

AMENDMENT TO DECLARATION OF CONDOMINIUM

OF

GULF HOUSE, A CONDOMINIUM

THIS AMENDMENT TO DECLARATION, made this the 21st day of May, 1981, by GULF HOUSE, a partnership, organized under the laws of the State of Alabama, herein called the "DEVELOPER", for itself, its successors, grantees and assigns.

WHEREAS, GULF HOUSE, a partnership, is the owner of all of the units of GULF HOUSE, a Condominium, the Declaration of Condominium for which was heretofore filed in Miscellaneous Book 37 at Pages 45-73, Baldwin County, Alabama Probate Records. And;

WHEREAS, GULF HOUSE, a partnership, is desirous of amending the aforementioned Declaration of Condominium pursuant to Paragraph Nineteen of said Declaration of Condominium.

NOW THEREFORE, the Declaration of Condominium of GULF HOUSE, a Condominium, is hereby amended as follows:

I

Paragraph Fourteen is deleted in its entirety and the following paragraph is substituted therefore:

14. Reconstruction or Repair after Casualty. In the event more than two-thirds (2/3) of the total number of units are substantially damaged or destroyed by fire or other casualty and members entitled to cast at least seventy-five (75) percent of the votes (which 75% vote shall constitute an "agreement" for the purposes of Section 20(b)(1) and (2) of the Alabama Condominium Ownership Act) in the Association do not within sixty (60) days from the date of such casualty make request in writing to the Board of Directors of the Association to proceed with repair or reconstruction, then and in that event, upon the vote of a majority of unit owners in favor of removal, the property shall be subject to an action for removal from the condominium form of ownership and for partition at the suit of the owner of any unit, in which event the net proceeds of sale, together with the net proceeds of any insurance paid to the Insurance Trustee shall be considered as one fund and shall be distributed among the owners of all the units, each owner's share in said fund being determined in the manner set forth in Exhibit "B". Any distribution to the owner of a unit upon which there is a mortgage constituting a first lien shall be made to such owner and his mortgagee jointly.

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If the mortgage so provides, for the purposes of this Section, should a mortgagee holding a mortgage which constitutes a first lien on a unit express in writing within sixty (60) days such mortgagee's desire either to rebuild, repair or reconstruct or not to rebuild, repair or reconstruct the damaged or destroyed property, the expression of said mortgagee shall be deemed to be that of the unit owner, and any contrary expression by the owner of said unit shall be disregarded.

Other than as hereinabove provided, any property damaged or destroyed by fire or other casualty shall be promptly repaired or restored.

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

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

4. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, assessments shall be made against the unit owners who own the damaged property, and against all unit owners in the case of damage to common areas and facilities, in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged property, and against all unit owners in the case of damage to common areas and facilities, in sufficient amounts to provide funds for the payment of such costs. Such assessments against unit owners for reconstruction and/or repair of damage to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments for reconstruction and/or repair of damage to common areas and facilities shall be in proportion to the owner's share in the common areas and facilities.

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

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

(i) The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with the unit owner shall be paid by the Insurance Trustee to the unit owner or, if there is a mortgagee endorsement, then to the unit owner and the mortgagee jointly.

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

(iii) If the amount of estimated costs of reconstruction and repair which is the responsibility of the Association is more than the total of the annual assessments for recurring expense to be made during the year in which the casualty occurs, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect qualified to practice in Alabama and employed by the Association to supervise the work.

(iv) It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after payment of all costs of reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund in the manner elsewhere herein provided.

II

Paragraph 16.1(b) is deleted in its entirety and the following paragraphs are substituted therefore:

16.1(b) Lease. A unit may be leased or rented by the owner or owners thereof without approval of the Association for any period up to one (1) year; provided, however, there shall be no extensions or renewals of any such lease to the same lessee beyond the one (1) year period without compliance by the owners with the provisions of Section 16.2 below; and provided further, that both the owner and the other parties to the lease or rental agreement shall at all times be subject to and bound by all of the provisions of this Declaration, the By-Laws, and the Rules and Regulations of the Association, copies of which shall be furnished to the leasing or renting party or parties by the owner. It is expressly understood that the owner or owners shall at all times remain primarily liable to the Association for all common expenses and all assessments or other charges made against the leased or rented unit.

III

Paragraph 16.2(a)(ii) is deleted in its entirety and the following paragraph is substituted therefore:

16.2(a)(ii) Lease. A unit owner intending to make a bona fide lease of his unit or any interest therein, for a term of more than one (1) year, shall give to the Association notice of such intention together with the name and address of the intended lessee, such other information concerning the intended lessee as the Association may reasonably require, and an executed copy of the proposed lease.

IV

Paragraph 16.2(b)(ii) is deleted in its entirety and the following paragraph is substituted therefore:

16.2(b)(ii) Lease. If the proposed transaction is a lease for a term of more than one (1) year, then within thirty (30) days after receipt of such notice and information, the Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President or Secretary in recordable form and shall be delivered to the lessee.

V

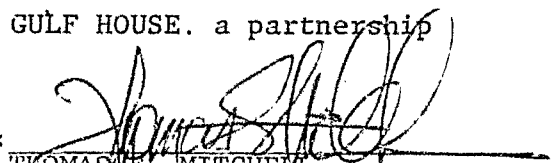
Paragraph 16.3(b) is deleted in its entirety and the following paragraph is substituted therefore:

16.3(b) Lease. If the proposed transaction is a lease for a term of more than one (1) year, the unit owner shall be advised of the disapproval in writing, and the lease shall not made.

IN WITNESS WHEREOF, the said GULF HOUSE, a partnership,
has caused these presents to be executed by its Officer and
Managing Agent and its corporate seal affixed, all thereunto
duly authorized this day and year first above written.

GULF HOUSE. a partnership

BY:


THOMAS E. MITCHELL
As Managing Agent

STATE OF ALABAMA)
 *
BALDWIN COUNTY)

I, Leah Ann Quindley, a Notary Public,
in and for said County in said State, do hereby certify that
THOMAS E. MITCHELL, whose name as Managing Agent of GULF HOUSE,
a partnership, is signed to the foregoing instrument and who
is known to me, acknowledged before me on this day that, being
informed of the contents of said instrument, he as such Officer
and with full authority, executed the same voluntarily on the
day the same bears date, for and as the act of said partnership.

Given under my hand this the 21st day of May, 1981.

Leah Ann Quindley
NOTARY PUBLIC, BALDWIN COUNTY, ALABAMA

This instrument prepared by:

ROBERT A. WILLS
WILLS AND VARGO
Attorneys at Law
P.O.Box 547
Bay Minette, AL 36507

STATE OF ALABAMA,
BALDWIN COUNTY

I certify that this instrument was filed on

MAY 26 1981 9AM

and that no tax was collected. Recorded in Min
Book 39 Jimmy G. Vargo
Page 257-261 Judge of Probate
MH \$1.00 Index \$ By OE

REC. 39 MAY 26 1981