

**FIRST AMENDMENT TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

FOR

**THE WATERS AT FAIRHOPE,
A PLANNED UNIT DEVELOPMENT**

STATE OF ALABAMA

COUNTY OF BALDWIN

This Amendment to Declaration of Covenants, Conditions and Restrictions for THE WATERS AT FAIRHOPE, A PLANNED UNIT DEVELOPMENT (the "Covenants") made this the 23rd day of November, 2010 by THE SANCTUARY, LLC, AN ALABAMA LIMITED LIABILITY COMPANY (the "Developer"), applicable to THE WATERS AT FAIRHOPE, A PLANNED UNIT DEVELOPMENT (the "Development").

WHEREAS, the Developer owns certain land and lots located in Baldwin County, Alabama as shown on the Plat of THE WATERS AT FAIRHOPE, A PLANNED UNIT DEVELOPMENT recorded at Slide No. 2317-A, 2317-B, 2317-C, 2317-D and 2317-E, in the records of the Office of the Judge of Probate of Baldwin County, Alabama, all of which shall sometimes be referred to herein as (the "Property");

WHEREAS, the annual Property Owners Association meeting was held on October 28, 2010, and more than two-thirds of the Class A members and Class B members were present at that meeting, either in person or by proxy and the foregoing amendment was unanimously approved by all members attending that meeting.

WHEREAS, the Developer, pursuant to Section 13.01 of the Covenants, has the unilateral right, in its sole discretion, to amend the Covenants; and to that end, the Developer hereby amends the Declaration of Covenants, Conditions and Restrictions, dated the 17th day of January, 2007, and recorded at Instrument No. 1030229 in the Office of the Judge of Probate of Baldwin County, Alabama, and said Amendment shall be applicable to THE WATERS AT FAIRHOPE, A PLANNED UNIT DEVELOPMENT and shall include the following:

ARTICLE III, Section 3.26 shall be amended to read as follows:

ARTICLE III

GENERAL COVENANTS AND RESTRICTIONS

APPLICABLE TO LOTS AND DWELLING UNITS

Section 3.26 CONSTRUCTION BY LICENSED AND APPROVED BUILDER OR CONTRACTOR. All improvements constructed on any Lot shall be made by a builder or contractor who has been duly licensed by the State of Alabama and approved by the Architectural Review Committee

(ARC). No property owner may act as a general contractor for the construction of a dwelling unit or other improvement on any Lot unless that property owner is duly licensed as a builder or contractor by the State of Alabama and has been approved by the Architectural Review Committee (ARC).

In accordance with Section 6.01 of these Covenants, James P. Achee and William Rance Reehl shall serve as members of the Architectural Review Committee (ARC) and they shall also choose three additional persons to serve on this Committee. James P. Achee and William Rance Reehl shall establish an approval process for the approval of each builder and the Architectural Review Committee (ARC) shall adopt this process and use this process for the approval of future builders and contractors who shall construct any dwellings or improvements within the Development.

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed by its duly authorized members on the date set forth in the acknowledgment below, but as of the date above first set forth.

THE SANCTUARY, LLC
AN ALABAMA LIMITED LIABILITY COMPANY

BY: William Rance Reehl
WILLIAM RANCE REEHL
ITS: MEMBER

BY: James P. Achee
JAMES P. ACHEE
ITS: MEMBER

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that WILLIAM RANCE REEHL, whose name as Member of THE SANCTUARY, LLC, AN ALABAMA LIMITED LIABILITY COMPANY, 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 the instrument, he, as such Member and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and seal this the 23rd day of November, 2010.

Lise A. Hays
NOTARY PUBLIC
MY COMMISSION EXPIRES: 1/30/2011

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that JAMES P. ACHEE, whose name as Member of THE SANCTUARY, LLC, AN ALABAMA LIMITED LIABILITY COMPANY, 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 the instrument, he, as such Member and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and seal this the 23rd day of November, 2010.

Lisa A. Hagan

NOTARY PUBLIC

MY COMMISSION EXPIRES:

1/30/2011

