

Summary of Stipulated Final Judgment in Case No 2019-CA-217

The Stipulated Final Judgment (“**Judgment**”) allocates ownership of various properties in dispute between SHH Investments and Walton County, while reserving specific access and use easements in favor of Gulf Shore Manor and/or Walton County. The Judgment references nine exhibits, each of which reference a particular parcel of property. Within several of these properties referenced in the exhibits, access and/or use easements are reserved in favor of Gulf Shore Manor. Some of these access and/or use easements are shared with the County and, by extension, the public at large. The relevant exhibits and their impact on Gulf Shore Manor are discussed below.

Exhibit 1: Montigo Avenue Beach Parcel

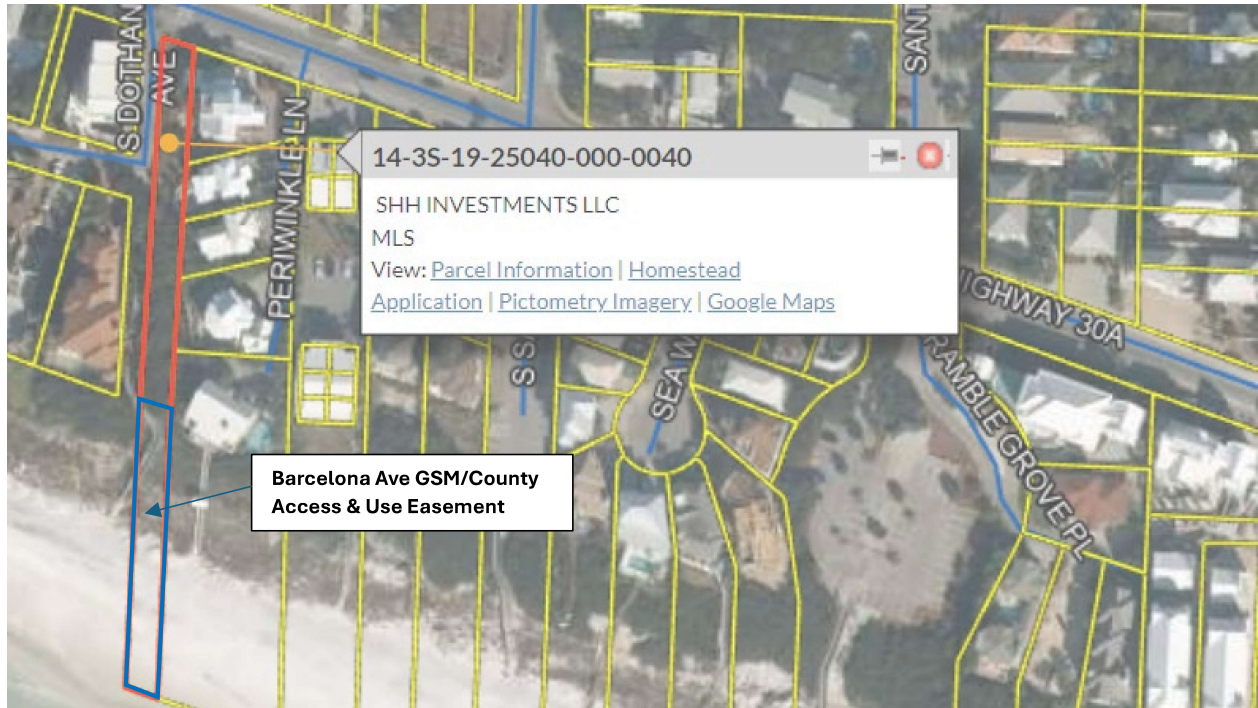
Exhibit 1 of the Judgment includes the “**Montigo Avenue Beach Parcel**” (as outlined in red below).



Pursuant to Paragraph A of the Judgment, the Montigo Avenue Beach Parcel is owned by SHH Investments. Other than SHH Investments, the only party that has any other right or interest in the Montigo Avenue Beach Avenue Parcel is Gulf Shore Manor, by virtue of the easement recorded in BK 3225, PG 3312. According to this easement, Gulf Shore Manor holds a private easement over the eastern five feet of the Montigo Avenue Beach Parcel for purposes of accessing the beach. In addition, Gulf Shore Manor holds a private easement for use and enjoyment of the Montigo Avenue Beach Area, which begins approximately 375 feet south of the northeast corner of the Montigo Beach Parcel. Neither of these Gulf Shore Manor easements are shared with the public. In 2021, SHH Investments sold this parcel to ADE 980 LLC, subject to Gulf Shore Manor’s access and use easement.

Exhibit 5: Barcelona Avenue Beach Parcel

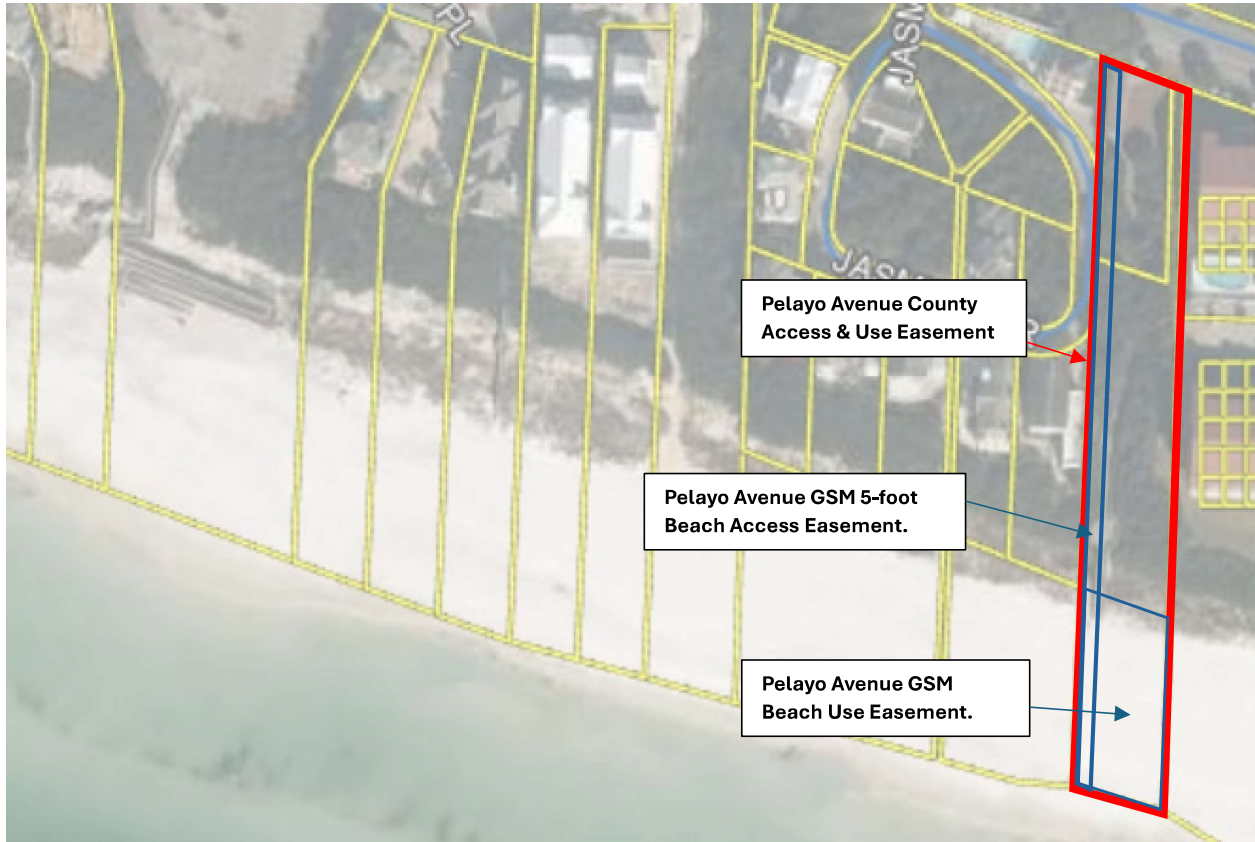
Exhibit 5 of the Judgment includes the “**Barcelona Avenue Beach Parcel**” (as outlined in red below).



Pursuant to Paragraph E of the Judgment, the Barcelona Avenue Beach Parcel is owned by SHH Investments. However, Paragraph E references two easements over the Barcelona Avenue Beach Parcel: one in favor of Walton County and one in favor of Gulf Shore Manor. Both of these easements cover the same area and allow for both access to the beach and use of the beach. Accordingly, while Gulf Shore Manor specifically holds a private easement over this area, a public easement was also extended to Walton County, and therefore the public at large. Therefore, this area is now a public beach area. The easement area begins approximately 316 feet south of the northeast corner of the Barcelona Avenue Beach Parcel and encompasses everything south of that point. Access to this easement area for both Gulf Shore Manor owners and the public is available through Dothan Avenue.

Exhibit 6, 7, and 8: Pelayo Avenue Beach Parcels

Exhibits 6, 7, and 8 all deal with the same two properties (the “**Pelayo Avenue Beach Parcels**”), as outlined in red below.



Pursuant to Exhibits 6 and 7, SHH is the owner of the Pelayo Avenue Beach Parcels. However, easements are reserved for both the County and Gulf Shore Manor over these parcels for access to and use of the beach. Pursuant to the recorded easement agreement between SHH Investment and Walton County, the County has a public easement over the entirety of the Pelayo Avenue Beach Parcels for access to the beach area through its existing dune walkover and enjoyment of the sandy beach area by the public.

Pursuant to the recorded easement agreements for Gulf Shore Manor, the current easement area is a 5-foot-wide access easement along the western edge of the Pelayo Avenue Beach Parcels that extends to mean high water line, as depicted above. In addition, Gulf Shore Manor has a use easement over the southern portion of the Pelayo Avenue Beach Parcels that begins approximately 386 feet south of the northwest corner of the Pelayo Avenue Beach Parcels, as depicted above.

Given that the County has an easement over both the Pelayo Avenue Beach Parcels for use of the sandy beach area, Gulf Shore Manor’s use of this beach area would be shared with the public at large.

Exhibit 9: Property Deeded from SHH Investments to Walton County

Exhibit 9 details the properties that are to be deeded to Walton County pursuant to the Judgment. It is likely that the legal description in Exhibit 9 includes the Santa Clara Beach Parcel and the San Juan Beach Parcel (outlined in red below); however, further research is necessary to determine what properties the complex legal description in Exhibit 9 actually encompasses. In the easement to Gulf Shore Manor recorded in BK 3225, PG 3341, SHH Investments represented that it was the owner of both the Santa Clara Beach Parcel and the San Juan Beach Parcel, and gave a private easement for access to and enjoyment of these parcels to Gulf Shore Manor. However, given that these both appear to now be owned by the County (whether by virtue of the Judgment or otherwise), Gulf Shore Manor apparently now shares the right to use the Santa Clara Beach Parcel and the San Juan Beach Parcel with the public.



Effects of Stipulated Final Judgment on Prior Final Judgments Affirming Gulf Shore Manor’s Easement Rights

1. Seawalk East Beach & Seawalk West Beach

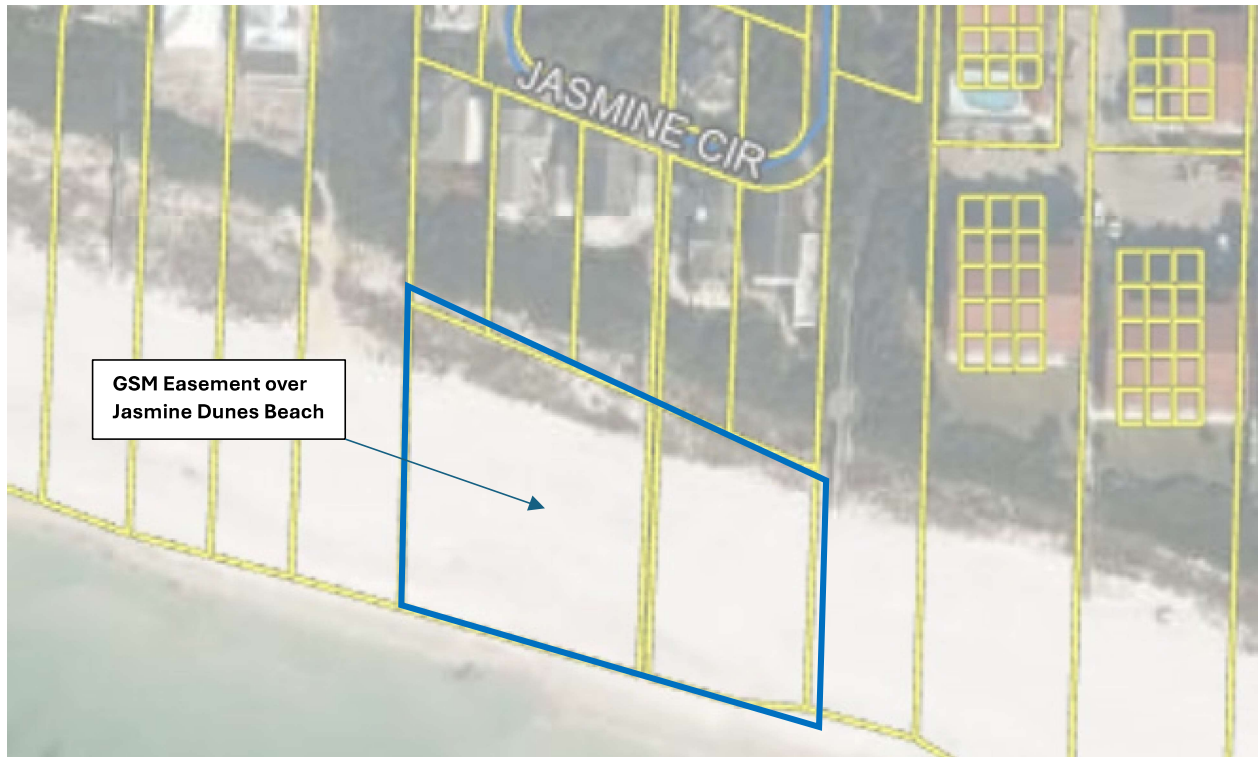
The Stipulated Final Judgment had no effect on the prior Final Judgment in Case No. 93-0857-CA (recorded in BK 1183, PG 165), which affirmed Gulf Shore Manor’s perpetual non-exclusive easement rights to the Seawalk East and Seawalk West beach areas. The Final Judgment in Case No. 93-0857-CA provides that Gulf Shore Manor has a perpetual, nonexclusive right of use for the purposes of normal and customary use of the beach, including but not limited to such uses as walking over and across, sunbathing, picnicking, swimming and kite flying, in and to the Seawalk West Beach and Seawalk East Beach Area, as depicted below:



Gulf Shore Manor continues to hold a perpetual non-exclusive easement over these areas for enjoyment of the beach.

2. Jasmine Dunes Beach

The Stipulated Final Judgment had no effect on the prior Final Judgment Entered on November 18, 1986 (Harold L. Foshee v. Warrington Oil Corp., et al.) (Recorded in BK 401, PG 617), which affirmed Gulf Shore Manor's perpetual non-exclusive easement rights to the Jasmine Dunes Beach Area, depicted below. The final judgment provides that every owner in Gulf Shore Manor has a perpetual non-exclusive easement for walking over and across, sunbathing, picnicking, bathing and swimming, and any other like recreational use, in and to the Jasmine Dunes Beach area, as depicted below:



Gulf Shore Manor continues to hold a perpetual non-exclusive easement over these areas for enjoyment of the beach.

3. Entirety of Gulf Shore Beach and the Bathing Beach

The Stipulated Final Judgment had no effect on the prior Final Judgment entered in Case No. 92-0553-CA (BK 983, PG 9), which affirmed Gulf Shore Manor's rights to use the Gulf Shore Beach and Bathing Beach as designated on the plat of Gulf Shore Manor and depicted below:

