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January __, 2013

Sea Trail Corporation
211 Clubhouse Road
Sunset Beach, NC 28468

Sea Trail Master Association, Inc.
Post Office Box 7025
Ocean Isle Beach, NC 28469

RE: Encroachments and Maintenance and Use of Improvements over Rights of Way dedicated to and accepted by the Town of Sunset Beach
Our File 051124-00055

To whom it may concern:

The Town of Sunset Beach ("Town") is providing this letter to Sea Trail Corporation ("STC") and Sea Trail Plantation Master Association, Inc. ("Master Association"): (i) to consent to the current encroachment of property owned by STC onto rights of way dedicated to and accepted by the Town ("Town Rights of Way") and (ii) to the extent necessary, to consent to STC's and the Master Association's maintenance and use of certain property and improvements currently within the Town Rights of Way as described herein.

Encroachments

The Town has been made aware of the following encroachments (collectively, "Encroachments"):

- The No. 10 tee box of the Maples Golf Course encroaches onto Kings Trail Road;
- A portion of the Maples' Golf Course parking lot, Maples Golf Course practice area and islands within the Maples Golf Course parking lot, encroach onto Clubhouse Road

These Encroachments are within the Town Right of Way, but not within the paved portion of Kings Trail Road and Clubhouse Road respectively. The Town does not object to the Encroachments and hereby consents to the continuing encroachment of the Encroachments.

Maintenance and Use of Improvements within the Town Rights of Way

Most of the rights of way in Sea Trail Plantation as depicted on the recorded maps of Sea Trail Plantation including the map entitled "Survey for Sea Trail Corporation" recorded in Map Cabinet 55, at

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Pages 1-32, in the office of the Register of Deeds of Brunswick County have been dedicated to and accepted by the Town and are now Town Rights of Way. Many of the Town Rights of Way are wide and the paved portion of the right of way only constitutes a portion of the Town Right of Way. Within the Town Rights of Way are islands, medians, cart paths, signs, fences, and irrigation systems (collectively, "Improvements") utilized and maintained by either STC or the Master Association.

Many of the Town Rights of Way were conveyed to the Town subject to the Amended Consolidated Master Declaration for Sea Trail Plantation recorded in Book 793, at Page 82 in the office of the Register of Deeds of Brunswick County, which Declaration has been amended and consolidated in Book 2520, at Page 93 in the office of the Register of Deeds of Brunswick County (as amended and supplemented, the "Declaration"). In the Declaration, it is contemplated that Improvements may be maintained, repaired and replaced by STC and the Master Association within the Town Rights of Way.

To the extent the Declaration does not explicitly reserve or grant to STC and/or the Master Association permission to maintain, repair and replace Improvements within the Town Rights of Way, the Town hereby consents to STC's and the Master Association's continued maintenance, repair and replacement of Improvements within the Town Rights of Way and access over, under and through same.

The consent provided herein by the Town to STC and the Master Association may be transferred to their successors and assigns.

Upon request by STC and /or the Master Association, the Town shall consider: (i) allowing additional Improvements to be constructed within the Town Rights of Way and (ii) granting a permanent easement to STC and the Master Association, and their successors and assigns, conveying the interests described herein.

Yours very truly,

[TOWN OF SUNSET BEACH]



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