

STATE OF ALABAMA  
BALDWIN COUNTY

NOV 22 1982 *SKM*

AMENDMENT NO. ONE  
TO DECLARATION OF CONDOMINIUM OF  
EDGEWATER WEST CONDOMINIUM

and that no tax was collected. Recorded in  
Book 43 *mi*  
Page 1164 *Henry D. Dine* Judge of Probate  
1172 Index \$ \_\_\_\_\_ By OC

This is Amendment No. One to the Declaration of Condominium of Edgewater West Condominium dated August 12, 1981, and recorded January 11, 1982, in the Probate Office of Baldwin County, Alabama, in Miscellaneous Book 40, pages 1896 - 1915. It is the purpose of this amendment to facilitate the long term financing of units of Edgewater West Condominium by permanent lenders. To that end this amendment establishes certain rights in the holders of mortgages on units within the condominium, as required by the lending policies of certain major sources of permanent financing for condominium units.

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- THE AMENDMENT PREMISES -

SECURITY INTERESTS IN GENERAL - In recognition of the fact that units of Edgewater West Condominium, will be mortgaged from time to time, and that such mortgages may at times be variously insured or guaranteed by others, Edgewater West Condominium Owners' Association, Inc., will recognize such interests in at least the following ways (all holders of first mortgages on units within the condominium, and all insurers and guarantors thereof, are sometimes collectively referred to in this declaration and in the other condominium documents as "security holders" or as the "holders of security interests"):

- THE AMENDMENT -

A - NOTICES TO SECURITY HOLDERS - Upon written request to Edgewater West Condominium Owners' Association, Inc., by any holder of

any security interest in any unit of Edgewater West Condominium, identifying the name and address of such security holder, the condominium unit number and the name of the owner or owners of such unit, the Association shall timely notify such security holder of the following matters for so long as the security interest exists:

1. Any condemnation loss or casualty loss which affects a material portion of the project or any condominium unit on which there is a first mortgage in which such security holder is in any way interested.

2. Any delinquency in the payment of assessments or charges owed by the owner of any condominium unit subject to such security holders' security interest which remains uncured for a period of sixty days.

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

4. Any proposed action which would require the consent of a specified percentage of the holders of security interests in units within the condominium as specified herein.

B - PROCEDURES UPON TOTAL OR PARTIAL CONDEMNATION, DESTRUCTION, OR TERMINATION - Edgewater West Condominium Owners' Association, Inc., shall represent the unit owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common areas, or part thereof. By joining in this amendment, or by accepting unit deeds subsequent to this amendment, the unit owners appoint Edgewater West Condominium Owners' Association, Inc., as their attorney in fact for

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such purposes. The said Owners' Association may appoint a trustee, or an insurance committee as such trustee, to carry out the above functions. Any award, settlement or distribution in respect of total or partial condemnation, destruction or termination shall be payable to or handled by Edgewater West Condominium Owners' Association, Inc., or its trustee, for the use and benefit of the unit owners and their respective mortgagees as their respective interests may appear, on a reasonable and equitable basis, in accordance with each unit's respective interest in the common elements as set forth in the original declaration.

C - VOTING RIGHTS OF SECURITY HOLDERS UPON PARTIAL DESTRUCTION OR PARTIAL CONDEMNATION - In addition to the notices specified above, security holders shall also be afforded the following voting rights, upon the happening of the events specified:

1. Any restoration of Edgewater West Condominium, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the declaration and the original plans and specifications, unless other action is approved by the security holders holding mortgages on unit estates having at least fifty one percent of the votes attributable to units in which there are outstanding security interests.

2. Any election to terminate the legal status of the project after substantial destruction or a substantial taking in condemnation of the project property be approved by the security holders holding mortgages on unit estates having at least fifty one percent of the votes attributable to units in which there are outstanding security

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interests.

3. In the event of the partial destruction or partial condemnation of Edgewater West Condominium, no reallocation of interests in the common areas of Edgewater West Condominium shall be effected without the prior approval of the security holders holding mortgages on all remaining unit estates, whether existing in whole or in part, having at least fifty one percent of the votes attributable to such remaining units in which there are outstanding security interests.

D. RIGHTS OF SECURITY HOLDERS REGARDING CERTAIN AMENDMENTS -

The following provisions do not apply to amendments to the condominium documents or termination of Edgewater West Condominium as the result of destruction, damage or condemnation, or to any reallocation of the common elements pursuant to any plan of expansion or phased development contained in the original condominium constituent documents; HOWEVER, with respect to amendments not falling under such categories, the following shall apply:

1. The consent of the owners of unit estates to which at least sixty seven percent of the votes in Edgewater West Condominium Owners' Association, Inc., are allocated and the approval of security holders holding mortgages on unit estates having at least sixty seven percent of the votes attributable to units in which there are outstanding security interests shall be required to terminate the status of Edgewater West Condominium as a condominium.

2. The consent of the owners of unit estates to which at least sixty seven percent of the votes in Edgewater West Condominium

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Owners' Association, Inc., are allocated and the approval of security holders holding mortgages on unit estates having at least fifty one percent of the votes attributable to units in which there are outstanding security interests shall be required to add or amend any material provisions of the condominium documents of Edgewater West Condominium which establish, provide for govern or regulate any of the following:

- a. Voting;
- b. Assessments, assessment liens or the subordination of such liens;
- c. Reserves for maintenance, repair and replacement of the common areas (or units, if applicable.);
- d. Insurance or fidelity bonds;
- e. Rights to use of the common areas;
- f. Responsibility for maintenance and repair of the several portions of Edgewater West Condominium;
- g. Expansion or contraction of Edgewater West Condominium, or the addition, annexation or withdrawal of property to or from Edgewater West Condominium;
- h. Boundaries of any unit;
- i. The interests in the general or limited common areas (if there are any common areas);
- j. Convertibility of units into common areas or of common areas into units;
- k. Leasing of unit estates;
- l. Imposition of any right of first refusal or similar

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restriction on the right of a unit estate owner to sell, transfer or otherwise convey his or her unit estate.;

m. Any provisions which are for the express benefit of mortgage holders, the holders of security interests as defined in this amendment, or the insurers or guarantors of first mortgages on unit estates.

E. INSURANCE AND FIDELITY BONDS - Edgewater West Condominium Owners' Association, Inc., shall maintain in effect casualty and liability insurance and fidelity bond coverage as specified in Federal National Mortgage Association (FNMA) Conventional Home Mortgage Selling Contract Supplement (hereinafter the FNMA Supplement) 803.07P.

F. AVAILABILITY OF DOCUMENTS - Edgewater West Condominium Owners' Association, Inc., shall make available to all unit owners and holders of security interests in units of Edgewater West Condominium current copies of the Declaration of Condominium, the By Laws and the Articles of Incorporation of Edgewater West Condominium Owners' Association, Inc., other rules concerning the project and all other books, records and financial statements of the said Owners' Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

G. RESTRICTION ON CONTRACTS - Neither Edgewater West Condominium, nor its Owners' Association, shall enter into any contract which is not terminable by the Association for any cause, or without cause, at any time, except that this restriction shall not apply to contracts for essential utilities such as water, sewer or

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electrical service.

H. ASSESSMENTS FOR COMMON EXPENSES - Assessments for the common expenses of Edgewater West Condominium, including special assessments, shall be due and collectable on a monthly basis, shall first be due in respect of each unit in the first month after the unit is transferred to its first owner, and shall be enforceable by Edgewater West Owners' Association, Inc., in the mode and manner provided by Section 35-8-17 CODE OF ALABAMA 1975, which provides for the establishment and enforcement of liens in favor of the Association.

I. COMMON EXPENSE RESERVES - Edgewater West Condominium Owners' Association, Inc., shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the common areas. (Edgewater West Condominium has no limited common areas.) The fund shall be maintained out of regular assessments for common expenses.

J. WORKING CAPITAL FUND - Edgewater West Condominium Owners' Association, Inc., shall, to the extent it has not already done so or otherwise commenced operation as of the date of this amendment, establish a working capital fund equal to at least three months estimated common expense for each unit. Each unit's share of the working capital fund must be collected and transferred to the Owners' Association at the time the unit is first purchased, and must be maintained in a segregated account for the use and benefit of the Association. Amounts paid into the fund as initial working capital shall be non refundable and shall not be applied toward the regular monthly maintenance fee assessments.

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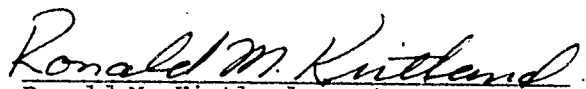
K. NO RIGHT OF FIRST REFUSAL - Any right of first refusal contained anywhere in the original declaration (if any there be) is hereby expressly and unequivocally repealed, without reservation.

L. RIGHTS OF ACTION - Edgewater West Condominium Owners' Association, Inc., shall have a right of action, in any court of competent jurisdiction, against any unit owner as a means of enforcing any of the rights and obligations established by the condominium documents of Edgewater West Condominium or by the laws of the State of Alabama regarding condominiums. Similarly, the owners of units of Edgewater West Condominium shall have joint, separate and several rights of action against Edgewater West Condominium Owners' Association, Inc., in courts of competent jurisdiction, in respect of matters with respect to which they may at any time be aggrieved.

M. RESOLUTION OF CONFLICTS - In the event of conflict between the provisions of this amendment and the provisions of any other part of the Declaration of Condominium or By Laws of Edgewater West Condominium, the provisions of this amendment shall be controlling.

IN WITNESS WHEREOF, Edgewater West Condominiums, an Alabama Joint Venture Partnership, has caused this amendment to be executed by Ronald M. Kirtland, one of its full partners, and who is duly authorized so to do, this the 20th day of November, 1982.

EDGEWATER WEST CONDOMINIUMS,  
an Alabama Joint Venture Partnership

  
Ronald M. Kirtland, Partner

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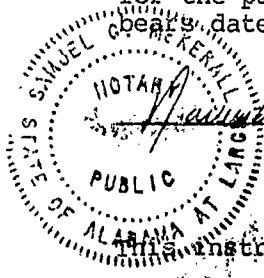


STATE OF Alabama  
Baldwin COUNTY

REPRESENTATIVE ACKNOWLEDGMENT

I, the undersigned authority, in and for said county, in said State, hereby certify that RONALD M. KIRTLAND, whose name as Partner of EDGEWATER WEST CONDOMINIUMS, an Alabama Joint Venture Partnership, is signed to the foregoing amendment and who is known to me, acknowledged before me on this day that, being informed of the contents of the amendment he, as such partner and with full authority for the partnership, executed the same voluntarily on the day the same bears date, for and as the act of the said partnership.

Given under my hand and official seal this the 20<sup>th</sup> day of November, 1982.



[Signature]  
Notary Public  
My Commission Expires August 29, 1984

This instrument was prepared by:

Samuel G. McKerall  
Attorney at Law  
P. O. Box 818  
Gulf Shores, Alabama 36542

MSC. 4349E 1172