

**FIRST AMENDMENT
TO
OFFERING STATEMENT
OF
SADDLE LAKE FARMS, A CONDOMINIUM**

In accordance with Sections 35-8A-403(c) and 404 of the Alabama Uniform Condominium Act of 1991, (Sections 35-8A-101 et seq., Alabama Code 1975, hereinafter, the "Act"), the following information is offered as an Amendment (the "First Amendment") to the initial Offering Statement Of Saddle Lake Farms, A Condominium, a copy of which is attached to this First Amendment as Exhibit I (the "Offering Statement");

Attached to this First Amendment as Exhibit II is a copy of an Amendment To Declaration Of Condominium Of Saddle Lake Farms, A Condominium, filed with the Shelby County, Alabama Judge of Probate under Instrument Number 1996-21491 (the "Amendment": capitalized terms used herein and not otherwise defined have the meaning set forth in the Amendment). The Amendment amended the Declaration in the following material respects:

(a) Declarant was authorized by the unanimous Resolution of the Unit Owners to purchase certain Common Element Land of the Condominium identified as Common Areas A and C in the Plans.

(b) Declarant was further authorized by the Resolution to (i) purchase parcels of real estate comprising approximately 103 acres located adjacent to and north of the Property, (ii) add this New Land to the Property of the Condominium in two or more phases over a 15-year period, and (iii) improve any New Land added to the Property of the Condominium by the establishment thereon of up to 125 additional New Units of the Condominium, potentially resulting in a decrease in each Unit Owners interest in the Common Elements and Common Expenses from a 1/76 fractional interest and obligation to a 1/201 fractional interest and obligation.

(c) The New Land is generally described in Exhibits A and B to the Resolution made Exhibit I to the Amendment and the New Land and all New Units will be particularly described in any amendment(s) to the Declaration that Declarant may elect to execute and file in order to include the New Land or any portion thereof within the Property of the Condominium.

Inst # 1996-21492

07/03/1996-21492
01:44 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
011 SNA 35.50

(d) If all of the New Land is purchased by Declarant and added to the Property of the Condominium, and if all 125 New Units are established in the New Land as authorized by the Amendment, the maximum density of Units would be approximately 1.03 Units per acre (as to the approximate 207 acres that would comprise the Land and all New Land: i.e., $207 \div 201 = 1.02985$).

(e) All of the New Units will be restricted to residential use.

(f) Residential construction on any New Units in terms of architectural style, quality of construction, building location and size will be in a manner that is compatible with standards applicable to construction on existing Units and shall be subject to the same architectural and design review and approval procedures provided for in Article X of the Declaration applicable to existing Units.

(g) Although Declarant does not anticipate the construction of improvements on the Common Elements of any New Land other than roads, utilities and similar infrastructure to support residential construction, no assurance is made in that regard.

(h) There are no Limited Common Elements in the Condominium. Although Declarant does not anticipate the establishment of any Limited Common Elements upon any New Land, no assurance is made in that regard.

(i) All Rules and Regulations and other use restrictions applicable to Units shall also be applicable to any New Units.

(j) In the event that Declarant does not elect to add any of the New Land to the Land of the Condominium, all provisions contained herein and in the Amendment applicable to the New Land and New Units shall be inapplicable. Declarant has no obligation to add any of the New Land to the Property of the Condominium.

(k) The Amendment deleted paragraph 13 of Article XI of the Declaration providing for a "first option to purchase" a Unit in the event of a proposed sale or transfer, and the reference to that restriction in the first sentence of paragraph 14 of the Offering Statement is hereby deleted.

The Offering Statement is further amended in the following respects:

A. Paragraph 13 of the Offering Statement is amended to reflect that the name and address of the "exclusive listing realtor" of the Association has been changed to: First Real Estate, 3170 Highway 31 South, Pelham, Alabama 35124.

B. Subpart (1) of paragraph (15) of the Offering Statement is amended to add the words "insurable improvements upon the" immediately before the words "Common Elements" in the third line of said paragraph (15).

C. Paragraph 16 of the Offering Statement is amended to reflect that the current annual Association fee is \$345.50.

The Offering Statement as hereby amended shall be further amended by Declarant to promptly report any material change in the information set forth above. As amended hereby, the Offering Statement remains in effect.

OFFERING STATEMENT
OF
SADDLE LAKE FARMS, A CONDOMINIUM

In accordance with Section 35-8A-403 of the Alabama Uniform Condominium Act of 1991, (Sections 35-8A-101 et seq., Alabama Code 1975, hereinafter, the "Act"), the following information is offered:

1. The Declarant of Saddle Lake Farms, A Condominium (the "Condominium") is EnviroBuild, Inc., 3522 West Lakeside Drive, Birmingham, Alabama 35243. The Condominium is located off of County Highway 26 about three (3) miles east of Interstate 65 in Alabaster, Alabama, in Shelby County, and is more particularly described below and on the plat and map attached as Exhibits A-1 and A-2 to The Declaration of Condominium of Saddle Lake Farms, A Condominium (the "Declaration").

2. The Condominium Property will consist of approximately 104.39 prime acres of level to gently rolling hills with seven thousand nine hundred eighteen (7,918) feet of paved roads for access to the Condominium Property and the individual Units. The Condominium Property will include a 15.10 acre stocked lake with a loading dock and parking area adjacent to the lake for those Unit Owners who do not have Units adjoining the lake. The commencement date for beginning construction on these Common Elements is July 1, 1995. The estimated completion date for construction of all Common Elements is July 1, 1996.

3. The Condominium will consist of seventy-six (76) Units which will vary in size from seven-tenths (7/10) to two (2) acres each. The Units will be restricted to single-family

dwelling of not less than one thousand seven hundred (1,700) square feet. Swimming pools will be permitted on a Unit, but tennis courts will not be allowed on a Unit.

4. Attached to this Offering Statement as Exhibit 1 is a copy of the Declaration, along with the plats and plans and all recorded conveyances, conditions, restrictions and reservations affecting the Condominium. Attached to the Declaration as Exhibits C and D are copies of the Articles of Incorporation of Saddle Lake Farms Association, Inc. (the "Articles"), and the Bylaws of Saddle Lake Farms Association, Inc. (the "Bylaws").

5. Attached hereto as Exhibit 2 is a copy of the current balance sheet for Saddle Lake Farms Association, Inc. (the "Association"). Included in Exhibit 2 is a copy of the projected budget for the Association. The projected budget for the Association was prepared by the Declarant, and states the amount, if any, included in the budget as a reserve for repairs and replacements; the statement of any other reserves; the projected Common Expenses assessment for the Association; and the projected Common Expenses assessment for each Unit.

6. There are no services reflected in the budget, attached hereto as Exhibit 2, provided by the Declarant or expenses paid by the Declarant that will later become a Common Expenses of the Association. The budget reflects all Common Expenses to be assessed to the Association and Unit Owners.

7. There is a \$300.00 special fee due to the Association from the purchaser of a Unit at closing.

8. There are no liens, known defects or encumbrances on or affecting the title to the Condominium Property.

9. No financing will be offered by the Declarant to a purchaser of a Unit.

10. The Declarant warrants that all improvements and Common Elements identified in the Declaration will be constructed and conform to the description of those improvements and Common Elements and that the description of the quantity of the real estate of the Condominium will conform to the description, subject to customary tolerances. Declarant further warrants that all restrictions, concerning the use of a Unit and identified in Section XI of the Declaration, are lawful. If the Declarant fails to comply with any provision of the Declaration or the Bylaws, any person adversely affected by the failure to comply has a claim for actual damages or appropriate equitable relief.

11. Purchaser's Right to Cancel:

(a) Before conveyance of the Unit to a purchaser, a purchaser may cancel any contract for the purchase of a Unit from the Declarant within seven (7) days after the receipt of an Offering Statement;

(b) If the Declarant fails to provide an Offering Statement to a purchaser before conveying a Unit, that purchaser may rescind the conveyance within seven (7) days after first receiving the Offering Statement; and

(c) If a purchaser receives the Offering Statement more than seven (7) days before signing a contract, he/she cannot cancel the contract or rescind a conveyance if a conveyance has occurred.

12. There are no unsatisfied judgments or pending suits against the Association, or other judgments or pending suits of which the Declarant has actual knowledge.

13. Any deposit made in connection with the purchase of a Unit will be held in an escrow account until closing and will be returned to the purchaser if the purchaser cancels

the contract pursuant to Section 35-8A-408 of the Act. All escrow deposits will be held by the exclusive listing realtor of Saddle Lake Farms: Team Realty Inc., 1045 Merry Fox Farms, Alabaster, Alabama 35007.

14. If a purchaser chooses to sell or lease a Unit of the Condominium, the Board of Directors of Saddle Lake Farms Association, Inc., will have the first option to repurchase the Unit according to Section XI, paragraph 13, of the Declaration. No Unit may be used as a multiple-family dwelling. All other restrictions on the use of the Units are described in Sections X and XI of the Declaration.

15. The Board of Directors of Saddle Lake Farms Association, Inc., shall obtain insurance for the Condominium Property which shall include: (1) broad form comprehensive coverage insuring the Common Elements of the Condominium Property and the interests of the Unit Owners and their mortgagees, (2) public liability insurance, and (3) such other insurance, including fidelity bond coverage, as the Board of Directors may determine. This insurance is in addition to title insurance on the Property. A more detailed description of the insurance coverage provided for the benefit of Unit Owners and the Association is more particularly described in Section XIV of the Declaration and Article II, Section II of the Bylaws.

16. At the present time, the Association estimates the annual Association fee for each Unit Owner will be \$276.45.

17. Financial arrangements have been provided to the Declarant for the completion of all improvements to the Property by Colonial Bank.

18. The Condominium Property is located in District 7 of Shelby County and contains no zoning restrictions.

19. The amendment procedure is set forth below and in Section XX of the Declaration.

Amendment - By Developer. Amendments to this Declaration for the purpose of correcting drafting or typographical errors or conforming the documents to the requirements of the Act, or insuring conformity of the Private and Commons Elements, as built, to the Declaration, the Plans and the Bylaws shall be made by the Developer as and when necessary.

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

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

(b) Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the membership of the Association, and after being proposed and approved by one of such bodies, it must be approved by the other. Directors and members not present at the meeting considering the amendment may express their approval in writing. Such approvals must be by not less than a majority of Directors, and unless otherwise specified in this Declaration or the Act, by not less than three-fourths (3/4) of the total vote of the Association.

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

This Offering Statement shall be amended promptly by the Declarant to report any material change in the information offered above.

EXHIBIT 1
TO
OFFERING STATEMENT
TO
SADDLE LAKE FARMS, A CONDOMINIUM

COPIES OF:

The Declaration of Condominium of Saddle Lake Farms, A Condominium
Articles of Incorporation of Saddle Lake Farms Association, Inc., and
Bylaws of Saddle Lake Farms Association, Inc.

EXHIBIT 2
TO
OFFERING STATEMENT

SADDLE LAKE FARMS ASSOCIATION
PROJECTED ANNUAL BUDGET

Accounting		\$1,200.00
Lake Maintenance (Fertilizer)		500.00
Insurance		450.00
Landscaping:		
a) Mowing	5,000.00	
b) Fertilizer	1,000.00	
c) Pruning	1,000.00	
d) Seasonal Color (Plants)	2,000.00	
e) Insecticides and Fungicides	1,500.00	\$10,500.00
Management: Elected Board of Directors "Volunteers"		-0-
Newsletter: Bi-Monthly		1,800.00
Road Maintenance 1-3 Years		1,500.00
Future Road Repair Fund (i.e. Resurface Topcoat, Reserve)		4,700.00
Utilities (Water, Electric)		<u>360.00</u>
		\$21,010.00

Projected Common Expenses Assessment for Each Unit:
\$21,010.00 ÷ 76 Units = \$276.45 per Unit Annually.

Inst # 1996-21492

07/03/1996-21492
01:44 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
011 SNA 35.50