

## PRE-RESERVATION AGREEMENT

THIS PRE-RESERVATION AGREEMENT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2005, by and between **SCHOONER OCEANFRONT TOWER DEVELOPMENT, INC.**, a South Carolina corporation (hereinafter referred to as "Developer") and \_\_\_\_\_ (hereinafter referred to as "Prospective Purchaser").

### WITNESSETH:

WHEREAS, Developer desires to convert an existing hotel building located at 2311 S. Ocean Boulevard, Myrtle Beach, SC, to a condominium complex generally in accordance with the plans and specifications which may be viewed by Prospective Purchaser when completed at Developer's address set forth herein; and

WHEREAS, such condominium complex will be a Horizontal Property Regime to be known as **THE SCHOONER at Compass Cove Resort** to be established by a Master Deed to be recorded in the records of Horry County, South Carolina; and

WHEREAS, Prospective Purchaser desires to express its interest in purchasing a unit within **THE SCHOONER** Horizontal Property Regime;

NOW, THEREFORE, the parties hereto agree as follows:

1. **Pre-Reservation of Unit(s)**. Prospective Purchaser hereby expresses an interest in purchasing, and hereby reserves the opportunity to purchase a unit, but not a specific unit, from **SCHOONER OCEANFRONT TOWER DEVELOPMENT, INC.**, when, and if submitted to the Master Deed for **THE SCHOONER** Horizontal Property Regime upon such terms and conditions as the Prospective Purchaser and Developer may hereafter agree upon.

2. **Deposit of Funds in Escrow**. Simultaneously with the execution of this Pre-Reservation Agreement, Prospective Purchaser has deposited the sum of Five Thousand and No/100 Dollars (\$5,000.00), with The Hoffman Group, Inc. ("Escrow Agent"). Said sum shall be held by Escrow Agent in accordance herewith, as an expression of Prospective Purchaser's interest in purchasing a Unit.

3. **Period of Pre-Reservation Agreement**. At such time as Developer obtains sufficient executed Pre-Reservation Agreements to make it economically feasible to proceed with the condominium conversion of **THE SCHOONER** in Developer's sole and absolute discretion, Developer may begin presenting a reservation or contract for the sale of the units within **THE SCHOONER** prior to condominium conversion thereof. Upon the Prospective Purchaser hereunder being presented with such a reservation or contract it shall have five (5) business days to execute and return such reservation or contract to Developer along with any additional earnest money deposit which may be required. In the

event the Prospective Purchaser executes and returns such reservation or contract along with additional required earnest money deposit to Developer within five (5) business days after such reservation or contract is presented to Prospective Purchaser, all sums deposited hereunder shall be paid over by the Escrow Agent to be held in accordance with the terms of such reservation or contract. In the event the Prospective Purchaser fails to execute and return the proposed reservation or contract and additional earnest money within five (5) business after being presented with such reservation or contract, Developer shall cause Escrow Agent to refund the funds deposited hereunder, and neither party shall have any further rights or obligations hereunder.

4. **Termination.** This Pre-Reservation Agreement shall terminate and all monies paid hereunder shall be returned to Prospective Purchaser upon the happening of any of the following:

- a. The Prospective Purchaser's delivering to Developer a written request for refund signed by the Prospective Purchaser specifically releasing all interest in a Unit;
- b. The Prospective Purchaser fails to return the additional earnest money deposit along with the executed reservation or contract for the purchase of a Unit to Developer within five (5) business after such reservation or contract has been presented to the Prospective Purchaser by Developer; or
- c. The return by Developer to Prospective Purchaser of all sums paid by Prospective Purchaser into Escrow pursuant to Section 2 of this Agreement.

5. **Nature of Pre-Reservation.** This Pre-Reservation Agreement is not and does not result in an offer to sell and does not impose a binding obligation on the Prospective Purchaser to purchase a Unit or on the Developer to sell a Unit. Such binding obligation will only arise if the Prospective Purchaser and Developer execute a contract for the purchase and sale of a Unit. Prospective Purchaser's sole remedy hereunder shall be to demand the return of any sums deposited hereunder. This Agreement may be terminated by Developer at any time by the return by Developer (or Escrow Agent) to Prospective Purchaser of all sums paid into escrow, in Developer's sole and absolute discretion.

6. **Miscellaneous.** The rights and obligations of the Developer hereunder may be assigned at any time by the Developer. The rights and obligations of the Prospective Purchaser may not be assigned. This Agreement together with any attachments sets forth the entire understanding of the parties with respect to a Unit and supersedes any and all prior written or oral understandings with respect thereto. This Agreement may not be amended or modified except by written agreement of the parties.

7. **Notices.** All notices required or permitted hereunder shall be in writing and shall be deemed duly given and received as of the date delivered by hand or mailed by

United States mail, certified mail, return receipt requested, with postage prepaid, to the following addresses:

**AS TO DEVELOPER:**

SCHOONER OCEANFRONT TOWER DEVELOPMENT, INC.  
c/o The Hoffman Group, Inc.  
1309 Professional Drive, Suite 100  
Myrtle Beach, SC 29577

**AS TO PROSPECTIVE PURCHASER(S):**

NAME: \_\_\_\_\_  
STREET ADDRESS \_\_\_\_\_  
CITY/STATE/ZIP \_\_\_\_\_  
Telephone: H: (\_\_\_\_\_) \_\_\_\_\_ W: (\_\_\_\_\_) \_\_\_\_\_  
FAX: (\_\_\_\_\_) \_\_\_\_\_ Email Address: \_\_\_\_\_

or such other address as a party hereto may notify the other party pursuant hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Pre-Reservation Agreement the day and year first above written.

In the Presence of:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DEVELOPER:

**SCHOONER OCEANFRONT TOWER  
DEVELOPMENT, INC.,**

By: \_\_\_\_\_  
Its: President

PROSPECTIVE PURCHASER(S):

\_\_\_\_\_  
Social Security No. \_\_\_\_\_

\_\_\_\_\_  
Social Security No. \_\_\_\_\_

AGENT \_\_\_\_\_

