

State of Alabama, Baldwin County
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Recording 30.00 Mortgage
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Audrian I. Johns, Judge of Probate

STATE OF ALABAMA

COUNTY OF BALDWIN

Reference: Misc Book 0089

Page 0051

EASEMENT AGREEMENT

THIS BASEMENT AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into this 29th day of September, 2003, by and between Sage Development, L.L.C., an Alabama limited liability company ("Sage Development"), The Dunes Master Homeowners' Association, Inc., an Alabama non-profit corporation (the "Master Association") (the Master Association and Sage shall collectively hereinafter be referred to as the "Grantor"), and The Dunes of GP, LLC, a Georgia limited liability company ("Grantee").

WITNESSETH:

WHEREAS, Grantee is the owner of that certain property situated in Baldwin County, Alabama more particularly described in Exhibit "A", attached hereto and incorporated herein (hereinafter referred to as the "Condominium Parcel");

WHEREAS, by deeds recorded as Instrument No. 542595 and Instrument No. 542596 in the Office of the Judge of Probate, Baldwin County, Alabama, Grantors reserved unto Sage Development, LLC certain easements and rights in connection therewith;

WHEREAS, that certain Declaration of Covenants, Conditions, and Restrictions of the Dunes, was recorded in Miscellaneous Book 89, Page 51, et seq., in the Probate Office of Baldwin County, Alabama (hereinafter, as amended or as may be amended, referred to the "Dunes Declaration");

WHEREAS, the Dunes Declaration provides Sage Development, as Declarant, and the Master Association with certain rights and obligations under the Dunes Declaration and the deeds referenced above;

WHEREAS, Grantor desires to grant certain easements to Grantee;

NOW, THEREFORE, for and in consideration of the mutual covenants and benefits provided for herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties do hereby agree as follows:

ARTICLE 1
DEFINITIONS

793518

1. "Alabama Beach Mouse Covenants" shall mean that certain Declaration of Alabama Beach Mouse Protective Covenants for the Dunes dated June 27, 1996, and recorded in Miscellaneous Book 89, Page 113, et seq., in the Probate Office of Baldwin County, Alabama, as amended or as may be amended.
2. "Dunes Parcel" shall mean that certain property situated within Dunes, Phase I and Phase II, a subdivision, as recorded on Slides 1907-B and 1908-B (Phase I) and Slides 1832A and 1832B (Dunes II), a subdivision, in the Probate Office of Baldwin County, Alabama, and any future phases located within the Dunes, but excluding the Condominium Parcel.
3. "Easement Area" shall mean any portion of the Parcels whereon, wherein, or wherever is located any of the easements declared and established by this Agreement.
4. "Mortgage" shall mean any first-in-priority deed or deeds to secure debt, mortgage, or other instrument in the nature thereof, at any time and from time to time which encumbers all or a portion of the Parcels as reflected in the Official Records, but said term shall not be construed to include any deed to secure debt or similar instrument which does not constitute a first-in-priority encumbrance against either Parcel.
5. "Mortgagee" shall mean the holder or holders, from time to time, of a Mortgage, as reflected in the Official Records.
6. "Official Records" means the official land records in the Probate Office of Baldwin County, Alabama.
7. "Parcel" shall mean each of those certain parcels of land and improvements thereon being more particularly described as the Condominium Parcel and the Dunes Parcel.
8. "Permittee" shall mean any Person that is any of the following: (a) an owner of a portion of the Condominium Parcel (including a condominium unit); (b) a tenant or subtenant of the owner of the Condominium Parcel, or portion thereof; (c) any officer, agent, employee, licensee, guest, invitee, independent contractor, or Mortgagee of the Owner of the Condominium Parcel, or portion thereof.
9. "Person" shall mean any individual, corporation, firm, association, partnership, trust, or other legal entity.

ARTICLE 2

GRANT AND RESERVATION OF EASEMENTS, LIMITATIONS AND DECLARATIONS

Section 1. Access Easement. Grantor hereby grants Grantee and its Permittees a non-exclusive pedestrian, bicycle and vehicular (including golf cart) easement of, use and enjoyment, ingress, egress, access and travel over and upon the roadways, walkways, trails, sidewalks, and pathways located within the Dunes Parcel, including over those certain boardwalks as described in the Alabama Beach Mouse Covenants (hereinafter referred to as the "Access Easement"). The Access Easement shall (unless expressly provided herein to the contrary) be perpetual in duration and shall, both as to the benefits and the burdens thereof, run with the title to, and burden the title to, the Parcels and each portion thereof. The property comprising the Access Easement is subject to the Dunes Declaration. The Access Easement is subject to any reasonable rules and regulations imposed by the Master Association; provided, however, such instruments shall be nondiscriminatory toward the Permittees of the Condominium Parcel and shall not unreasonably impair any existing rights, and shall not be capricious or inconsistently enforced against any Permittee of the Condominium Parcel.

Section 2. Parking Easement. Grantor hereby grants Grantee and its Permittees a non-exclusive to utilize the parking spaces designated as "Beach Parking Access" on the plat for Phase I and Phase II recorded on Slide 1907-B in the Probate Office of Baldwin County, Alabama, on a first-come, first-served basis (the "Parking Easement"). The Parking Easement shall (unless expressly provided herein to the contrary) be perpetual in duration and shall, both as to the benefits and the burdens thereof, run with the title to, and burden the title to, the Parcels and each portion thereof. The Parking Easement is subject to any reasonable rules and regulations imposed by the Master Association; provided, however, such instruments shall be nondiscriminatory toward the Permittees of the Condominium Parcel and shall not unreasonably impair any existing rights, and shall not be capricious or inconsistently enforced against any Permittee of the Condominium Parcel.

Section 3. Beach Easement. Grantor hereby grants Grantee and its Permittees a non-exclusive easement of, use and enjoyment, ingress, egress, access and travel over and upon the beaches located within the Dunes Parcel and designated as Common Area 4 and Common Area 5 on the Plats for Phase I and Phase II of the Dunes recorded on Slide 1907-B and Slide 1832-B of in the Probate Office of Baldwin County, Alabama (hereinafter referred to as the "Beach Easement"). The Beach Easement shall (unless expressly provided herein to the contrary) be perpetual in duration and shall, both as to the benefits and the burdens thereof, run with the title to, and burden the title to, the Parcels and each portion thereof. The Beach Easement is subject to any reasonable rules and regulations imposed by the Master Association; provided, however, such instruments shall be nondiscriminatory toward the Permittees of the Condominium Parcel and shall not unreasonably impair any existing rights, and shall not be capricious or inconsistently enforced against any Permittee of the Condominium Parcel.

Section 4. General Construction, Renovation, and Repair Easements. Grantor hereby grants to Grantee a nonexclusive easement over the Dunes Parcel for access and temporary encroachments by contractors and subcontractors (and the equipment and employees thereof) during construction, renovation, and repair to the extent reasonably necessary to improve, construct, renovate, repair, and maintain the Condominium Parcel, or any part thereof; provided, however, (a) Grantee shall exercise its rights under this Section in such a manner as to minimize disruption of the quiet enjoyment, use, and operation of the Dunes Parcel; and (b) any access and encroachment activities permitted by this Section shall be completed as soon as reasonably possible once commenced.

Section 5. Utilities. Grantee shall have non-exclusive easements over the Dunes Parcel for the installation, maintenance, repair and furnishing of all utilities and services which are or may become customary in serving improvements of the type now or hereafter contemplated for the Condominium Parcel, including but not limited to water, and storm and sanitary sewerage by means of pipes, ducts, conduits, equipment, sprinkler systems, and other apparatus (hereinafter "Utilities Systems"), together with non-exclusive easements for the construction, rebuilding, repair, replacement and maintenance (including upgrades) of all Utilities Systems, as hereinabove defined.

Section 6. Drainage. Grantor hereby grants Grantee nonexclusive easements over, under, on, and through the Dunes Parcel for the installation, use and enjoyment, maintenance, and repair of storm sewer lines, detention areas, and appurtenant facilities over and across the Dunes Parcel. Said easements shall cover the storm sewer lines, detention areas, and appurtenant facilities and shall cover the area reasonably necessary to maintain, repair, and replace said storm sewer lines, detention areas, and appurtenant facilities thereto. Grantee and each of its successors in title shall have the permanent right to use and enjoy said storm sewer easement and the storm sewer lines, detention areas, and appurtenant facilities installed on the Dunes Parcel and shall have an easement over and across the Dunes Parcel for access to said storm sewer lines, detention areas, and appurtenant facilities for maintenance and repair thereof.

ARTICLE 3
GENERAL

Section 1. Grant of Easements. This Agreement and all the provisions hereof are and shall be perpetual easements and shall run with the land and burden and bind the Parcels in perpetuity, unless terminated by the unanimous consent of the Grantee and Grantor. All terms of this Agreement pertain to the operation, maintenance, and repair of the perpetual easements granted herein and are not separate covenants or restrictions. This Agreement shall be deemed incorporated into all deeds and conveyances hereinafter made by any owner of the Parcels, or any portion thereof (including any condominium unit owner, if the Condominium Parcel, or portion is ever submitted to the condominium form of ownership) whether or not expressly referenced therein. Every Person, including a Mortgagee, acquiring or holding any interest or estate in either of the Parcels shall take or hold such interest or estate, or the security interest with respect thereto, with notice of the terms and provisions of this Agreement; and in accepting such interest or estate in, or a security interest with respect to, any Parcel, such Person shall be deemed to have assented to this Agreement and all the terms and provisions hereof.

Section 2. Maintenance Responsibility. Master Association shall operate, manage, maintain, repair, replace and insure the Easement Areas located on the Dunes Parcel in a first-class manner consistent with standards of similar properties of the same nature and class, but in no event in a lesser manner than that existing on date hereof. This maintenance responsibility shall include, but shall not be limited to, repaving the roadways and the parking spaces, erecting speed limit or other appropriate signs on the roadways, repairing and replacing the limited access entry gate system, and paying all utility charges associated with the operation and use of the Easement Areas located on the Dunes Parcel in accordance with the terms and conditions of the Dunes Declaration and this Agreement. All expenses incurred by Master Association in accordance with its responsibilities under this Section shall be solely the responsibility of Master Association, provided, however, Grantee shall be responsible for any expenses caused by the willful misconduct, misuse, abuse or negligence of Grantee or its Permittees.

Section 3. Failure to Maintain. If Grantor has failed or refused to discharge properly its obligation with regard to the maintenance, repair, or replacement of items of which it is responsible in accordance with Section 2 above, then, Grantee shall give Grantor written notice of its failure or refusal and of the Grantor's right to provide necessary maintenance, repair, or replacement. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary.

Unless an emergency exists, Grantor shall have thirty (30) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within thirty (30) days. If an emergency exists or Grantor has not complied with the demand as herein provided, then Grantee may provide any such maintenance, repair, or replacement and the costs and expenses of such shall be the responsibility of Grantor. If the need for maintenance or repair is caused through the willful or negligent act of Grantee or its Permittees, then Grantee or its Permittees, whichever is responsible, shall be responsible for the cost of any such maintenance, repair, or replacement.

Section 4. Condominium Ownership. In the event the Condominium Parcel, or any portion thereof, is submitted to the condominium form of ownership by the Alabama Uniform Condominium Act of 1991, as amended, during the period of time when the Parcel is submitted to the condominium form of ownership, the condominium association, if any, and its board of directors shall be and is hereby, authorized to act on behalf of the unit owners in such condominium with respect to all matters under this Agreement.

Section 5. Enforcement. Master Association shall have the right to impose a monetary fine (not in excess of \$500) or suspend for a period of no more than one (1) year a Permittee's use and enjoyment, ingress, egress, access and travel over and upon the Easement Areas if such Permittee violates the terms of this Agreement when using the Easement Areas, provided, however, the Master Association shall not suspend the right of a Permittee to ingress, egress, access and travel over and upon the Easement Areas to the extent such is necessary for ingress, egress, access and travel between any public roadway and the unit, if any, of which the Permittee is an owner or occupant of.

Except in an emergency where the failure to act could create, in the sole judgment of the Master Association, a risk of injury to persons or property or result in claims against the Master Association, the Master Association shall not impose a fine or suspend the rights of use and enjoyment, ingress, egress, access and travel over and upon the Easement Areas, unless and until the Master Association has sent or delivered written notice to the violator as provided in subsection (a) below. Any such fine or fines may be effective or commence upon the sending of such notice or such later date as may be set forth in such notice, notwithstanding the violator's right to request a hearing to challenge such fine under subsection (b) below. If emergency action is taken pursuant to this Section, the Master Association shall still use reasonable efforts to provide notice to the violator and an opportunity for the violator to request a hearing as set forth below.

(a) Notice. If any provision relating to Easement Areas is violated, the Owner shall send the individual violator written notice identifying the violation and fine(s) being imposed and advising the violator of the right to request a hearing to contest the violation or fine(s) or to request reconsideration of the fine(s). Fine(s) may be effective or commence upon the sending of such notice or such later date specified in such notice, notwithstanding the violator's right to request a hearing to challenge the fine. In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator.

(b) Hearing. If a written request for hearing is received from the violator within ten (10) days of the date of the violation notice provided above, then the Master Association, or its board of directors or other designated agent, shall schedule and hold in executive session a hearing affording the violator a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. The person(s) conducting the hearing may establish reasonable rules of conduct for such hearing, which may include limits on time and on the number of participants who may be present at one time.

Section 6. Amendment. This Agreement may be amended at any time and from time to time upon the written consent of the Grantor and Grantee. Amendments to this Agreement shall become effective upon recordation, unless a later effective date is specified therein. In no event shall a change of conditions or circumstances operate to amend any provisions of this Agreement.

Section 7. Charges. Grantor, or its agents or affiliates, shall not impose any fee or similar assessment upon Grantee and its Permittees for their exercise of the easement rights granted in this Agreement.

Section 8. Condominium Parcel Amenities. Nothing herein shall be deemed to grant any Person any easement or other rights to access or use any amenities or similar facilities, if any, located on the Condominium Parcel.

Section 9. Binding Effect. The easements and other declarations, provided for herein shall run with the land and be binding upon and shall inure to the benefit of the parties hereto and their respective successors, transferees and assigns.

Section 10. Interpretation. This Agreement shall be governed by and construed under the laws of the State of Alabama. The preambles of this Agreement are incorporated herein by this reference.

Section 11. Compliance With Governmental Authority. The Grantor and Grantee, agree to comply and to cause compliance by their Permittees with all laws, ordinances, statutes, rules and regulations of any governmental authority relating to the use, condition, or maintenance of the Access Easement.

Section 12. Waiver. No failure of any party to exercise any power given any of them hereunder or to insist upon strict compliance by the other with its obligations hereunder and no custom or practice at variance with the terms hereof shall constitute a waiver of the right to demand exact compliance with the terms hereof.

Section 13. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 14. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Agreement to any person, organization or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Agreement are declared to be severable. This Agreement shall not be assigned without the written consent of all parties hereto.

Section 15. Effective Date. This Agreement shall become effective upon execution by all parties hereto.

Section 16. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

Section 17. Duration. The provisions of this Agreement shall run with and bind the land and shall be and remain in effect perpetually to the extent permitted by law. However, so long as Alabama law limits the period during which covenants restricting lands to certain uses may run, any provisions of this Agreement affected thereby shall run and bind the land so long as permitted by such law and such provisions shall automatically be renewed for successive periods not to exceed the period permitted by such law, unless, at least one (1) year prior to the expiration of the initial or any successive term, the Grantor and Grantee, in a written instrument recorded in the Probate Office of Baldwin County, Alabama records agree to terminate this Agreement. Every purchaser or grantee of any interest in any real property subject to this Agreement, by acceptance of a deed or other conveyance therefor, thereby agrees that such provisions of this Agreement may be extended and renewed as provided in this Section.

Section 18. Indemnification. The Parcel Owners shall bear the full responsibility for their use of the Easement Areas, by themselves and their Permittees. Each Parcel Owner shall hold the other Parcel Owners harmless from any claim, demand or cause of action for damages to person or property resulting from their negligent use, occupancy, and possession of the Easement Areas by themselves and their Permittees.

[SIGNATURES ON FOLLOWING PAGE]

THE UNDERSIGNED, being the duly appointed officers of the respective parties hereto, have executed this Agreement and affixed their respective corporate seals as of the date first above written.

SAGE DEVELOPMENT, LL.C.
an Alabama limited liability company

By: W. Kennedy Striplin (SEAL)
W. Kennedy Striplin, its Managing Member

STATE OF ALABAMA
COUNTY OF BALDWIN

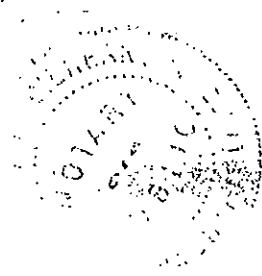
I, the undersigned, a Notary Public in and for said County in said State, hereby certify that DONNA M. GILHEART whose name as Managing Manager of Sage Development, L.L.C., an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such Manager and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this 1ST day of MARCH, 2003.

{SEAL}

Donna M. Gilheart
Notary Public
My Commission Expires: 6/22/04

[SIGNATURES ON FOLLOWING PAGE]



THE DUNES MASTER HOMEOWNERS' ASSOCIATION, an Alabama non-profit corporation

By: W. Kennedy Stripin (SEAL)
W. Kennedy Stripin, its President

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that DONNA M. GILHEART whose name as President of The Dunes Master Homeowners' Association, Inc., an Alabama non-profit corporation, 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 President and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this 1ST day of MARCH, 2003.

(SEAL)

Donna M. Gilheart
Notary Public
My Commission Expires: 6/22/04

[SIGNATURES ON FOLLOWING PAGE]



THE DUNES OF GP, LLC
a Georgia limited liability company

By: [Signature] (SEAL)
Richard H. Skelton, its Manager

STATE OF GA
COUNTY OF FULTON

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Rick Skelton, whose name as Manager of The Dunes of GP, LLC, a Georgia 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 Manager and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this 1st day of March, 2007.

{SEAL}

[Signature]
Notary Public
My Commission Expires: 9/25/07



Exhibit "A"

Description of Condominium Parcel

That certain real property situated in Baldwin County, Alabama and described as Lot 51B of a resubdivision of Lot 51, The Dunes, a subdivision, Phases II, as the same is recorded on Slide 1937-A, in the Office of the Judge of Probate, Baldwin County, Alabama.