



amenities as more particularly set forth herein (the “Phase II Recreational Amenities”) as well as a parking deck below the units in the Phase II Building (the “Phase II Parking”); and

WHEREAS, C&P is the fee simple owner of that certain real property lying and situate in Myrtle Beach, Horry County, South Carolina, and legally described on Exhibit C attached hereto and made a part hereof (the “Garage Property”), upon which a parking deck is being constructed to serve as parking for the Project Property (the “Parking Garage”); and

WHEREAS, Carolinian is the fee simple owner of that certain real property lying and situate in Myrtle Beach, Horry County, South Carolina, and legally described on Exhibit D attached hereto and made a part hereof (the “Third Row Parking Property”), upon which surface parking spaces are located (the “Third Row Surface Parking”); and

WHEREAS, the Phase I Parking, Phase II Parking, Parking Garage and the Third Row Surface Parking are collectively referred to in this Agreement as the “Project Parking”;

WHEREAS, the Phase I Recreational Facilities and the Phase II Recreational Facilities are collectively referred to in this Agreement as the “Project Recreational Facilities”;

WHEREAS, Declarant, any homeowners’ association created upon the Project Property, and any future Owner(s), guests, sales prospects, tenants, exchangers, invitees and holders of mortgages of a portion of the Project Property shall hereinafter be collectively referred to as the “Benefitted Parties”; and

WHEREAS, C&P and Carolinian intend that, subject to the conditions and terms of this Declaration, the Project Recreational Facilities and Project Parking, shall be constructed as set forth herein and that they shall be used for the mutual benefit and enjoyment of the Benefitted Parties.

NOW, THEREFORE, C&P and Carolinian hereby declare that this Declaration and the covenants, conditions, and easements established herein shall be covenants to run with the land and that all the Project Property (and Additional Property, as hereinafter defined, or portions thereof, when and if submitted to the provisions hereof) are herewith subject and subordinate to the terms, provisions and conditions hereof. Said covenants, conditions, and easements are hereby granted and conveyed to, and shall inure to the benefit of and shall be binding upon each and every owner of any portion of the Project Property subject to this Declaration and his or her respective Benefitted Parties of the Project Property or any portion thereof. By the recording or acceptance of the conveyance of a Parcel or Unit subject to this Declaration or any interest therein, the person or entity to whom such interest is conveyed shall be deemed to accept and agree to be bound by the provisions of this Declaration.

## ARTICLE I

### 1. DEFINITIONS

When used in this Declaration, unless the context shall prohibit or require otherwise, the following words shall have all the following meanings, and all definitions shall be applicable to the singular and plural forms of any such term(s):

- 1.1 “Additional Property” shall mean and refer to any land located within a distance of two (2) blocks from the Project Property, together with all improvements now or hereafter constructed thereon and submitted to the terms of this Declaration.
- 1.2 “Association” shall mean a homeowners’ association governing any portion of the Project Property.
- 1.3 "Exclusive Parking" shall mean up to five (5) parking spaces in the Phase I Parking and five (5) spaces within the Phase II Parking which may be designated by the Owner or Association of the Phase I Property and/or Phase II Property, respectively, for the exclusive use of said Owner, Association, or Unit owners within that Phase, as set forth in Paragraph 3.1 below.
- 1.4 “Phase I Buildings” shall mean any building or other structure located on the land described on Exhibit A attached hereto.
- 1.5 “Phase II Building” shall mean any building or other structure located on the land described on Exhibit B attached hereto.
- 1.6 “Phase I Property” shall mean the parcel or lot of land described on Exhibit A attached hereto.
- 1.7 “Phase II Property” shall mean the parcel or lot of land described on Exhibit B attached hereto.
- 1.8 “Garage Property” shall mean the perpetual easement rights set forth in that certain parcel Grant of Easement from C&P Partnership, LLC recorded January 3, 2003, in Deed Book 2553, at Page 844, and re-recorded February 14, 2003, in Deed Book 2565, at Page 394, records of Horry County, South Carolina, said rights encumbering the parcel or lot of land described on Exhibit C attached hereto.
- 1.9 “Third Row Parking Property” shall mean the parcel or lot of land described on Exhibit D attached hereto.
- 1.10 “Benefitted Parties” shall mean the owner(s) of or the Association governing any portion of the Project Property, and any owners, guests, invitees, and mortgagee of any portion of the Project Property.

- 1.11 "Project Parking" shall mean all parking areas located on the Project Property other than the Exclusive Parking.
- 1.12 "Declarant" shall mean and refer to Carolinian, LLC, its successors and assigns; provided, however, that this definition shall not include an Association, the purchaser, owner, or mortgagee of any portion of the Project Property or a purchaser, owner, or mortgagee of a Unit within any portion of the Project Property submitted to a condominium form of ownership, unless such party is a party to which such rights are specifically assigned in writing.
- 1.13 "Declaration" shall mean and refer to this Declaration of Covenants and Reciprocal Easement Agreement and all supplements or amendments to it filed for record from time to time in the office of the Register of Deeds for Horry County, South Carolina.
- 1.14 "Mortgagee" shall mean a lienholder having a mortgage, deed of trust, or other lien on any portion of the Project Property.
- 1.15 "Owner" shall mean and refer to one or more persons, including Declarant, who, individually or collectively, if more than one, own fee simple title to a Parcel, as hereinafter defined, their successors and assigns. Owner shall not refer to any mortgagee (unless such mortgagee has acquired title for other than security purposes) or to any person or persons purchasing a Parcel under contract (until title is conveyed of record), including any beneficiary and/or any interest holder of a timeshare, timeshare club, club membership, or other such Ownership arrangement. To the extent there is an obligation placed upon an Owner pursuant to Articles III, IV or V of this Declaration such owner shall be deemed to be the Association existing in respect to that portion of the Project Property so effected. Despite the foregoing, the characterization of the Association as "Owner" shall not remove any individual Owner from being subject to the terms of this Declaration in all respects.
- 1.16 "Parcel" shall mean a separately described subdivision of the Project Property which may be held as a separate tract or submitted to the provisions of the Horizontal Property Act of South Carolina.
- 1.17 "Project Recreational Amenities" shall mean all pools, lazy rivers, jacuzzis, that are for the common use of all Owners or Unit Owners of the Parcel upon which said amenities are located.
- 1.18 "Unit " shall mean an ownership interest in a horizontal property regime established on a Parcel pursuant to the South Carolina Horizontal Property Act or other portion of the Project Property.
- 1.19 "Unit Owner" shall mean an owner of a Unit, as defined herein.

## ARTICLE II

### 2. PLAN OF DEVELOPMENT

- 2.1 Plan of Development. Carolinian owns the Phase I Property and the two buildings located thereon, which constitute the Phase I Buildings. Building 1 is an existing building consisting of a ten story hotel and related amenities. Building 2 consists of a one hundred twenty-nine (129) unit condominium tower building. Declarant intends to submit the Phase I Buildings to a condominium form of ownership to be known as the Carolinian Resort Horizontal Property Regime, which shall be governed by an Association known as the Carolinian Resort Homeowners' Association, Inc.

Carolinian owns the Phase II Property and plans to construct an 83 two bedroom equivalent unit condominium timeshare building with a parking garage located beneath the units. It is intended that the Phase II Property, including the Phase II Building, will be submitted to a condominium or timeshare regime governed by an Association.

C&P owns the Garage Property and plans to construct a multi-level garage initially consisting of six levels in accordance with the PUD Ordinance, as may be amended, which parking garage shall be completed on or before the date the Phase II Building is completed. Pursuant to the easement rights, Declarant or the Owner of the Garage Property may construct additional improvements upon the Garage Property.

Carolinian owns the Third Row Parking Property that contains a surface parking lot consisting of at least eighty-six (86) parking spaces. The easement granted herein to use the parking located upon the Third Row Parking Property may be relocated by Declarant to the Garage Property or to Additional Property, as set forth below.

- 2.2 No Obligation to Submit Additional Property: The option reserved by Declarant to submit the Additional Property or portions thereof to the terms hereof shall in no way be construed to impose upon Declarant any obligation to submit all or any portion of the Additional Property to the terms of this Declaration or to construct thereon any improvements of any type or kind whatsoever or to restrict or limit its use in any manner. Any such amendment shall expressly submit the Additional Property, or portion thereof, to all the provisions of this Declaration.
- 2.3 Interest Subject to Plan of Development. Every Owner and Mortgagee of any Parcel or Unit subject to this Declaration shall take title, or hold such security interest with respect thereto, subject to the terms, conditions, covenants and restrictions set forth in this Declaration, and to the rights of Declarant hereunder, specifically including but not limited to the right of Declarant to amend this Declaration for the purpose of relocating the Replacement Parking as set forth in Section 5.2 hereof.
- 2.4 Statement of Intent: It is the intent of Declarant to provide by this Declaration for the

shared use of the Phase I Access, all Project Parking (except for the Exclusive Parking) and Project Recreational Amenities by all Owners, Unit Owners and Associations within the Project Property.

### ARTICLE III

3. **RECIPROCAL EASEMENTS.** Declarant, by execution hereof, does hereby grant, convey, bargain and exchange to the Owners for the benefit of such Owners, the Benefited Parties and the Project Property, the following described easements, and further states that the Project Property shall be subject to such easements:
  - 3.1 Easements in Project Parking: A non-exclusive, appurtenant, perpetual easement in favor of and benefitting the Benefitted Parties for ingress, egress and vehicular parking upon all of the Project Parking except for the Exclusive Parking. The within easement shall not entitle any Benefitted Party to designated or identified parking spaces; however, the Owner or Association of a Parcel may designate up to five Exclusive Parking spaces within the Project Parking located upon said Owner's or Associations Parcel to be for the exclusive use of said Owner or Association or for specific activities such as loading and unloading. Such spaces may be designated by signage indicating such restriction upon use.
  - 3.2 Easements in Project Recreational Amenities: A non-exclusive, appurtenant, perpetual easement benefitting the Benefitted Parties for ingress, egress and use of all of the Project Recreational Amenities. Provided, however, that the Owner or Association of a Parcel may enforce reasonable rules and regulations for the use of the Project Recreational Amenities located upon said Owner's or Association's Parcel so long as said rules and regulations do not discriminate against any person or persons who, but for this Declaration, would not be entitled to the use and enjoyment of the Project Recreational Amenities.
  - 3.3 Access Easements: A non-exclusive, appurtenant, perpetual easement over and across all walkways, paths, sidewalks, breezeways, and corridors, for the benefit of the Benefitted Parties as reasonably necessary to provide ingress and egress (vehicular and pedestrian) to the Project Parking, access to Project Recreational Amenities and access over the Phase I Property for ingress and egress to the public beach located adjacent to the Phase I Property.

### ARTICLE IV

4. **CONSTRUCTION AND MAINTENANCE**
  - 4.1 Construction of Project Parking, Phase I Access and Project Recreational Amenities: Each Owner of a Parcel shall be responsible for the construction of the buildings, Phase I Access, Project Parking and Project Recreational Amenities located upon its Parcel in accordance with all laws, statutes, rules, regulations and ordinances of any federal, state, or local governmental authority having jurisdiction over the same, including

without limitation the PUD Ordinance. The Project Recreational Amenities and Phase I Access within the Phase I Property, the Parking Garage, and Third Row Surface Parking shall be completed on or before completion of the Phase II Building.

- 4.2 Maintenance by Owner or Association: Each Owner or Association of a Parcel shall be required to maintain and repair the Project Parking, Phase I Access and Project Recreational Amenities located upon its Parcel in a good and safe condition and in accordance with any applicable laws, rules, ordinances or regulations governing the Project Parking and Project Recreational Amenities. The Owner or Association of the Phase I Property shall be responsible for the maintenance and repair of the Phase I Access, Garage Property and Third Row Parking Property. In the event an Owner or Association fails to maintain its portion of the Project Parking, Phase I Access or Project Recreational Amenities (“Non-Performing Party”) as set forth herein and such breach is not cured within fifteen (15) days after written notice (or such longer period if such party commences to cure within such fifteen (15) days and is proceeding diligently and continuously to complete such cure), the Owner(s) or Association(s) of the other portions of the Project Property shall have the right to specifically enforce such obligations through arbitration as hereinafter provided or to perform such work whereupon the Non-Performing Party shall be liable to the Owner or Association performing such work for one hundred ten percent (110%) of the costs (hard and soft) to cure such breach, together with interest thereon at 15% from the date such work is performed until repaid, together with all costs of collection including, but not limited to attorney fees and court costs (collectively the “Cure Sums”), and further shall be entitled to file a lien (effective as of the date of filing) which may be foreclosed in the same manner as a mortgage on the property of the Non-Breaching Party.
- 4.4 Temporary Closures: The Owner of a Parcel may temporarily close or restrict the use of its Project Parking or Project Recreational Amenities for the purposes of maintenance or repairs, or during construction of additional improvements upon said Parcel (whether or not such improvements contain additional Project Parking or Project Recreational Amenities); provided that as to the Project Parking said Owner must provide adequate alternative temporary parking spaces in sufficient number to at all times meet the parking requirements of the City of Myrtle Beach or any other governmental authority having jurisdiction over the Project Property. Without limiting the foregoing, Declarant reserves the right to temporarily close the Project Parking located upon the Garage Parcel in order to construct additional parking levels or other improvements thereon provided adequate alternative temporary parking is provided within two (2) blocks of the Phase II Property.
- 4.5 Relocation of Parking Located on Third Row Parking Parcel: Declarant reserves the right to terminate the easement rights set forth herein as to the Third Row Parking Property, thus removing the Third Row Parking Property from the terms of this Declaration, provided that Declarant constructs and/or submits to the terms of this Declaration sufficient parking to replace the number of spaces located upon the Third Row Parking Parcel (the “Replacement Parking”). It is intended that the Replacement

Parking shall be located in additional levels to be constructed upon the Garage Property or upon Additional Property. Nothing herein shall require Declarant to construct or provide such Replacement Parking unless and until the Third Row Parking Property is removed from the terms of this Declaration. In the event Declarant exercises its right to relocate said parking, Declarant shall file an amendment to this Declaration terminating the easement rights contained herein as to the Third Row Parking Property and submitting the completed Replacement Parking to the terms hereof with the Register of Deeds Office for Horry County on or prior to the discontinuance of the Third Row Parking.

- 4.6 Damage: Each Owner or Association is responsible for any damage caused by such Owner or Association (or its Benefitted Parties) to the property of any other Owner or Association.
- 4.7 Insurance: Each Owner or Association shall maintain public liability and property damage insurance covering its Parcel, as well as casualty insurance covering all of the Project Parking and Project Recreational Amenities located upon said Owner's or Association's Parcel, in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the insurance carrier, such coverage to afford protection against (i) loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsements; and (ii) such other risks of a similar or dissimilar nature as are or shall be customarily covered with respect to buildings similar in construction, location and use to the Project Parking and Project Recreational Amenities, including but not limited to vandalism, malicious mischief, windstorm, wind driven rain damage, water damage, flood damage and war risk insurance, if available.

## ARTICLE V

### 5. GENERAL PROVISIONS

- 5.1 Amendments. Amendments to this Declaration, other than those authorized by Paragraph 5.2 hereof, shall only be made by written consent of all Owners of or Associations governing Parcels subject to this Declaration, and shall be effective only upon filing of such amendments with the Register of Deeds for Horry County, South Carolina.
- 5.2 Amendments by Declarant. Notwithstanding any other provision herein, Declarant may amend this Declaration without the consent of any Owner, Association or owner of a Unit to submit the Replacement Parking provided for in Paragraph 4.5 above to the terms of this Declaration. Provided, however, that in the event the Replacement Property is located upon Additional Property then the Owner or Association of such property shall not be a Benefitted Party unless and until the Owner(s) and/or Association(s) of the Phase I Property, the Phase II Property and the Garage Property consent in writing thereto.

- 5.3 Enforcement. Each Owner, Association and Unit Owner shall comply strictly with the terms of this Declaration, as they may be lawfully amended from time to time. Failure to comply with such terms shall be grounds for the exercise of all rights available to an aggrieved Owner, Benefitted Parties or Association. Should Declarant, an Owner or an Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys, fees, shall be paid by the violating party. Inasmuch as the enforcement of the provisions of this Declaration is essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, Benefitted Parties and Associations, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, any Association, any Benefitted Party, or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the equitable remedy of injunction to restrain any such violation or omission. Failure on the part of Declarant, any Association, or any Owner in exercising any right, power or remedy herein provided shall not be construed as an acquiescence thereto and shall not be deemed a waiver of the right to enforce such right, power or remedy thereafter as to the same violation or breach, or as to any violation or breach occurring prior or subsequent thereto. No right of action shall accrue in favor of nor shall any action be brought or maintained by anyone whatsoever against Declarant or any Association or Owner for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any person of the provisions of this Declaration.
- 5.4 Duration. The provisions of this Declaration shall be perpetual and run with the land and be binding upon the title to the Land, shall be binding upon and inure to the benefit of the Declarant, Benefitted Party(s), all Owners, all Associations and all mortgagees, and their respective heirs, executors, legal representatives, successors and assigns, and successors in title, until terminated by written agreement filed with the Register of Deeds for Horry County, South Carolina signed by all Owners and Associations owning a Parcel or Unit. Every purchaser or grantee of any interest in the Development, by acceptance of a deed or other conveyance thereof, thereby agrees that the provisions of this Declaration shall run with the land and be binding upon the title to the land as provided hereby.
- 5.5 Termination of Rights of Abandoned Parcel Owner or Association: Notwithstanding anything to the contrary contained herein, in the event that the building(s) upon a Parcel subject hereto are destroyed, substantially damaged or no longer in use or operated (an "Abandoned Parcel") and the Owner or Association of such Abandoned Parcel has not commenced rebuilding, repair (which rebuilding or repair must be diligently pursued to completion) or resumed operation for a period of at least six (6) months after written notice from an Owner or Association of a Parcel, which is not an "Abandoned Parcel" as defined herein (an "Operating Parcel"), is delivered to the Owner or Association of the Abandoned Parcel, then the Owner or Association of an Operating Parcel may terminate the within rights, including without limitation the easements for use, of the Abandoned Parcel Owner or Association as to that Operating Parcel until the Project Parking, Phase I Access and/or Project Recreational Amenities (as applicable) are

replaced. Such termination shall not terminate the Operating Parcel Owner's or Association's rights contained in this Declaration, including without limitation easements for use, as to the Abandoned Parcel. Upon such a termination, the Owner or Association of the Abandoned Parcel shall remove any debris, trash, or unsightly materials from the Abandoned Property and perform any necessary repairs, demolition or alterations necessary to place the Abandoned Parcel in a safe condition within thirty (30) days. Further, and notwithstanding the termination of rights provided for herein, the Owner or Association of the Abandoned Parcel shall rebuild or repair the Project Parking located upon said Abandoned Parcel to the extent necessary such that the remaining Parcels shall have access to sufficient parking meeting the requirements of the PUD Ordinance and the Phase I Access shall always be provided. If the Owner or Association of the Abandoned Parcel does not comply with the provisions hereof, the Owner or Association of the Operating Parcel may, but without obligation to do so, perform said repairs, demolition or alterations at the expense of the Owner or Association of the Abandoned Parcel. The cost of such work performed by the Owner or Association of the Operating Parcel shall be paid by the Owner or Association of the Abandoned Parcel.

- 5.6 Perpetuities. If any of the covenants, conditions, easements or other provisions of this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of George Herbert Walker Bush.
- 5.7 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive. The effective date of this Declaration shall be the date of its filing for record in the Records of the Register of Deeds for Horry County, South Carolina. The captions of each Article and Paragraph hereof as to the contents of each Article and Paragraph 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 Paragraph to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of South Carolina.
- 5.8 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.
- 5.9 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this

Declaration to any person 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 Declaration are declared to be severable.

- 5.10 Rights of Third Parties. This Declaration shall be recorded for the benefit of Declarant, the Owners, Unit Owners, Associations, and their Mortgagees as herein provided, and by such recording, no adjoining property owner or third party shall have any right, title or interest whatsoever in the Project Property, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and subject to the rights of Declarant and Mortgagees herein provided, the Owners and Associations shall have the right to extend, modify, amend or otherwise change the provisions of this Declaration without the consent, permission or approval of any adjoining owner or third party.
- 5.11 Notices. Notices required hereunder shall be deemed given when in writing and delivered by hand or sent by United States Mail, postage prepaid. All notices to Owners, Associations, or Unit Owners shall be delivered or sent to such addresses as have been designated in writing to the other Owners or Associations, or if no address has been so designated in writing, at the addresses of such Owner's or Association's Parcel. All notices to Declarant shall be delivered or sent to Declarant at the address of the Phase I Property, or to such other address as Declarant may from time to time provide in writing to Owners or Associations of Parcels.
- 5.12 Successors and Assigns. Except where expressly stated to the contrary and without the necessity of separately so stating at every reference herein, all provisions herein shall be binding upon and inure to the benefit of the Declarant, Associations, Owners and their respective heirs, successors and assigns and successors in title.
- 5.13 Waiver of Jury Trial: Declarant hereby declares, on behalf of itself, any Owner, any Association, any Benefitted Party, member of any Association, or owner of an interest in any Parcel, that any and all right to trial by jury shall be waived by Declarant, any Owner, any Association, any Benefitted Party, member of any Association, or owner of an interest in any Parcel in any dispute, proceeding, case or controversy arising under or related to the within Declaration.
- 5.14 Arbitration. If a dispute, controversy, or claim (whether based upon contract, tort, statute, common law, or otherwise) (collectively a "Dispute") arises from, or relates directly or indirectly to, the subject matter hereof, and if the Dispute cannot be settled through direct discussions within thirty (30) days of the commencement of such a Dispute, such Dispute shall be settled by binding arbitration in accordance Title 15, Chapter 48 (Uniform Arbitration Act) of the Code of Laws of South Carolina, 1976, as amended, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. The arbitration proceedings shall be conducted in Horry County, South Carolina, on an expedited basis before a neutral arbitrator (or multiple

arbitrators if required by the Uniform Arbitration Act) who is a member of the Bar of the State of South Carolina and has been actively engaged in the practice of law for at least fifteen (15) years, specializing in commercial transactions with substantial experience in the subject matter of this Agreement. Any attorney who serves as an arbitrator shall be compensated at a rate equal to his or her current regular hourly billing rate. The decision of the arbitrator or arbitrators shall be final. Upon the request of either party, the arbitrator's award shall include findings of fact and conclusions of law but the same may be in summary form. Unless otherwise deemed appropriate by the arbitrator(s), the prevailing party shall be entitled to an award of all reasonable out-of-pocket costs and expenses (including attorneys' and arbitrators' fees ) related to the entire arbitration proceeding. Upon entry of an arbitration award requiring specific performance and the failure of the Owner or Association responsible thereunder to perform within sixty (60) days thereafter, the prevailing Association or Owner shall have the right, including all necessary or convenient easements, to perform the work required by the arbitration award and to be reimbursed for all costs thereof by the Association or Owner responsible therefor. The prevailing party in any arbitration proceeding pursuant hereto shall have the right, pursuant to the South Carolina Uniform Arbitration Act, to have the award confirmed by the Horry County Circuit Court and judgment entered on the award.

IN WITNESS WHEREOF, the duly authorized officers of the undersigned Carolinian, LLC and C&P Partnership, LLC have executed this Declaration this day of April, 2004.

In the Presence of:

CAROLINIAN, LLC

By: Strand Capital Partners, LLC, its Manager

\_\_\_\_\_

By: \_\_\_\_\_

Manager

\_\_\_\_\_

In the Presence of:

C&P PARTNERSHIP, LLC

By: \_\_\_\_\_

Member

\_\_\_\_\_



**EXHIBIT A**  
**“Phase I Property”**

ALL AND SINGULAR, that certain piece, parcel or lot of land lying, situate and being in the City of Myrtle Beach, County of Horry, State of South Carolina, and being more particularly shown and described as a combined lot containing Lot 215, Lot 217, and 20' Alley to be Abandoned, Eastern Section, on that certain “Recombination Map Survey for Strand Capital Partners” prepared by Huntley and Associates, Inc. dated December 2, 2002, and recorded January 2, 2003, in Plat Book 187, at Page 145, records of Horry County, South Carolina, said plat being incorporated herein for reference.

**OCEANFRONT PROPERTY DISCLOSURE**

PURSUANT TO S. C. CODE ANN. SECTION 48-39-330 (1988 SUPP.), DECLARANT DISCLOSES THAT THE PROPERTY DESCRIBED ABOVE OR A PORTION THEREOF IS OR MAY BE SUBJECT TO STATUTORY REGULATION IMPOSED BY THE SOUTH CAROLINA COASTAL ZONE ACT OF 1977, S.C. CODE ANN. SECTIONS 48-39-10 ET. SEQ. (1988 SUPP.), AS AMENDED BY THE SOUTH CAROLINA BEACH MANAGEMENT ACT, S.C. CODE ANN. SECTION 48-39-270 ET. SEQ. (1988 SUPP.), HEREINAFTER COLLECTIVELY CALLED “THE COASTAL CONTROL ACTS.” THE COASTAL CONTROL ACTS INVOLVE, AND MAY SUBJECT THE PROPERTY TO, THE CREATION AND EXISTENCE OF INTERIM AND FINAL BASELINES, SETBACK LINES, THE VELOCITY ZONE AND AN EROSION RATE, ALL AS IS MORE FULLY DEFINED IN THE COASTAL CONTROL ACTS. PART OR ALL OF THE PROPERTY DESCRIBED ABOVE IS OR MAY BE LOCATED SEAWARD OF THE SETBACK LINE, THE MINIMUM SETBACK LINE OR INTERIM BASELINE, AND HAS AN EROSION RATE, ALL AS DETERMINED BY THE SOUTH CAROLINA COASTAL COUNCIL, N/K/A OFFICE OF OCEAN COASTAL RESOURCE MANAGEMENT. ALL OR PART OF THE PROPERTY DESCRIBED ABOVE IS OR MAY BE WITHIN THE VELOCITY ZONE AS DETERMINED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY. THE COASTAL CONTROL ACTS MAY ALSO RESTRICT AN OWNER’S RIGHT TO BUILD, REPAIR OR REBUILD STRUCTURES ON THE LAND. NO STRUCTURE MAY BE CONSTRUCTED SEAWARD OF THE SETBACK LINE WITHOUT A PERMIT ISSUED BY THE SOUTH CAROLINA COASTAL COUNCIL, N/K/A OFFICE OF OCEAN COASTAL RESOURCE MANAGEMENT. PURSUANT TO THE COASTAL CONTROL ACTS, THE LOCATIONS OF THE BASELINES AND INTERIM AND FINAL SETBACK LINES ARE SUBJECT TO CHANGE. THE METHODOLOGY UTILIZED IN DETERMINING THE EXACT LOCATION OF THE SETBACK LINES AND BASELINES ON THE PROPERTY AND THE CURRENTLY APPLICABLE EROSION RATE MAY BE OBTAINED FROM THE SOUTH CAROLINA COASTAL COUNCIL, N/K/A OFFICE OF OCEAN COASTAL RESOURCE MANAGEMENT. THE METHODOLOGY DESCRIBED ABOVE MUST BE UTILIZED IN A CASE-BY-CASE, PROPERTY-BY-PROPERTY MANNER IN ORDER FOR AN EXACT, SURVEYED DETERMINATION TO BE MADE OF THE

LOCATION OF THE BASELINES AND SETBACK LINES. DECLARANT MAKES NO REPRESENTATION CONCERNING THE LOCATION OF SUCH BASELINES, SETBACK LINES, OR THE VELOCITY ZONE, THE EFFECT OF SUCH REGULATION ON THE PROJECT, OR THE ACCURACY OF THE FOREGOING DISCLOSURE. THIS INFORMATION IS SHOWN WITH MORE PARTICULARITY ON THAT CERTAIN PLAT MADE BY HUNTLEY AND ASSOCIATES, INC. DATED, 2004, RECORDED IN PLAT BOOK \_\_\_\_\_, PAGE \_\_\_\_\_, RECORDS OF Horry County, REFERENCE TO WHICH IS HEREBY MADE FOR A MORE COMPLETE DESCRIPTION. PURSUANT TO SECTION 27-31-100(f), SOUTH CAROLINA CODE ANNOTATED, 1976, NOTICE IS GIVEN THAT ALL ACTIVITIES ON OR OVER AND ALL USES OF ANY SUBMERGED LAND OR OTHER CRITICAL AREAS ARE SUBJECT TO THE JURISDICTION OF THE SOUTH CAROLINA COASTAL COUNCIL, N/K/A OFFICE OF OCEAN COASTAL RESOURCE MANAGEMENT, INCLUDING BUT NOT LIMITED TO THE REQUIREMENTS THAT ANY ACTIVITY OR USE MUST BE AUTHORIZED BY THE SOUTH CAROLINA COASTAL COUNCIL, N/K/A OFFICE OF OCEAN COASTAL RESOURCE MANAGEMENT. ANY OWNER IS LIABLE TO THE EXTENT OF HIS OWNERSHIP AND FOR ANY DAMAGES TO, ANY INAPPROPRIATE OR UNPERMITTED USES OF, AND ANY DUTIES OR RESPONSIBILITIES CONCERNING ANY SUBMERGED LAND, COASTAL WATERS, OR ANY OTHER CRITICAL AREA.

**EXHIBIT B**  
**“Phase II Property”**

ALL AND SINGULAR, that certain piece, parcel or lot of land lying, situate and being in the City of Myrtle Beach, County of Horry, State of South Carolina, and being more particularly shown and described as a combined lot containing Lot 214, Lot 216, and 20' Alley to be Abandoned, Eastern Section, on that certain “Recombination Map Survey for Strand Capital Partners” prepared by Huntley and Associates, Inc. dated December 2, 2002, and recorded January 2, 2003, in Plat Book 187, at Page 145, records of Horry County, South Carolina, said plat being incorporated herein for reference.

**EXHIBIT C**  
**“Garage Property”**

ALL AND SINGULAR, that certain piece, parcel or lot of land lying, situate and being in the City of Myrtle Beach, County of Horry, State of South Carolina, and being more particularly shown and described as a combined lot containing Lots 2 and 3, Block 3-W, Washington Park Section on that certain “Recombination Map Survey for Strand Capital Partners” prepared by Huntley and Associates, Inc. dated December 2, 2002, and recorded January 2, 2003, in Plat Book 187, at Page 145 records of Horry County, South Carolina, said plat being incorporated herein for reference.

**EXHIBIT D**  
**Third Row Parking Parcel**

ALL AND SINGULAR, those certain pieces, parcels or lots of land situate, lying and being at Myrtle Beach, Dogwood Neck Township, Horry County, South Carolina and being Lots Two (2), Three (3) and Four (4) of Block Four-W (4-W) of the Washington Park Section as shown map of Washington Park Section made by T.M. Jordan, Engineer, dated February, 1947, and recorded in Register of Deeds Office for Horry County in Plat Book 6, at Page 19, on March 13, 1947, reference to which is craved as forming a part of these presents.