

**AMENDMENT TO COVENANTS
AND RELEASE AND ASSIGNMENT OF DEVELOPER RIGHTS**

WHEREAS, The Sanctuary, LLC (the "Developer"), an Alabama limited liability company, executed Declaration of Covenants, Conditions and Restrictions for The Waters at Fairhope, A Planned Unit Development (as by amended by the First Amendment as hereinafter defined, the "Covenants"), and a First Amendment (the "First Amendment") thereto and caused the same to be recorded as Instrument Nos. 1030229 and 1261404, respectively, in the records in the Office of the Judge of Probate of Baldwin County, Alabama;

WHEREAS, the Covenants reserve rights ("Developer Rights") to the Developer that are greater than the rights of owners of individual lots in The Waters at Fairhope, A Planned Unit Development ("The Waters");

WHEREAS, the Developer has sold or otherwise transferred all of the lots in The Waters except Lot 75 and, as a result, desires to relinquish the Developer Rights;

WHEREAS, in connection with relinquishing Developer Rights, the Developer desires to clarify certain provisions of the Covenants:

NOW THEREFORE, in consideration of the premises, the Developer hereby:

1. Further amends the Covenants as follows:
 - a. The word "Developer" in Sections 1.01, 3.28, 5.01, 5.02, 6.01, 7.03, 7.04, is replaced with the word "Association".
 - b. The word "Developer" in Sections 3.04, the second sentence of Section 3.02 is replaced with the word "ARC".
 - c. The words "Developer or" are deleted from Section 3.15.
 - d. The first sentence of Section 3.16 is replaced with "Except as otherwise provided in this Declaration, no Lot shall be subdivided, or its boundaries changed."
 - e. The words "or the Developer" are deleted from the first sentence of Section 3.25.
 - f. The last sentence and the words "so long as the Developer shall own any Lot or Lots in the Development" are deleted from Section 6.01.

BALDWIN COUNTY, ALABAMA
TIM RUSSELL PROBATE JUDGE
Filed/cert. 1/11/2012 8:57 AM
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- g. The words "Developer, ARC and their agents and assigns" in the second and third sentences of Section 6.04 are replaced with "Developer, the Association, the ARC, and their agents and assigns".
- h. The word "elects in Section 7.01(b) is replaced with "has heretofore elected".
- i. The word "Developer" in Sections 7.07 and 7.08 is replaced with the words "Developer or the Association".
- j. The words "five votes for each improved or unimproved Lot and five votes for each acre of the Property owned by the Developer" in Section 8.02(B) are replaced with "one vote for each improved or unimproved Lot owned" and the last sentence of Section 8.02(B) is deleted.
- k. Section 8.02(C) is hereby deleted.
- l. The words "the right of the Developer, or" are deleted from Section 9.03(g).
- m. The sentence commencing with "Notwithstanding the foregoing" in Section 9.03(h) is deleted.
- n. The words "except the Developer," are deleted from the first sentence of Section 10.01 and each instance of the words "the Developer or" in Section 10.01 are deleted.
- o. The first sentence of the second paragraph of Section 10.02 is replaced with "The Association shall also have the authority to impose sanctions and reasonable monetary fines against any Property Owner who shall violate these Covenants, Conditions and Restrictions, the By-Laws or any other violation of any Rules and Regulations established by the Association."
- p. The words "or by the Developer" in first sentence of Section 10.03 are deleted. The third sentence of Section 10.03 and the first sentence of 10.03(a) are deleted.
- q. Section 13.01 is deleted.
- r. Section 14.10 is replaced with "Section 14.10 SUCCESSORS TO DEVELOPER. The Developer reserves the right to assign to the Association any of its rights or functions reserved in these Covenants."
- s. The second paragraph of Section 3.06, as heretofore amended by the First Amendment, is replaced with "In accordance with Section 6.01 of these Covenants, the Association shall appoint five members to serve on the Architectural Review Committee (the "ARC"). The

ARC shall establish a process for approval of each proposed builder or contractor of any Dwelling Unit or other improvement within the Development, shall require that any proposed builder or contractor apply to the ARC for approval, and shall approve only such builders and contractors as the ARC determines will preserve the natural beauty of the Development, maintain and preserve a harmonious design for the community, and protect and promote the value of the Development and the Lots therein by maintaining the quality of construction in the Development."

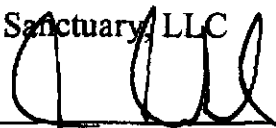
2. Releases and relinquishes the rights reserved to the Developer in Articles II, the second sentence of Section 3.16, and Section 3.19, and the right to use any Lot or structure for the purpose of marketing Lots as heretofore allowed by Section 3.02.

3. Assigns to the Association (a) the architectural control functions allowed, established, or governed by the Covenants and (b) except to the extent released and relinquished herein, the other rights and functions reserved to the Developer in the Covenants, as amended hereby. Further, neither Developer nor its successors or assigns shall have any responsibility for Common Areas, the administration of the Association, enforcement of the Covenants, or similar matters.

All terms used as defined terms herein and not otherwise defined herein shall have the respective meanings set forth in the Covenants. The amendments, releases, relinquishments, and assignments contained herein shall be effective prospectively only and shall not have any effect on actions heretofore taken by the Developer in accordance with the terms of the Covenants.

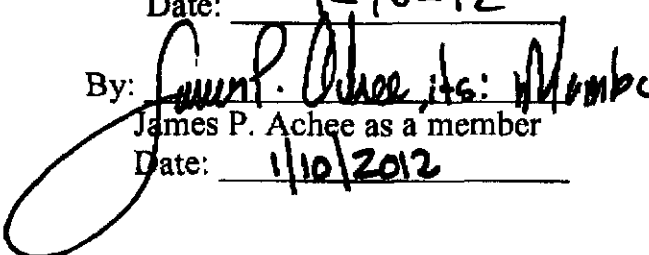
Executed this the 10th day of January, 2012.

The Sanctuary, LLC

By: 

Rance Reehl as a member

Date: 1-10-12

By: 

James P. Achee as a member

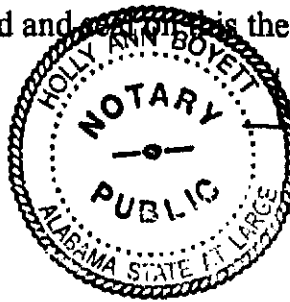
Date: 1/10/2012

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned authority in and for said county and state, do hereby certify that Rance Reehl, whose name as a 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 said instrument, he, as such member and with full authority, executed the same voluntarily on the day the same bears date as the act of said company.

Given under my hand and seal on this the 10th day of January, 2012.

AFFIX NOTARIAL SEAL



Holly Ann Boyett
Notary Public

My Commission expires: 9-10-14

STATE OF ALABAMA
COUNTY OF BALDWIN

I, the undersigned authority in and for said county and state, do hereby certify that James P. Achee, whose name as a 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 said instrument, he, as such member and with full authority, executed the same voluntarily on the day the same bears date as the act of said company.

Given under my hand and seal on this the 10th day of January, 2012.

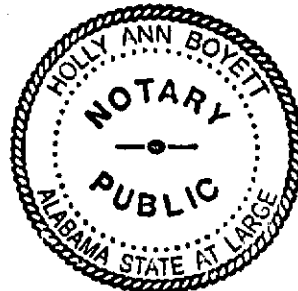
AFFIX NOTARIAL SEAL

Holly Ann Boyett
Notary Public

My Commission expires: 9-10-14

This instrument was prepared by:

David E. Hudgens
Hudgens & Associates LLC
Post Office Box 1574
(9877 Pleasant Road)
Daphne, Alabama 36526



This instrument prepared by:

Grantor's Address:

Grantees' Addresses:

David E. Hudgens
Hudgens & Associates LLC
Post Office Box 1574
Daphne, Alabama 36526
251.625.2880

