

STATE OF ALABAMA
BALDWIN COUNTY

AMENDMENT TO THE BY-LAWS
OF BLUEWATER CONDOMINIUM ASSOCIATION

WHEREAS, this is an Amendment to the By-Laws of Bluewater Condominium Association, a non profit corporation ("By-Laws") filed for record on October 26, 1995, in the Office of the Judge of Probate, Baldwin County, Alabama in Miscellaneous Book 85, pages 620, et seq.; and in accordance with Article X, Section a.(2) of the By-Laws a duly authorized meeting was held on January 24, 1998, at 12:00 P.M. at the office of Meyer Real Estate in Orange Beach, Alabama, with Forty Four (44) units present, either in person or by proxy, out of a total of 84 units which represented Forty Three-Ninety Three (43.93%) percent of the total percentage of ownership in the condominium and Forty Four (44) units present, (which represented not less than two-thirds (2/3) of the outstanding votes present at such meeting in person or represented by proxy) voted in favor of amending the said By-Laws to stagger the terms of directors with three directors serving for a one year term, four directors serving for a two year term.

W I T N E S S E T H:

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS THAT:

the By-Laws described above and recorded in Miscellaneous Book 85, pages 620, et seq., Baldwin County, Alabama Probate Records, is HEREBY AMENDED as follows:

(1.) ARTICLE III, Section b. is deleted in its entirety and the following is substituted therein:

Section b. Number, Tenure and Qualifications. The Board of Directors shall consist of seven (7) directors. The By-Laws may be amended from time to time as provided for herein to increase or decrease the numbers of directors of the Association to not less than three (3) nor more than seven (7) directors. Each director shall hold office until such director's successor shall have been duly elected and shall have qualified or until such director's death or until such director shall have resigned or shall have been removed, as provided herein. A director has to be a member of the Association. For the purpose of continuity and experience, the terms of directors shall be staggered with (i) three directors being elected on an annual basis and their terms shall extend until the next annual meeting of the members and subsequently until each successor is duly elected and qualified or until each is removed in the manner elsewhere provided; (ii) four directors being elected for a two year term and their terms shall extend until the second annual meeting of the members after the meeting in which they were elected and subsequently until each

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successor is duly elected and qualified or until each is removed in the manner elsewhere provided. A directors term on the Board can not be reduced during the term in which he/she was elected to serve.

(2.) The election of directors on staggered terms shall commence at the next annual meeting following the recordation of this amendment.

(3.) In all other respects the Declaration of Condominium of Bluewater, a condominium, as amended, and the By-Laws, as amended are hereby reaffirmed and ratified. In the event of conflict between this amendment and any part of the By-Laws of Bluewater Condominium Association which relate to the above, this amendment shall be controlling.

(4.) The undersigned officers of the corporation hereby certify the above amendment was approved, as stated above.

IN WITNESS WHEREOF, BLUEWATER CONDOMINIUM ASSOCIATION, an Alabama Non-Profit corporation, has caused this Amendment to the By-Laws to be executed, under seal, by its duly authorized officers, this the 24th day of January, 1998.

ATTEST:

BLUEWATER CONDOMINIUM ASSOCIATION,
an Alabama Non-Profit corporation.

BY: Joe M. Hernandez (SEAL)
ITS: Secretary

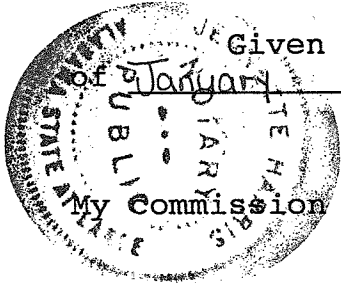
BY: Eric Copeland, Jr. (SEAL)
ITS: President

STATE OF Alabama
Baldwin COUNTY

CORPORATE ACKNOWLEDGEMENT

I, the undersigned authority, in and for said county, in said State, hereby certify that Eric Copeland, Jr., whose name as President of BLUEWATER CONDOMINIUM ASSOCIATION, an Alabama Non-Profit corporation, is signed to the foregoing instrument and who is known to me, acknowledge before me on this day that being informed of the contents of the instrument, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal, this the 24th day of January, 1998.



My Commission expires: 5/28/2001

Jeanette Harris
NOTARY PUBLIC

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STATE OF Alabama
Baldwin COUNTY

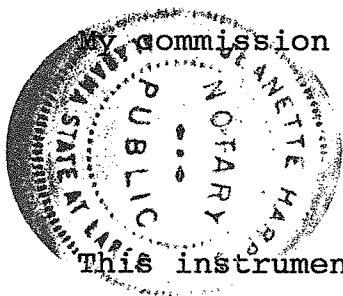
CORPORATE ACKNOWLEDGEMENT

I, the undersigned authority, in and for said county, in said State, hereby certify that Joe M. Richardson, whose name as Secretary of BLUEWATER CONDOMINIUM ASSOCIATION, an Alabama Non-Profit corporation, is signed to the foregoing instrument and who is known to me, acknowledge before me on this day that being informed of the contents of the instrument, (he)she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal, this the 24th day of January, 1998.

Jeanette Harris
NOTARY PUBLIC

My commission expires: 5/28/2001



This instrument prepared by:

Thomas W. Klyce, P. C.
Attorney at Law
Post Office Box 2301
Gulf Shores, Alabama 36547

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RECORDED FEE 750
STATE OF ALABAMA
BALDWIN COUNTY
I CERTIFY THIS INSTRUMENT WAS
FILED AND TAXES COLLECTED ON

1998 FEB -2 P 1:10

DEED _____ MORTGAGE _____
MIN TAX _____ INDEX _____
RECORDED IN KP 801 OF 191-153
Adrian J. Shaw
JUDGE OF PROBATE