

January 29, 2007

To: Shallowbag Bay Club Association Members

From: The Board of Directors

Re: Amendment of 4.4 of the Bylaws

At the September 24, 2004 meeting of the association, 4.4 of the bylaws was amended to increase the number of board members from three to five and to require that two of the members be full time residents. At that meeting two full time residents were elected to the board.

At the September 16, 2006 meeting of the association, three new board members needed to be elected to replace those whose terms were ending. Board members described the difficulty encountered in trying to find even one resident who was willing to serve on the board for the upcoming term. Members present voiced consent to elect new members at the meeting and to retroactively amend the requirement for two full time resident board members by mail. The vote to amend the Bylaw carried. Below you will find the amended language.

Incorporating the increase from three to five members and removing the requirement that two members be full time residents, 4.4 of the Bylaws would read as follows:

4.4 Number and Qualification of Directors. The Board shall consist of five (5) natural persons, one of which must be a Marina Unit owner, and one of which must be full time resident, to the extent possible, as determined at any annual meeting by the members. Each director shall be a Unit Owner or the individual nominee of a Unit Owner which is other than an individual.

Please add this memo to the copy of your Bylaws in order to have a current copy.