and 5.2 shall be suspended until 24 hours after the Watch or Warning has been officially lifted.

Section 6 PARKING:

6.1 Parking shall be allowed only on an owner's driveway on his lot, and shall not block a sidewalk and, only if necessary, on the street. No vehicles may park on 41st Avenue for more than 3 hours and only if necessary for a party or function. No parking is allowed on the grass areas. Any damages and required repairs to the grass or sprinkler systems caused by such parking shall be the responsibility and liability of the homeowner.

6.2 Overnight parking at the pool shall be reserved exclusively for short term guests of homeowners, not to exceed 14 days in each calendar month and not for the homeowner's personal use. Such overnight parking shall be allowed only during the hours when the pool is closed and the owner shall assume all liability thereof.

6.3 Illegally parked and unauthorized vehicles parked on the grass or the street and not in compliance with the above Rules, will be towed at the owner's expense after notification from the Association.

6.4 Parking on the street, in compliance with Section 6.1, shall be done in such a manner so as not to restrict the access of emergency vehicles, service vehicles, and to impede or prevent ready ingress or egress to another Resident's driveway. Parking may not restrict the view of road signage. Vehicles parked on the street must be parked with the directional flow of traffic.

Section 7 PROPERTY ALTERATIONS:

7.1 All alterations to the exterior of any unit or building in accordance with these Rules and the A.R.B. Schedule "B" shall not be done without prior written approval from the Architectural Review Board and the Board of Directors of the Association. Failure to comply with this rule and to receive the Associations approval may cause and require the homeowner to remove or restore the alteration(s) to its original state at the homeowners' expense.

Section 8 RECREATIONAL AREAS:

8.1 With respect to the recreational areas, pool and common areas, all homeowners, family members, guests, invitee and tenants shall obey the posted rules and regulations and all homeowners shall be held responsible for the actions and conduct of their family members, guests, invitee(s) and tenants, decorum, good conduct, cleanliness. Safety shall be observed at all times and will be strictly enforced.

8.2 Any damage to the recreational or common areas or any equipment thereon, caused by the homeowner, family member, guest, invitee or tenant, shall be repaired or replaced at the expense of the homeowner.

8.3 Each person who uses the recreational and other common areas does so at their own risk. Persons using the recreational areas must leave the areas in a clean condition.

8.4 Wheelchairs and baby strollers shall be the only wheeled vehicles allowed in the recreational areas. This includes the tennis courts and pool areas.

8.5 The Homeowner, his/her family, guests, invitees and tenant shall hold harmless the Association, residents and agents from any and all loss, cost, claim, injury, damage or liability sustained or incurred by him/her/them resulting there from. And/or from any act, omission, misconduct, negligence or loss of personal property sustained or incurred not addressed within these Rules and Regulations, Declaration, By Laws or Posted rules.

8.6 Children under the age of 16 must have adult supervision while using the pool, recreational facilities and all common areas of the Association. Children must be toilet trained to use the pool. Children wearing diapers are NOT permitted in the pool for health reasons.

Section 9 LEASES:

9.1 All leases shall provide for a minimum term of ONE year and must be in writing. The homeowner must provide the Association with a copy of all executed leases and required accompanying documents in their entirety. No home may be sub-let without prior notification to the Associations.

9.2 The unit owner (lessor) of a leased home shall be jointly and severally liable with his or her tenant for compliance with the Governing Documents and these Rules and Regulations. They shall be jointly and severally liable to the Association to pay all the Association Assessments and/or any open claim for injury or damages to persons or property caused by the acts or omissions of the tenants, guest or invitees, contractors and/or those for whom the Owner is responsible.

9.3 All leases, or a written and signed statement attached to the lease, shall provide that the Association shall have the right to terminate the lease upon the tenant's failure to observe any provisions of the Associations Governing Documents and these Rules and Regulations. The Owner (lessor) must provide the tenant with a copy of the Associations Declaration, Articles of Incorporation, By-Laws and Rules and Regulations and the lease must include an attached signed letter that the tenant has read these documents and agrees to abide by them.

9.4 The unit owner assumes full financial responsibility for his tenant's, guests, invitee's, contractors and laborers damage to any of the Common Areas.

Section 10. DSS type mini dishes are permitted, which are in conformance with Section 8, as amended, of Schedule B of the Rules and Regulations. No antennae, aerials or ham radios shall be placed or erected on any lot, home or common property except to the extent applicable law requires the Association to permit such devise. In such event, will be deemed an Alteration and subject to the Rules & Regulations of the Association.

Section 11. Notice must be given promptly by homeowner to the Board of Directors of the Association whenever title passes to a new homeowner. The homeowner transferring or selling the property must provide the new homeowner with a copy of the Association Declaration, Articles of Incorporation, By-Laws and Rules and Regulations, coupon book and appropriate common property keys. The seller or new owner must provide the Association with a copy of the new homeowners Warranty Deed.

Section 12 VEHICLES:

12.1 All vehicles shall observe the posted speed limit and stop signs.

12.2 The operation of powered recreational vehicles and classes of golf carts, ATVs or any other vehicles which are not able to be licensed or registered on the streets is a privilege to homeowners, and may be exercised only by a duly licensed motor vehicle operator. Operators of such vehicles may not operate any such vehicle while in an intoxicated condition. Operators must obey all traffic signs and may not make excessive noise, blow horns, whistles or the like which shall disturb the residents. Vehicles must have headlights and tail lights for night time operation. Vehicles may only be driven on roadways and not on common property or grasses and must maintain all original safety equipment as provided by the manufacture and wind shields as required after July 2002. Operators must operate the vehicles in a manner safe to themselves, passengers and the community and shall not hang off or out of the vehicles while in motion or be a cause of nuisance to the residents and or the community. Abuse, Violation or Violator of these privileges may be cause for the Association Board to amend or withdraw approval for the use and operation of the vehicle or all such type of vehicles within the community.

12.3 During the operation of golf carts, golf cart type, gas powered and unregistered vehicles, Homeowners, their guest, tenants or invitees shall be held responsible and assume full risks and liability's for any damages to persons or property, including but not limited to, common areas, as a result of the operation of the vehicles. Homeowners, guest, tenants and invitees agree to hold harmless what so ever the Association from their acts in the operation of the vehicles.

12.4 Any minor operating a battery powered or gas powered toy vehicle or radio controlled device must do so under the direct supervision of an adult and at their own risk.

Section 13 Construction:

13.1 Construction vehicles shall be allowed entry to the community only after approval of a project by the Architectural Review Board and the Board of Directors, the issuance of a valid certificate of liability insurance to the Association and any other documentation as may be required by the Boards, all applicable laws, zoning ordinances and regulations.

13.2 No construction or maintenance work shall be allowed prior to 8:00 AM and all workers must leave the community by 6:00 PM.

13.3 No contracted or hired, disrupting or excessively noisy construction work, except for emergency maintenance or repair, shall be conducted on Sundays, and the following holidays: Thanksgiving, Christmas Day, New Years Day, Labor Day and Independence Day.

13.4 No family members or guests of construction workers or maintenance and repair workers shall be permitted on the construction site unless they are engaged in the work being done in an official capacity.

13.5 Construction debris shall be placed in an appropriate container located on the homeowner's driveway. New construction materials shall be placed on the homeowner's property pending commencement of the construction project not to exceed 7 days prior to its use and shall be removed or soundly secured in the event of a Hurricane Warning. All risks and liability shall be born by the owner for damage(s) caused by the materials and debris. All sidewalks, easements, swales and roadways shall be left broom clean and undamaged at the end of each construction day. All obstructions to the above areas must be cleared as soon as reasonably possible.

13.6 Construction, maintenance and other personnel serving the community shall observe all Rules and Regulations of the community and conduct themselves in a professional manner at all times.

13.7 Homeowners shall be held fully liable and responsible for personnel, contractors and laborers that perform services for any purpose involving the homeowner's home and property and shall ensure that such personnel comply with Governing Documents and the Rules and Regulations of the community.

Section 14 Conflicts with Other Documents & Waivers:

It is not intended that the Rules & Regulations shall amend any other governing document. In the case of any apparent conflict between these Rules & Regulations and the Declaration, the provisions of the latter shall govern. Any waiver by the Board of the Rules & Regulations and/or consents or approvals may be altered or reversed by the Board at any time and shall apply only to the individual or situation which led to its adoption and not be considered to set a precedent.

The Board reserves the right to amend, clarify or add to these Rules & Regulations at any time, by majority vote of the Board of Directors at a duly called and noticed meeting.

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5/2006

SCHEDULE "B"

RULES AND REGULATIONS OF THE ARCHITECTURAL REVIEW BOARD OF HANOVER SQUARE HOMEOWNERS ASSOCIATION, INC.

Item:

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2. Exterior changes
3. Play structures, Basketball hoops
4. Walls, construction, wood and chain link fencing
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7. Lawns, landscaping, trees, maintenance and trimming
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SCHEDULE "B"
RULES AND REGULATIONS OF THE
ARCHITECTURAL REVIEW BOARD OF
HANOVER SQUARE HOMEOWNERS ASSOCIATION, INC.

1. Any Owner who desires to construct an improvement or structure or make an exterior alteration, other than maintenance to or alterations to the units landscaping, shall be forwarded to the Board of Directors for approval, execution, or investigations. The unit owner shall submit two (2) complete sets of all plans and specifications on the provided request form(s) and samples (i.e. paint chips, tiles, etc.) of proposed building materials and colors to the Architectural Review Board and Board of Directors. Additional documentation may be required and must be submitted to the Board of Directors upon their written request prior to the Board's approval. One set will be returned to the homeowner with a copy of the Board's decision and within 30 days of the Board's receipt. All work thereafter shall adhere to the Associations Rules and Regulations and Local Government Requirements and Codes and shall be completed in a timely manner.
2. Exterior changes shall be compatible with the original building theme adopted by the Developer unless otherwise approved.
3. All fixed and portable play structures shall be located behind the residence constructed on the lots. Mobil basketball hoops may remain in front of the unit owner's home and may not obstruct the flow of traffic. All such fixtures shall be maintained in good repair or must be immediately removed or disposed of upon the written request of the Architectural Review Board and the Board of Directors.
4. All walls located in the front yard of a lot shall be either concrete block or wood framed with a stucco finish and in accordance with the design of the house. All front fencing shall not be greater than six (6) feet in height and rear fencing not greater than eight (8) feet in height and must be well maintained.
 - 4.1 Wood fencing (shadow box style) shall have a natural, clear varnish, brown, white, or redwood finish. The finish must continue the length of the fence. All wood fencing shall be maintained in complete, upright good repair or be removed at the owners expense.
 - 4.2 Vinyl coated cyclone fences in front of the unit must have hedges placed on the immediate exterior of the fence along its length and interior of the fence along its entire length on the sides and back of the unit. Hedges are to be trimmed to a minimum height of the top edge of the fence, and must conceal its presence.
 - 4.3 Simulated wood fencing (PVC) may be either white or brown in color.

5. No window or wall air conditioning or window mounted fan units are permitted with the exception of kitchen exhaust fans. Exceptions shall be made to this rule during extended power outages.
6. All mailboxes or receptacles for the delivery of newspapers, magazines, or mail shall be in accordance with the regulations established by the United States Postal Service. All mailboxes shall be maintained in good working order and physical condition and may not adversely affect the visual surrounding environment.
7. All lawns must be fully landscaped and properly watered to prevent the proliferation of weeds and dead grass. All areas of dead grass must be either re-seeded or re-sodden at the expense of the homeowner, other than the common areas which are the responsibility of the Association. Grass damaged within the homeowners easements by causes of the homeowner must be re-sod at the expense of the homeowner. The homeowner shall properly maintain all shrubbery and landscaping that is not the responsibility of the Association. All trees in front lots of homes shall be maintained and kept well trimmed and kept cut away from the community street lighting by the homeowner. Trees that extend beyond the boundaries of the homeowner's lot shall be trimmed to allow uninhibited passage of any vehicle. All hedges, walls or fences may not exceed six (6) feet in height in front of side street yards and those in interior side or rear yards shall not exceed eight (8) feet in height, and must be maintained or trimmed so as not to interfere with sidewalks, traffic, neighbors yards or common community property.
8. Antennas and Dish style satellite receivers (DSS) shall be no larger than 18" in diameter, and must not be immediately visible from the road if the signal can be obtained in a non visible location first.
9. The Architectural Review Board and the Board of Directors must approve any change of color of a home. The color of paint of each home must be done in an aesthetically pleasing manner as to maintain uniformity within the existing colors in the neighborhood and neighbors. Painted exteriors must be maintained in good visible condition.
10. Awnings, Canvas materials or otherwise and decorative shutters shall be permitted on house openings and walkways that are visible from the street upon approval of the Board. All materials shall be maintained in good visible repair and condition and shall be repaired, removed or replaced upon written notification from the Architectural Review Board and the Board of Directors. Metal scalloped or claim shell type collapsible awnings shall not be permitted on the front exterior of a home.
11. Roofs must be maintained and kept clean, and must not have large areas of mildew visible from the street. All roofs needing repair or replacement shall be re-roofed constant with the neighborhood and Developers concept. Asphalt tile material roofs are not permitted.

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12. Driveways that are of concrete material shall be well maintained and free from extensive cracks or stains (i.e. oil, grease, rust and mildew). Refinishing of the original surface shall be subject to the approval of the Architectural Review Board and the Board of Directors, and must be well maintained. Asphalt driveways shall be properly maintained and free of extensive cracks and deterioration. All concrete walkways which are part of and in front of the home, shall be well maintained and free of extensive staining or cracks.
 13. All exterior fixtures (i.e. lampposts and house lights) shall be well maintained and in good working order.
 14. Unapproved changes and or non-compliance with the stated Architectural Review Board and the Associations Rules and Regulations may be cause, upon demand, for the homeowner to immediately make the necessary changes for compliance. After notification, non-compliance shall be cause to have the Architectural Review Board and the Board of Directors make the necessary conforming changes. A lien shall be filed against the homeowners property for the recovery of such expenses and all fees incurred by the Association for the correction.