



PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) is made and entered into as of the Effective Date (hereafter defined), by and between **CITY OF MYRTLE BEACH**, South Carolina, a political subdivision of the State of South Carolina (“Seller”), and **PONDEROSA, INC.**, a South Carolina corporation, along with its permitted successors and assigns (“Purchaser”). The term “Effective Date”, as used herein, shall mean the last date on which this Agreement has been fully executed on behalf of Seller and Purchaser as indicated by the dates below the signatures of the parties set forth below.

RECITALS:

WHEREAS, Seller is the sole owner of fee simple absolute title to the Property (as hereinafter defined); and

WHEREAS, Seller has leased the Property to Purchaser for over fifty (50) years and Purchaser is in the first year of a five (5) year lease with Seller which will terminate as of the date of the closing of the transaction contemplated herein.

WHEREAS, Seller desires to sell the Property to Purchaser, and Purchaser desires to purchase the Property from Seller, each upon and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of and in reliance upon the above Recitals, which are acknowledged to be accurate and are incorporated herein, the terms, covenants and conditions contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Purchase and Sale.

(a) Property. Subject to the terms and conditions of this Agreement, Seller shall sell, convey and assign to Purchaser, and Purchaser shall purchase from Seller, the following described real property situate, lying and being approximately 63.92 acres (“PirateLand Tract”), more or less, together with all rights, appurtenances, easements, improvements, and privileges thereto (collectively, the “Property”) as shown on the survey attached hereto and incorporated herein as Exhibit “A”.

(b) Lease. The Property is subject to a five (5) year lease between Seller and Purchaser pursuant to City of Myrtle Beach Ordinance 2019-44 and the related lease dated as of August 27, 2019 (“Lease”).

(c) No Assumption of Liabilities or Other Obligations. Purchaser shall not assume, in connection with the transactions contemplated hereby, any liability or obligation of Seller whatsoever, except those arising under any Permitted Exceptions (as defined herein) from and after Closing (as defined herein), and Seller shall retain responsibility for (i) all liabilities and obligations of Seller accrued or incurred prior to Closing under any Permitted Exceptions and/or which are not matters of record and (ii) all liabilities and obligations arising from Seller’s ownership or operation of the Property prior to Closing,

whether or not accrued and whether or not disclosed. The provisions of this paragraph shall survive Closing or any earlier termination of this Agreement.

(d) Annexation. Purchaser agrees to support and execute an “Annexation Petition” no earlier than five (5) years after the Closing (as defined herein) as long as: (1) the zoning of the Property after annexation into the City of Myrtle Beach allows for all current and existing uses and operations on the Property, and (2) Seller agrees to take over and be responsible for all periodic necessary maintenance and repair of the regional stormwater drainage system and pond located on the Property that Horry County has maintained, repaired and operated for over fifty (50) years. Such Annexation provision may also be included and addressed in the Warranty Deed to cover and bind Purchaser’s successors and assigns to such provision.

2. Purchase Price and Earnest Money.

(a) Purchase Price. The purchase price (the “Purchase Price”) for the Property shall be TWENTY-SIX MILLION FOUR HUNDRED FORTY-TWO THOUSAND THREE HUNDRED SIXTY-ONE AND NO/100 DOLLARS (\$26,442,361.00), subject to such Seller Financing, apportionments, adjustments and credits as are provided herein.

(i) Payment and Allocation of Purchase Price:

(1) Down Payment. At Closing, Purchaser shall pay FOUR MILLION THREE HUNDRED AND SEVEN THOUSAND SIXTY AND NO/100 DOLLARS (\$4,307,060.00 (plus the \$100,000.00 already paid via the Earnest Money Deposit below)) as a “Down Payment” towards its purchase of the Property.

(2) Seller Financing. Seller shall provide financing of the remaining Purchase Price after being reduced by the Down Payment and the Earnest Money. Such remaining Purchase Price of TWENTY-TWO MILLION THIRTY-FIVE THOUSAND FIVE HUNDRED FORTY AND NO/100 DOLLARS (\$22,035,540.00) shall be financed and secured by a purchase money note and mortgage on the following terms (“Loan”):

a. Purchase Money Note. In a form to be reasonably agreed to by both Seller and Purchaser during the Due Diligence Period and thereafter attached hereto and incorporated herein as Exhibit “C” but having the basic terms as follows (“Note”):

The Note shall have a term of five (5) years (“Term”), with interest being charged annually and due thirty (30) days after each annual maturity date:

- i. Year One (1) at 1.5%;
- ii. Year Two (2) at 2.0%;
- iii. Year Three (3) at 3.25%;
- iv. Year Four (4) at 4.00%; and
- v. Year Five (5) at 5.00%.

Interest Only payments to be made and required annually as stated above, but principal payments shall be allowed at any time and in any amount, without prepayment penalty or penalty for early payoff;

In calculating the payoff of the Note, certain Lease payment credits shall be applied to the outstanding balance due, in an amount equal to the Lease payments made by Purchaser under the Lease. Such Lease credit will be based solely with respect to the 2020 calendar year Lease payments or such portions(s) thereof if the Lease is earlier terminated pursuant to the terms of this Agreement.

If the Note is paid in full on or before December 31st of an applicable year during the Term, a “Lease Credit” shall be issued by Seller immediately prior to such payoff to reduce the remaining balance on the Note as provided below:

vi.	2021:	100%;
vii.	2022:	75%;
viii.	2023:	50%;
ix.	2024:	25%;
x.	2025:	0%.

No fees or expenses charged by Seller for or during the life of the Note.

b. First Mortgage Securing the Note. In a form to be reasonably agreed to by both Seller and Purchaser during the Due Diligence Period and thereafter attached hereto and incorporated herein as **Exhibit “D”**.

(b) Earnest Money. Within five (5) days after the Effective Date, Purchaser shall deposit with Purchaser’s attorneys, Nexsen Pruet, LLC (the “Escrow Agent”), an earnest money deposit in the amount of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) (the “Earnest Money Deposit”) in immediately available funds, by federal wire transfer. The Earnest Money Deposit shall be referred to herein as “Earnest Money.” The Earnest Money shall be applied to the Purchase Price at Closing and delivered to Seller at the end of the Due Diligence Period (unless Purchaser terminates this Agreement on or before the end of the Due Diligence Period in accordance with Sections 3(c) or 4 herein) or shall otherwise be released pursuant to the provisions of this Agreement. The Earnest Money shall be held by Escrow Agent in a non-interested bearing escrow account in accordance with the terms and conditions of this Agreement and a separate joint order escrow agreement entered into among Seller, Purchaser and Escrow Agent simultaneously with the execution of this Agreement (the “Escrow Agreement”), which Escrow Agreement shall in the form attached hereto as Exhibit “B” and incorporated herein by reference. If Purchaser fails to deliver the Earnest Money to Escrow Agent within the time period specified above, then Seller shall have the right to terminate this Agreement upon written notice to Purchaser and, upon such termination, Purchaser and Seller shall be released from any and all obligations and liabilities to the other under this Agreement other than any provision that expressly survives the termination of this Agreement.

3. Investigation of the Property.

(a) Due Diligence Period. Purchaser shall have twenty (20) business days from and after the Effective Date to determine whether the Property is suitable and acceptable for Purchaser’s intended use thereof in Purchaser’s sole judgment and discretion (the “Due Diligence Period”).

(b) Inspections. From the Effective Date and thereafter as long as this Agreement remains in effect, Purchaser, its authorized agents and employees, as well as others authorized by Purchaser (collectively with Purchaser, the “Purchaser Parties”) shall have, during business hours and at all other reasonable times prior to the Closing, upon reasonable notice to Seller, the right, at Purchaser’s expense and discretion, to go upon the Property and make such surveying, environmental, architectural, engineering, topographical, geological, soil and other tests, studies and measurements as Purchaser deems necessary or desirable to thoroughly review and examine the Property (including, without limitation, conducting a Phase I Environmental Assessment Report (the “Phase I”), provided, however, no soil borings or land disturbance activities shall be undertaken without the express written consent of Seller. If any damage is caused to the Property by any Purchaser Party or otherwise as a result of any such inspections or other due diligence activities thereon, then Purchaser shall return the Property to its original condition as existed immediately prior to any such damage at Purchaser’s sole expense and responsibility, but this shall not limit Seller’s remedies for breach under Sections 16(b) or 16(d) if Purchaser refuses or otherwise fails to repair any such damage (and Purchaser failure or refusal to make any such repairs shall constitute a breach of

Purchaser's obligations hereunder). Purchaser shall defend (at no cost to Seller) and indemnify Seller and hold harmless Seller from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements), suffered or incurred by Seller and arising out of or in connection with (i) Purchaser's and/or any Purchaser Party's entry upon the Property, (ii) any investigations or other activities conducted thereon by Purchaser or any Purchaser Party, (iii) any liens or encumbrances filed or recorded against the Property as a consequence of the investigations by Purchaser or any Purchaser Party, and/or (iv) any and all other activities undertaken by Purchaser or any Purchaser Party with respect to the due diligence of the Property; provided, however, that Purchaser shall not be obligated to indemnify Seller from any claims, losses, damages, liabilities or costs (1) caused by any act or omission of Seller or any agent, advisor, representative, affiliate, employee, director, partner, members, manager, beneficiary, investor, servant, shareholder, trustee or other person or entity acting on Seller's behalf or otherwise related to or affiliated with Seller (collectively, "Seller Related Parties"); (2) resulting in full or in part from the discovery by Purchaser or any other Purchaser Parties of latent defects on the Property; (3) resulting in full or in part from any diminution in value of the Property arising from matters discovered by Purchaser or any other Purchaser Parties during their investigation of the Property; or (4) resulting in full or in part from the existence of any hazardous materials which are discovered on or under the Property by Purchaser or any Purchaser Parties, or the accidental or inadvertent release thereof by Purchaser or any other Purchaser Parties. Notwithstanding anything to the contrary in this Agreement, the repair and indemnification provisions of this Section 3(b) shall survive Closing or any termination of this Agreement.

(c) Purchaser's Right to Terminate. At any time prior to 5:00 p.m. (Eastern time) on the last day of the Due Diligence Period (the "Due Diligence Termination Deadline"), Purchaser may, in Purchaser's sole and absolute discretion and for any reason or for no reason, terminate this Agreement by written notice to Seller, in which event all of the Earnest Money shall be immediately returned by Escrow Agent to Purchaser and, upon the return and delivery of the Earnest Money to Purchaser, Purchaser and Seller shall be released from any and all obligations and liabilities to the other under this Agreement other than any provision that expressly survives the termination of this Agreement. If Purchaser fails to give Seller any such notice of termination on or before the Due Diligence Termination Deadline, then Purchaser shall no longer have any right to terminate this Agreement under this Section 3(c) and shall be bound to proceed to Closing and consummate the transaction contemplated hereby pursuant to the terms of this Agreement (subject to any other express right of termination provided herein), and Escrow Agent shall immediately disburse the Earnest Money to Seller if Purchaser does not close on the Property as required herein.

(d) Existing Title and Property Information. Within five (5) days following the Effective Date, Seller shall deliver to Purchaser true, correct, complete, and legible copies of all documents, studies, reports, records, maps, and written communications in Seller's possession that relate to the Property (collectively, "Seller Provided Due Diligence Documents"), including, without limitation, agreements with third parties, geotechnical reports, Army Corp of Engineers reports, wetland delineation reports, surveys (including topographic surveys), title policies (including copies of all title insurance commitments, title reports, title exceptions and encumbrances), endangered species studies, environmental reports, archeological/historical studies and traffic studies. Additionally, Seller will, during the Due Diligence Period, authorize any third parties who have conducted environmental, engineering or other reviews, surveys, or studies regarding the Property to release any and all reports or other documents regarding the same to Purchaser (collectively, "3rd Party Provided Seller Due Diligence Documents"). Purchaser is authorized to use any such material to Purchaser's benefit, without additional compensation to Seller. Seller makes no representations or warranties of any kind regarding any such Seller Provided Due Diligence Documents or any 3rd Party Provided Seller Due Diligence Documents. If Purchaser terminates this Agreement, then Purchaser will promptly return all Seller Provided Due Diligence Documents and 3rd Party Provided Seller Due Diligence Documents to Seller.

4. Title and Survey.

(a) Commitment for Title Insurance. Not later than five (5) days after the Effective Date, Purchaser shall order a commitment (with copies of all exceptions) (the "Title Commitment") for an Owner's Policy of Title Insurance listing Purchaser as the proposed insured and the Purchase Price as the proposed policy amount and with an effective date no earlier than the Effective Date of this Agreement. The Title Commitment shall be issued by a title insurance company selected by Purchaser (the "Title Company"). Purchaser shall direct the Title Company to deliver copies of the Title Commitment to Seller's attorney.

(b) Survey. Purchaser has completed a survey of the Property (the "Survey"), and during the Due Diligence Period, Purchaser and Seller shall discuss and agree on the Survey as well as any issues or changes agreed to by both parties. Purchaser agrees to assist Seller with obtaining governmental approval and recordation of the Survey. At Purchaser's request, Seller shall deliver at Closing a limited warranty deed conveying title to the Property to Purchaser using a legal description based on the Survey pursuant to Section 8 below.

(c) Title Objections; Cure of Title Objections.

(i) Purchaser shall have until 5:00 p.m. (Eastern time) on the fifteenth (15th) day after the Effective Date (the "Title Objection Deadline") to examine title to the Property and to provide Seller with a written notice (a "Title Objection Notice") of any objections Purchaser may have to any exceptions to title disclosed in the Title Commitment or matters disclosed by any existing survey or the Survey (the "Objections"). Any exception to title (other than Monetary Liens (as defined herein)) disclosed in the Title Commitment, any existing survey of public record or the Survey to which Purchaser does not object to in the Title Objection Notice shall be deemed a Permitted Exception.

(ii) In the event Purchaser gives a Title Objection Notice, Seller shall have the right, but not the obligation, to attempt to remove, satisfy or otherwise cure the Objections. Notwithstanding the foregoing, at or prior to Closing, Seller shall cause to be removed and satisfied of record any mortgages or other similar security instruments that were recorded against the Property or any other monetary liens that resulted from any act or omission of Seller (collectively, "Monetary Liens"). Not later than five (5) days after receipt of the Title Objection Notice (said five (5) day time period being referred to herein as the "Title Response Period"), Seller may give written notice (a "Title Response") to Purchaser informing Purchaser of Seller's election with respect to the Objections. If Seller fails to give a Title Response on or before such date and time, Seller shall be deemed to have elected not to attempt to cure any of the Objections (other than Monetary Liens). If Seller elects to attempt to cure any Objections (or is obligated to cure any Monetary Liens), then Seller shall use commercially reasonable efforts to attempt to cure the same in accordance with this Agreement and Seller shall be entitled to one or more reasonable extensions of the Closing of up to, but not beyond, the thirtieth (30th) day following the date for Closing set forth in Section 8 hereof to attempt such cure, but Seller shall not be obligated to expend any sums (other than with respect to Monetary Liens), commence any suits or take any other action in order to effect the same.

(iii) If Seller elects not to cure (or is deemed to have elected not to cure) any Objections, or if, after electing to attempt to cure, Seller determines that it is unwilling or unable, after using commercially reasonable efforts, to remove, satisfy or otherwise cure any such Objections (other than removal of Monetary Liens) and Seller notifies Purchaser of such, then, in any such event, Seller shall not be in default of this Agreement and Purchaser's sole remedy hereunder in any such event shall be either: (1) to accept title to the Property subject to such Objections as if Purchaser had not objected thereto and without reduction of the Purchase Price and such Objections (other than Monetary Liens) shall be deemed Permitted Exceptions hereunder, or (2) to terminate this Agreement in accordance with this Section 4(c)(iii), in which event all of the Earnest Money shall be immediately returned by Escrow Agent to Purchaser and, upon the return and delivery of the Earnest Money to Purchaser, Purchaser and Seller shall be released from any and all obligations and liabilities to the other under this Agreement other than any provision that

expressly survives the termination of this Agreement (provided, however, if any such Objection arises as a result of a Seller default under this Agreement, then Purchaser shall have all rights and remedies provided to Purchaser under Section 16(a) of this Agreement for a Seller default).

To terminate this Agreement pursuant to this Section 4(c)(iii), Purchaser must give written notice to Seller of its election to terminate this Agreement not later than: (i) the Due Diligence Termination Deadline if, in fact, Seller gives written notice to Purchaser via the Title Response of Seller election not to cure any such Objections, (ii) the Due Diligence Termination Deadline if Seller is otherwise deemed to have elected not to cure any such Objections, (iii) five (5) business days after Purchaser's receipt of written notice from Seller (any such notice being referred to herein as an "Update to Initial Title Response") that, having previously elected, pursuant to its initial Title Response, to attempt to cure any Objections (not including Monetary Liens), Seller is unable or unwilling, after using commercially reasonable efforts, to do so (and, if necessary, the Closing Date (as defined herein) shall be extended up to the end of such five (5) business days to allow for Purchaser to respond to any such Update to Initial Title Response from Seller), or (iv) at Closing if Seller fails to cure any Objection that Seller has elected to cure in its initial Title Response and does not provide an Update to Initial Title Response regarding same to Purchaser prior to Closing. If Purchaser fails to so terminate this Agreement in accordance with this Section 4(c)(v), then Purchaser shall be deemed to have elected to accept title to the Property subject to such Objections (other than Monetary Liens) as if Purchaser had not objected thereto and without reduction of the Purchase Price and such Objections (other than Monetary Liens) shall be deemed Permitted Exceptions hereunder.

(d) Conveyance of Title. At Closing, Seller shall convey and transfer to Purchaser by limited warranty deed such title to the Property as will enable the Title Company to issue to Purchaser an Owner's Policy of Title Insurance (the "Title Policy") covering the Property in the full amount of the Purchase Price. Notwithstanding anything contained herein to the contrary, the Property shall be conveyed subject to (and the Title Policy may be subject to or contain exceptions for) the following matters, all of which shall be deemed to be Permitted Exceptions:

(i) the lien of all ad valorem real estate taxes not yet due and payable as of the date of Closing;

(ii) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property;

(iii) any encroachment, encumbrance, violation or adverse circumstances affecting the title that would be disclosed by a current, accurate and complete land survey of the Property;

(iv) interests created by, or limitations on use imposed by the Federal Coastal Zone Management Act or other federal law or regulation, or by SC Code §48-39-10 through §48-39-360, as amended, or any regulations promulgated pursuant to said state or federal laws.

(v) jurisdiction of United States Army Corps of Engineers and other governmental authorities with respect to wetlands and wetland buffer areas.

(vi) items which are or become Permitted Exceptions pursuant to Sections 4(c) or 4(e); and

(vii) any liens, encumbrances or title exceptions created by Purchaser or otherwise arising by reason of acts of Purchaser.

(e) Amendments to Title Commitment. All exceptions to title other than Monetary Liens and Material New Exceptions (as hereinafter defined) first raised by the Title Company in any updates or amendments to the Title Commitment issued after the original "effective date" of the Title Commitment

shall be Permitted Exceptions (any such updates or amendments to the Title Commitment being referred to herein as an “Updated Title Commitment”). Purchaser shall have the right up and until Closing to object to any Material New Exceptions first raised by the Title Company in any Updated Title Commitment (even if such Updated Title Commitment is issued after the end of the Title Objection Deadline) by giving written notice (an “Updated Title Objection Notice”) to Seller of the Material New Exceptions to which Purchaser is objecting within three (3) business days after the issuance of any such Updated Title Commitment (or the Closing Date, whichever is earlier). If Purchaser does not object to any Material New Exceptions first raised in an Updated Title Commitment by giving timely written notice as herein provided, such Material New Exception (other than Monetary Liens) shall be deemed a Permitted Exception. In the event Purchaser gives timely written notice of objection to any Material New Exception as herein provided, Seller shall have the right, but not the obligation, to attempt to remove, satisfy or otherwise cure the Material New Exception. Notwithstanding the foregoing or anything else in this Agreement to the contrary, at or prior to Closing, Seller shall cause to be removed and satisfied of record any and all Monetary Liens. Not later than five (5) days after receipt of an Updated Title Objection Notice, Seller may give written notice (an “Updated Title Response”) to Purchaser informing Purchaser of Seller's election with respect to the Material New Exception. If Seller fails to give an Updated Title Response on or before such date and time, Seller shall be deemed to have elected not to attempt to cure any of the Material New Exceptions (other than Monetary Liens). If Seller elects to attempt to cure any Material New Exceptions (or is obligated to cure any Monetary Liens), then Seller shall use commercially reasonable efforts to attempt to cure the same in accordance with this Agreement and shall be entitled to one or more reasonable extensions of the Closing of up to, but not beyond, the thirtieth (30th) day following the date for Closing set forth in Section 8 hereof to attempt such cure, but Seller shall not be obligated to expend any sums (other than with respect to Monetary Liens), commence any suits or take any other action in order to effect the same.

If Seller elects not to cure (or is deemed to have elected not to cure) any Material New Exception or if, after electing to attempt to cure, Seller determines that it is unwilling or unable, after using commercially reasonable efforts, to remove, satisfy or otherwise cure any such Material New Exception (other than removal of Monetary Liens) and Seller notifies Purchaser of such, then, in any such event, Seller shall not be in default of this Agreement and Purchaser's sole remedy hereunder in any such event shall be either: (i) to accept title to the Property subject to such Material New Exceptions as if Purchaser had not objected thereto and without reduction of the Purchase Price and such Material New Exceptions (other than Monetary Liens) shall be deemed Permitted Exceptions hereunder, or (ii) to terminate this Agreement in accordance with this Section 4(e), in which event all of the Earnest Money shall be immediately returned by Escrow Agent (or, if the Earnest Money has already been disbursed to Seller in accordance with this Agreement, by Seller) to Purchaser and, upon the return and delivery of the Earnest Money to Purchaser, Purchaser and Seller shall be released from any and all obligations and liabilities to the other under this Agreement other than any provision that expressly survives the termination of this Agreement (provided, however, if any such Material New Exception arises as a result of a Seller default under this Agreement, then Purchaser shall have all rights and remedies provided to Purchaser under Section 16(a) of this Agreement for a Seller default).

To terminate this Agreement pursuant to this Section 4(e), Purchaser must give written notice to Seller of its election to terminate this Agreement not later than: (i) five (5) business days after Purchaser's receipt of an Updated Title Response from Seller giving Purchaser notice of Seller's election not to cure any such Material New Exception if, in fact, Seller gives any such Updated Title Response (and, if necessary, the Closing Date shall be extended up to the end of such five (5) business days to allow for Purchaser to respond to any such notice from Seller), (ii) five (5) business days after Seller is otherwise deemed to have elected not to cure any such Material New Exception (and, if necessary, the Closing Date shall be extended up to the end of such five (5) business days to allow for Purchaser to respond to any such deemed election not to cure), (iii) five (5) business days after Purchaser's receipt of written notice from Seller (any such notice being referred to herein as an “Update to Updated Title Response”) that, having previously elected, pursuant to its initial Updated Title Response, to attempt to cure any Material New Exceptions (not including Monetary Liens), that Seller is unable or unwilling, after using commercially

reasonable efforts, to do so (and, if necessary, the Closing Date shall be extended up to the end of such five (5) business days to allow for Purchaser to respond to any such notice from Seller), or (iv) at Closing if Seller fails to cure any Material New Exception that Seller has elected to cure in its initial Updated Title Response and does not provide an Update to Updated Title Response regarding same to Purchaser prior to Closing. If Purchaser fails to so terminate this Agreement in accordance with this Section 4(e), then Purchaser shall be deemed to have elected to accept title to the Property subject to such Material New Exceptions (other than Monetary Liens) as if Purchaser had not objected thereto and without reduction of the Purchase Price and such Material New Exceptions (other than Monetary Liens) shall be deemed Permitted Exceptions hereunder. As used herein, a “Material New Exception” shall be any right or claim of a third party to a monetary interest in or fee title to the Property, any lien against the Property not otherwise permitted hereunder or any other matter not otherwise permitted under this Agreement which would (i) materially and adversely interfere with or otherwise prohibit the continued use and operation of the Property as the same is currently used and operated, (ii) materially and adversely interfere with or otherwise prohibit Purchaser’s Intended Use of the Property and/or (ii) make or otherwise render title to the Property unmarketable and/or uninsurable (at standard premium rates). Notwithstanding anything to the contrary herein, Seller shall be permitted in its sole discretion and without any notification to Purchaser, to modify any Monetary Liens at any time prior to the Closing, provided that such Monetary Liens, as modified, shall be removed and satisfied of record on or before Closing at Seller’s sole cost and expenses as provided in this Section 4.

5. Brokers/Finders. Neither Seller nor Purchaser have authorized any broker or finder to act on Seller’s behalf or on Purchaser’s behalf in connection with the sale and purchase of the Property hereunder, and neither Seller nor Purchaser has dealt with any broker or finder purporting to act on behalf of any party hereto. Seller agrees to defend, indemnify, and hold Purchaser harmless from any claims, costs, judgments, or liabilities of any kind advanced by persons claiming real estate brokerage fees through Seller with respect to any Closing of the Property hereunder. Purchaser agrees to defend, indemnify, and hold Seller harmless from any claims, costs, judgments, or liabilities of any kind advanced by persons claiming real estate brokerage fees through Purchaser with respect to any Closing of the Property hereunder. This Section 5 shall survive Closing and the expiration or termination of this Agreement.

6. Conditions to Purchaser’s Obligations. In addition to the other conditions set forth in this Agreement, the obligations and liabilities of Purchaser hereunder shall in all respects be conditioned upon the satisfaction of the conditions listed below at time of Closing, any of which may be waived by written notice from Purchaser to Seller:

(a) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 8(c);

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with any modifications expressly permitted under this Agreement or other modifications that are not materially adverse to Purchaser);

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing;

If any of the conditions set forth above are not satisfied or waived by Purchaser on or before the Closing Date, then Purchaser, at its option, may elect, in its sole discretion, either: (i) to terminate this Agreement, in which event all of the Earnest Money shall immediately be refunded by Escrow Agent (or, if the Earnest Money has already been disbursed to Seller in accordance with this Agreement, by Seller) to Purchaser and, upon the return and delivery of the Earnest Money to Purchaser, Purchaser and Seller shall be released from any and all obligations and liabilities to the other under this Agreement other than any provision that expressly survives the termination of this Agreement; or (ii) to waive the unsatisfied conditions and purchase the Property without reduction of the Purchase Price; provided, however, if any of

the conditions set forth above are not satisfied as a result of a Seller default under this Agreement, then Purchaser shall have all rights and remedies provided to Purchaser in Section 16(a) for a Seller default.

7. Conditions To Seller's Obligations. In addition to the other conditions set forth in this Agreement, the obligations and liabilities of Seller hereunder shall in all respects be conditioned upon the satisfaction of the conditions listed below at time of Closing, any of which may be waived by written notice from Seller to Purchaser:

(a) Seller shall have received the Purchase Price as adjusted pursuant to and payable in the manner provided for in this Agreement;

(b) Purchaser shall have delivered to Seller all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 8(d);

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with any modifications expressly permitted under this Agreement or other modifications that are not materially adverse to Seller); and

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the date of Closing.

8. Closing. The sale and purchase of the Property shall be consummated ("Closing") in accordance with the following:

(a) Date and Time. Closing shall be held on or before **December 31, 2020** (the date of Closing being referred to herein as the "Closing Date"). Notwithstanding the foregoing, the Closing Date may be accelerated by Purchaser upon five (5) days' prior written notice to Seller or upon the parties mutual agreement.

(b) Location. Closing shall be held in the offices of Purchaser's counsel in Myrtle Beach, South Carolina, during normal business hours, or at such other location reasonably designated by Purchaser prior to Closing. Notwithstanding the foregoing, at the election of Purchaser, Closing may be conducted through the offices of Purchaser's counsel by use of the mails, courier services or other appropriate means.

(c) Documents to be Delivered by Seller. Seller agrees to deliver the following to Purchaser at Closing:

(i) a limited warranty deed (the "Warranty Deed") to the Property utilizing the legal description of the Property in Seller's vesting deed, which Warranty Deed shall be in form and content reasonably satisfactory to Purchaser with appropriate title warranties and documentary stamps affixed thereto at Seller's expense, conveying to Purchaser insurable (at standard premium rates) fee simple absolute title to the Property subject only to the Permitted Exceptions, in a form mutually agreed upon by Purchaser and Seller;

(ii) to the extent requested by Purchaser, a quitclaim deed (the "Quitclaim Deed") for that certain portion of adjacent property comprising a South Carolina Department of Transportation Right-of-Way Easement dated December 1, 1959 and that certain portion of adjacent property located between the Mean High Water Mark and the eastern boundary of the Property as more particularly shown on the Survey;

(iii) a certificate, dated as of the Closing Date, stating that the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing Date and that Seller has complied in all material respects with all covenants and agreements required to be complied with prior to Closing by Seller (the “Certificate of Compliance from Seller”);

(iv) an affidavit of Seller regarding mechanics’ and materialmen’s liens, possession of the Property, the authority of and power of Seller to complete the transactions provided for herein, and such other matters as the Title Company shall reasonably require (including, without limitation, a so called “GAP Indemnity”)(provided, however, any such “GAP” indemnity shall exclude (and Seller shall not indemnify Purchaser or the Title Company against) any liens, encumbrances or title exceptions created by Purchaser or any other person or entity (other than those created by, with the consent of or due to the acts or omissions of Seller) or otherwise arising by reason of acts of Purchaser or any other person or entity (other than those created by, with the consent of or due to the acts or omissions of Seller);

(v) a certification of non-foreign status pursuant to the provisions of Section 1445 of the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated therein;

(vi) a Certification for Form 1099-S;

(vii) a Form W-9;

(viii) a South Carolina Nonresident Seller Withholding Affidavit;

(ix) such evidence as Purchaser or the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(x) a closing statement setting forth the allocation of closing costs, purchase proceeds, prorations, adjustments, and other matters as set forth herein, in a form mutually agreed upon by Purchaser and Seller (the “Closing Statement”); and

(xi) all other documents and instruments reasonably required by Purchaser or the Title Company in order to complete the transactions contemplated by this Agreement and to perfect the conveyance, transfer and assignment of the Property to Purchaser.

(d) Documents to be Delivered by Purchaser. Purchaser agrees to deliver the following to Seller at Closing:

(i) the Purchase Price via wire transfer of good, available and collected U.S. funds to the particular account designated by Seller, subject to such apportionments, adjustments and credits as are provided herein;

(ii) a certificate, dated as of the Closing Date, stating that the representations and warranties of Purchaser contained in this Agreement are true and correct in all material respects as of the Closing Date and that Purchaser has complied in all material respects with all covenants and agreements required to be complied with prior to Closing by Purchaser (the “Certificate of Compliance from Purchaser”);

(iii) a Certificate of Existence for Purchaser by the South Carolina Secretary of State’s Office (and dated within thirty (30) days of the Closing Date);

(iv) such evidence as Seller or the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser;

(v) a signed and executed counterpart to the Closing Statement; and

(vi) all other documents and instruments reasonably required by Seller or the Title Company in order to complete the transactions contemplated by this Agreement.

(e) Tax Prorations.

(i) Real estate and personal property *ad valorem* taxes, if any, for the calendar year in which Closing occurs (except for any rollback taxes, which shall be paid in accordance with Section 8(e)(ii) below) shall be prorated as of the Closing Date based on the most recently available tax bills. In the event that the actual taxes for the year differ from the basis for the proration, the parties shall promptly make the appropriate adjustment.

(ii) In the event the Property is currently taxed at the agricultural rate, Purchaser shall be responsible for any and all rollback taxes applicable to the Property

(iii) The provisions of this Section 8(e) shall survive Closing.

(f) Closing Costs. Except as otherwise set forth herein, each party shall bear its own costs and expenses, including attorney fees.

(i) Purchaser shall pay the costs of preparation of the Warranty Deed and the Quitclaim Deed and the fees and expenses of Purchaser's attorneys relating thereto as well as all cost and expense relative to Purchaser's Due Diligence Period activities.

(ii) Seller shall pay the costs of all stamp, revenue, transfer or other taxes on the Warranty Deed and the Quitclaim Deed as well as the cost relating to the recordation thereof, including transfer taxes or deed stamps; the costs of preparation and recordation of any release and termination statements required to terminate the lien of any mortgage or security instrument with respect to the Property; and the fees and expenses of Seller's attorneys.

(iii) Seller shall provide a Purchase Price reduction to Purchaser at Closing in the amount of twenty-five (25%) percent of the cost of the Survey as verified by Purchaser's submission of such third-party Survey invoice.

(g) Possession. Upon Closing, Seller shall deliver to Purchaser full, complete and exclusive possession of the Property subject only to the Permitted Exceptions.

9. Eminent Domain. Prior to Closing, if all or any part of the Property is taken by eminent domain or if condemnation proceedings are commenced and such taking or commencement materially adversely affects or is anticipated to materially adversely affect Purchaser's Intended Use of the Property (as determined by Purchaser in its reasonable discretion) or otherwise causes major damage to the Property (as determined by Purchaser in its reasonable discretion), Purchaser may elect by written notice to Seller to either: (a) terminate this Agreement, in which event all of the Earnest Money shall be refunded by Escrow Agent (or, if the Earnest Money has already been disbursed to Seller in accordance with this Agreement, by Seller) to Purchaser and, upon the return and delivery of the Earnest Money to Purchaser, Purchaser and Seller shall be released from any and all obligations and liabilities to the other under this Agreement other than any provision that expressly survives the termination of this Agreement, or (b) continue this Agreement in full force and effect, whereupon no change in the Purchase Price shall be effected but Seller shall assign, transfer, and set over to Purchaser at Closing all of Seller's rights, title and interest in awards that may be made for such taking.

10. Seller Covenants. Seller covenants that:

(a) During the period from the Effective Date until the Closing Date, Seller shall:

(i) promptly deliver to Purchaser copies of all written notices of Violations and promptly notify Purchaser of all judgments, claims and litigation affecting Seller or any part of the Property. “Violations” means any and all notes or notices of violations of law, or municipal ordinances, orders, designations or requirements whatsoever noted in or issued by any federal, state, municipal or other governmental department, agency or bureau or any other governmental authority having jurisdiction over the Property;

(ii) promptly notify Purchaser of the institution of any litigation, arbitration, administrative hearing before any court or governmental agency concerning or affecting the Seller, and/or the Property and of any such proceedings which are to Seller's knowledge threatened after the date hereof;

(iii) promptly after the delivery or receipt thereof, deliver to Purchaser copies of all notices concerning Seller or the Property, which relate to releases of Hazardous Materials affecting the Property or any actual or threatened condemnation of the Property or any portion thereof given by or on behalf of any Federal, state or local agency, and copies of all other correspondence sent, filed, served on or received by Seller from any federal, state or local agency affecting the Property from and after the Effective Date; and

(iv) not settle or compromise or agree to any settlement or compromise of any insurance or condemnation claim or award without the prior written consent of Purchaser, which may be granted or withheld in Purchaser's sole and absolute discretion except in the case of an emergency.

(b) During the period from the Effective Date until the Closing Date, Seller shall not, to the extent the same would be binding on or affect the Property or any owner thereof after the Closing, and except as permitted under Section 10(a), without Purchaser's prior written approval, which approval may be given or withheld in its sole and absolute discretion:

(i) enter into any lease, rental agreement or other occupancy agreement, or submit or consider any proposal for a lease, rental agreement or other occupancy agreement;

(ii) affirmatively (whether by action or inaction) subject the Property to any additional liens, encumbrances, covenants, restrictions or easements;

(iii) enter into any agreement which would require the consent of a third-party to consummate or the transactions contemplated by this Agreement;

(iv) sell, transfer, encumber or change the status of title of all or any portion of the Property;

(v) change or attempt to change, directly or indirectly, the current zoning of the Property;

(vi) cancel, amend or modify any certificate, approval, license or permit held by Seller with respect to the Property or any part thereof which would be binding upon Purchaser after the Closing; or

(vii) take any action in respect of any litigation or proceeding in respect of the Property which shall have a material adverse effect on the Property; provided, however, nothing shall preclude Seller from filing appropriate pleadings prior to the answer date or pursuant to an order of the court or administrative body. In the event Seller shall take any action in respect of any litigation or proceeding in respect of the Property, Seller shall indemnify and hold harmless Purchaser from and against any and all loss, liabilities, costs, damages, expenses, assessments, penalties (including without limitation,

attorneys' fees) incurred by Purchaser as a result of any such litigation or proceeding. The foregoing indemnity shall survive the Closing without any restriction or limitation.

(c) From and after the Effective Date, Seller shall not make any capital improvements or alterations or changes to the Property except those necessary to prevent loss of life, personal injury or property damage in emergency situations.

(d) On or before the Closing Date, Seller shall, at its sole cost and expense, terminate the Lease. Seller shall indemnify, defend and hold Purchaser and the other Purchaser Related Parties harmless from and against any and all liability, claims, counterclaims, actions, damages, judgments, penalties, costs and expenses (including without limitation, reasonable attorneys' fees) in connection with any liability arising under or in any way relating to the Service Contracts, the termination thereof and the release by the counterparty thereto and this indemnity shall survive Closing without any restriction or limitation.

(e) At the Closing, the Property shall be free and clear of all liens, charges, encumbrances, mortgages, pledges, security interests, easements, agreements, leases and other interests, adverse claims and title matters, except as otherwise provided in this Agreement.

(f) All contractors, suppliers and others who have performed services or labor or have supplied materials in connection with Seller's development, ownership or management of the Property have been or by Closing will be paid in full or arrangements reasonably satisfactory to Purchaser will be made for payment thereafter to the extent the same is not yet due or is being contested in good faith, and all liens arising therefrom have been or by Closing will be satisfied and released or affirmatively insured over by the Title Company.

11. Representations and Warranties of Seller. Seller herewith represents and warrants the following to Purchaser, each of which shall be deemed material:

(a) Seller is a body politic and a political subdivision of the State of South Carolina and has the requisite power and authority to enter into and to perform the terms of this Agreement. Seller is not subject to any law, order, decree, restriction or agreement that prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by all requisite action of Seller. This Agreement constitutes, and each document and instrument contemplated hereby to be created and delivered by Seller, when executed and delivered, shall constitute the legal, valid, and binding obligation by Seller, enforceable against Seller in accordance with its respective terms (subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally).

(b) Seller has full right, power and authority to enter into and perform all of the obligations required of Seller under this Agreement, including, without limitation, transferring the Property to Purchaser without obtaining any further consents or approvals from, or the taking of any other actions with respect to, any third parties.

(c) Neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated hereby is prohibited by, or requires Seller to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Seller.

(d) Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code 1986, as amended, or any regulations promulgated thereunder (collectively, the "Code").

(e) Seller has insurable (at standard premium rates) title in fee simple to the Property subject to the Permitted Exceptions. The Property has not been assigned or conveyed to any party. Seller has the right to convey the Property pursuant to the terms of this Agreement. No Person (other than Purchaser pursuant to this Agreement) has a right to acquire any interest in the Property. The term “Person” or “Persons” includes a natural person or any corporation, limited liability company, partnership, trust or other type of entity validly formed.

(f) There are no judgments presently outstanding and unsatisfied against Seller or the Property. Neither Seller nor the Property is involved in any litigation at law or in equity, or any other proceeding before any court, or by or before any governmental or administrative agency, whether relating to the transaction contemplated hereby or otherwise, and, to Seller's knowledge, no such litigation or proceeding is threatened or pending but not yet served against Seller or the Property.

(g) Seller has not: (i) filed any voluntary or had involuntarily filed against it in any court or with any governmental body pursuant to any statute either of the United States or of any State, a petition in bankruptcy or insolvency or seeking to effect any plan or other arrangement with creditors, or seeking the appointment of a receiver; (ii) had a receiver, conservator or liquidating agent or similar person appointed for all or a substantial portion of its assets; (iii) suffered the attachment or other judicial seizure of all, or substantially all of its assets; (iv) given notice to any person or governmental body of insolvency; or (v) made an assignment for the benefit of its creditors or taken any other similar action for the protection or benefit of its creditors. Seller is not insolvent and will not be rendered insolvent by the performance of its obligations under this Agreement.

(h) To Seller's knowledge, the Property complies with all applicable laws of all authorities having jurisdiction over, against or affecting the Property. Seller has not received written notice of any, and, to Seller's knowledge, there are no violations of any laws, similar rules and regulations relating and/or applicable to the ownership, use and operation of the Property as it is now operated, and/or other licenses or permits, which remain uncured.

(i) There are no pending or, to Seller's knowledge, contemplated zoning changes, variances, special zoning exceptions, conditions or agreements affecting, or potentially affecting the Property or any part thereof.

(j) There are no pending or, to Seller's knowledge, contemplated, or threatened condemnation or eminent domain proceedings against Seller, the Property or any part thereof.

(k) To Seller's knowledge, (i) there are no Hazardous Materials (defined below) or storage tanks (above ground or underground) used, stored, buried or otherwise located on the Property or used in the operation of the Property in violation of federal state or local law; (ii) the operation of the Property is, in all material respects, in compliance with all Environmental Laws, as hereinafter defined; (iii) and there are no prior or pending investigations, inspections, audits or claims relating to compliance with Environmental Laws by Seller, or its predecessors' in title to the Property. Seller has received no written notice from any federal, state, county or municipal authority as to: (i) the existence of any Hazardous Materials at the Land; or (ii) the violation of any “Environmental Laws” (defined below) with respect to the Property. As used herein, the term “Hazardous Materials” shall mean: (a) any chemical or other substance, product or material which is defined as a “hazardous substance,” “hazardous waste,” “hazardous material,” “pollutant,” “contaminant,” or “toxic,” “infectious,” “radioactive,” “carcinogenic,” or “mutagenic” material under any Environmental Law, or (b) asbestos and gasoline and other petroleum products (including crude oil or any fraction thereof). In no event shall the term Hazardous Materials be defined to include *de minimus* quantities of items lawfully stored or located in, on or under the Land and which are permitted to be upon the Property pursuant to the terms of any Lease or which are customarily used by occupants or owners of the Property in the ordinary course. “Environmental Law” shall mean any law, regulation, rule, order, or other authority of any governmental or quasi-governmental authority or administrative agency with jurisdiction over the Property regarding the protection of human health or the

environment, including, but not limited to, the following federal laws and their amendments, analogous state and local laws, and any regulations promulgated thereunder: the Clean Air Act, the Clean Water Act, the Oil Pollution Control Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1986, the Emergency Planning and Community Right to Know Act, the Solid Waste Disposal Act, the Resource Conservation and Recovery Act, the Safe Drinking Water Act, the Federal Insecticide, Fungicide and Rodenticide Act, and the Toxic Substances Control Act.

(l) Except for this Agreement and the Lease, Seller has not entered into (and the Property is not subject to) any agreement, recorded or unrecorded, written or oral, to sell, lease, mortgage or otherwise encumber or dispose of its interest in the Property or any part thereof. No person or party, other than Purchaser, has any right or option to acquire the Property or any part thereof or any interest therein.

(m) Except with respect to the Lease, Seller has exclusive possession of the Property and the Property is not subject to any leases, tenancies, or other occupancy rights, recorded or unrecorded, written or oral.

(n) To Seller's knowledge, the Property has not been registered or certified "historic" by any local, state or federal governmental entity or historic condition.

12. Representations and Warranties of Purchaser. Purchaser herewith represents and warrants the following to Seller, each of which shall be deemed material:

(a) Purchaser is a legal entity duly formed and in good standing under the laws of the State of South Carolina and has the requisite power and authority to enter into and to perform the terms of this Agreement. Purchaser is not subject to any law, order, decree, restriction or agreement that prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by all requisite action of Purchaser. This Agreement constitutes, and each document and instrument contemplated hereby to be created and delivered by Purchaser, when executed and delivered, shall constitute the legal, valid, and binding obligation by Purchaser, enforceable against Purchaser in accordance with its respective terms (subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally).

(b) Purchaser has full right, power and authority to enter into and perform all of the obligations required of Purchaser under this Agreement without obtaining any further consents or approvals from, or the taking of any other actions with respect to, any third parties.

(c) To the best of its knowledge, neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated hereby is prohibited by, or requires Purchaser to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Purchaser.

(d) To the best of its knowledge, there are no actions, lawsuits, litigation or proceedings pending or threatened in any court or before any governmental or regulatory agency that would have a materially adverse effect on Purchaser's power or authority to enter into or perform its obligations under this Agreement.

(e) To the best of its knowledge, there are no judgments, orders, or decrees of any kind against Purchaser unpaid or unsatisfied of record, nor any actions, suits or other legal or administrative proceedings pending or, to the best of Purchaser's actual knowledge, threatened against Purchaser, which would have any material adverse effect on the business or assets or the condition, financial or otherwise, of Purchaser or the ability of Purchaser to consummate the transactions contemplated by this Agreement.

13. Survival of Seller's Representations and Warranties. Seller's representations and warranties shall be deemed remade at Closing pursuant to the Certificate of Compliance from Seller, shall not merge with the Warranty Deed or the Quitclaim Deed, if any, and shall survive the Closing and remain in full force and effect after the Closing Date for a period of six (6) months after the Closing Date (the "Seller Rep and Warranty Survival Period"). After the expiration of the Seller Rep and Warranty Survival Period, all of Seller's representations and warranties set forth in this Agreement shall automatically terminate and be of no further force or effect.

14. Survival of Purchaser's Representations and Warranties. Purchaser's representations and warranties shall be deemed remade at Closing pursuant to the Certificate of Compliance from Purchaser, shall not merge with the Warranty Deed or the Quitclaim Deed, if any, and shall survive the Closing and remain in full force and effect after the Closing Date for a period of six (6) months after the Closing Date (the "Purchaser Rep and Warranty Survival Period"). After the expiration of the Purchaser Rep and Warranty Survival Period, all of Purchaser's representations and warranties set forth in this Agreement shall automatically terminate and be of no further force or effect.

15. "As-Is" Sale of Property.

(a) Except as is expressly set forth in this Agreement to the contrary, Purchaser is expressly purchasing the Property in its existing condition "AS IS, WHERE IS, AND WITH ALL FAULTS" with respect to all facts, circumstances, conditions and defects, and, except as is expressly set forth in this Agreement to the contrary, Seller has no obligation to determine or correct any such facts, circumstances, conditions or defects or to compensate Purchaser for same. Without limiting the generality of the foregoing, except as otherwise set forth herein (including the representations and warranties in Section 11 above), Purchaser acknowledges that Seller has made no representations, warranties or covenants as to the compliance of the Property with any federal, state, municipal or local statutes, laws, rules, regulations or ordinances, including, without limitation, those pertaining to construction, rent control, building and health codes, land use (or permits issued in connection therewith), zoning, lead paint, urea formaldehyde foam insulation, asbestos, hazardous or toxic wastes or substances, pollutants, contaminants or other environmental matters. Except as otherwise set forth herein (including the representations and warranties in Section 11 above), Seller shall not be liable or bound in any way for any verbal or written statements, representations, or information pertaining to the Property furnished by any real estate broker or agent thereof or any agent or employee of Seller, or any other person. It is understood and agreed that all prior and contemporaneous representations, statements, understandings and agreements, oral or written, between the parties are merged in this Agreement, which alone fully and completely expresses their agreement, and that the same is entered into after full investigation, neither party relying on any statement or representation or warranty not embodied in this Agreement made by the other.

(b) The provisions of this Section 15 shall survive the closing or earlier termination of this Agreement or the Closing Date and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

16. Default and Remedies.

(a) Seller's Default. In the event Seller defaults or fails to perform any of the covenants and conditions of Seller under this Agreement, or any of the representations and warranties of Seller are not true in all material respects, then Purchaser, as its sole remedy by reason thereof, shall have the right either: (i) to seek specific performance of Seller's obligation to execute and deliver the documents required to convey the Property to Purchaser; or (ii) to terminate this Agreement, in which event all of the Earnest Money shall be immediately returned by Escrow Agent (or, if the Earnest Money has already been disbursed to Seller in accordance with this Agreement, by Seller) to Purchaser and, upon the return and delivery of the Earnest Money to Purchaser, Purchaser and Seller shall be released from any and all obligations and liabilities to the other under this Agreement other than any provision that expressly survives the termination of this Agreement; provided, however, said right of termination shall only be available if

Seller's default will (i) materially and adversely interfere with or otherwise prohibit the continued use and operation of the Property as the same is currently used and operated, (ii) materially and adversely interfere with or otherwise prohibit Purchaser's Intended Use of the Property and/or (ii) make or otherwise render title to the Property unmarketable and/or uninsurable (at standard premium rates). Except as specified above, in no event shall Seller be liable for consequential, speculative, remote or punitive damages, or any other damages, and (in each case except as specified above) Purchaser hereby waives and releases any right to seek or collect any such consequential, speculative, remote or punitive damages.

(b) Purchaser's Default. In the event Purchaser defaults or fails to perform any of the covenants and conditions of Purchaser under this Agreement, or any of the representations and warranties of Purchaser are not true in all material respects, Seller's sole and exclusive remedy shall be to terminate this Agreement and retain the Earnest Money as full liquidated damages and, upon the delivery of the Earnest Money to Seller, Purchaser and Seller shall be released from any and all obligations and liabilities to the other under this Agreement other than any provision that expressly survives the termination of this Agreement. The parties acknowledge that Seller's actual damages in the event of a default by Purchaser under this Agreement will be difficult to ascertain, that such liquidated damages represent the parties' best estimate of such damages and that the parties believe such liquidated damages are a reasonable estimate of such damages. Seller hereby waives and releases any right to sue Purchaser, and hereby covenants not to sue Purchaser, for specific performance of this Agreement or to prove that Seller's actual damages exceed the Earnest Money which is herein provided to Seller as full liquidated damages.

(c) Notice of Default; Opportunity to Cure. Neither Seller nor Purchaser shall be deemed to be in default hereunder until and unless such party has been given written notice of its failure to comply with the terms hereof and thereafter does not cure such failure within five (5) business days after receipt of such notice; provided, however, that this Section 16(c) (i) shall not be applicable to Purchaser's failure to deliver the Earnest Money or any portion thereof on the date required hereunder or to a party's failure to make any deliveries required of such party on the date scheduled for the Closing and, accordingly, and (ii) shall not have the effect of extending the date scheduled for the Closing or the due date of any Earnest Money deposit hereunder.

(d) Recoverable Damages. Notwithstanding anything in Section 16(a) above, Section 16(b) above or elsewhere in this Agreement to the contrary, nothing in this Agreement shall limit Purchaser's or Seller's respective: (i) pre-Closing (or post-termination) rights and remedies against the other at law for actual or compensatory damages or in equity with respect to the parties' respective obligations to indemnify and hold the other harmless, if permitted by law, pursuant to any provisions contained in this Agreement which expressly survive termination of this Agreement under the terms of this Agreement for the period of survival; or (ii) post-Closing rights and remedies against the other at law for compensatory damages or in equity with respect to the parties' respective obligations to indemnify and hold the other harmless pursuant to any provisions contained in this Agreement, or with respect to any other representations, warranties, covenants or obligations which expressly survive Closing under the terms of this Agreement for the period of survival.

(e) Survival. The provisions of this Section 16 shall survive the closing or earlier termination of this Agreement or the Closing Date and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

17. Tax-Deferred Exchange Option. In the event Purchaser desires to effect tax-deferred exchanges in connection with the conveyance of the Property, Purchaser and Seller agree to cooperate in effecting any such exchange: provided, however, that the non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Purchaser shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

18. Complete Agreement. This Agreement and its Exhibits represents the complete understanding and agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, written or oral, as to the matters contained herein, and all such prior negotiations, representations or agreements are merged herein. This Agreement may be amended only by written instrument signed by Purchaser and Seller. No requirement, provision, obligation or remedy of this Agreement shall be deemed waived unless done so expressly, in writing. A waiver, however, once given, is not continuous, and the granting of a waiver shall not limit the right to enforce such provision thereafter.

19. Survivability. All terms, conditions, representations and provisions contained herein shall survive Closing and delivery of the deed for a period of six (6) months from the Closing Date unless a longer (or shorter) survival time is expressly provided as to any such term, condition, representation or provision.

20. Notices. Notices, elections and communications required hereunder shall be in writing and considered given when delivered personally, tendered to a nationally recognized overnight courier service, deposited as U.S. Postal Service registered or certified mail return receipt requested and postage prepaid, or sent via electronic mail or facsimile (provided delivery of original documents follows within three (3) business days via one of the other accepted forms of notice described hereunder), each using the addresses set forth below; provided, however, that a party's time period for responding to any such notice deemed to have been duly given shall not commence until such notice has been actually received at the other party's address or refused by the addressee.

If to Seller: City of Myrtle Beach
 P.O. Box 2468
 Myrtle Beach, SC 29577
 Attention: John G. Pedersen, Jr., City Manager
 T: (843) 918-1002
 F: (843) 918-1028
 Email: jpedersen@cityofmyrtlebeach.com

with copies to: City of Myrtle Beach
 P.O. Box 2468
 Myrtle Beach, SC 29577
 Attention: William A. Bryan, Jr., City Attorney
 Email: wabryan@cityofmyrtlebeach.com
 T: (843) 918-1008
 F: (843) 918-1028

If to Purchaser: Ponderosa, Inc.
 2511 Oak Street
 Myrtle Beach, SC 29577
 Attention: John S. Springs, President
 Email: JSSprings@aol.com
 T: (843) 235-0900
 F: (843) 235-0909

with copies to: Nexsen Pruet, LLC
1101 Johnson Avenue, Suite 300
Myrtle Beach, SC 29577
Attention: Franklin G. Daniels, Esq.
Email: fdaniels@nexsenpruet.com
T: (843) 213-5403
F: (843) 213-5416

Any party may, from time to time, by notice as herein provided, designate a different address or contact person to which notices shall be sent. The attorney for a party shall have the authority to deliver notices on such party's behalf to the other parties hereto

21. Applicable Law. This Agreement and the transaction contemplated hereby shall be interpreted, governed and enforced in accordance with the laws of the State of South Carolina. Jurisdiction and venue for any dispute arising out of this Agreement shall be in the Circuit Court for Charleston County, South Carolina except as provide for herein in Paragraphs 22 and 23 below.

22. **WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THEY HAVE RETAINED COUNSEL OF THEIR OWN CHOOSING AND SUCH COUNSEL HAS FULLY EXPLAINED THE CONTENT AND LEGAL EFFECT OF THIS SECTION.**

23. **DISPUTE RESOLUTION. DISPUTE RESOLUTION; MEDIATION AND ARBITRATION.** Except as provided in Paragraph 22. above, IF A DISPUTE, CONTROVERSY OR CLAIM (WHETHER BASED UPON CONTRACT, TORT, STATUTE, COMMON LAW OR OTHERWISE, AND EXCEPT AS PROVIDED BELOW) (COLLECTIVELY, "**DISPUTE**") ARISES FROM OR RELATES DIRECTLY OR INDIRECTLY TO THIS CONTRACT OR THE SALE OF THE PROPERTY, AND IF THE DISPUTE CANNOT BE SETTLED THROUGH DIRECT DISCUSSIONS, PURCHASER AND SELLER WILL ENDEAVOR TO RESOLVE THE DISPUTE BETWEEN PURCHASER AND SELLER, BY PARTICIPATING IN A MEDIATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION (THE "**AAA**") UNDER ITS COMMERCIAL MEDIATION RULES BEFORE RESORTING TO ARBITRATION. THE COSTS AND EXPENSES OF MEDIATION, OTHER THAN PURCHASER'S AND SELLER'S RESPECTIVE LEGAL FEES, WILL BE SHARED EQUALLY BY BOTH PURCHASER AND SELLER. THEREAFTER, ANY UNRESOLVED DISPUTE WILL BE SETTLED BY A PROPER LEGAL PROCEEDING AS PROVIDED FOR HEREIN.

24. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of all parties hereto and their respective permitted successors and assigns.

25. Captions and Headings. Captions and headings throughout this Agreement are for convenience and reference only and the words contained therein shall in no way be held to define or add to the interpretation, construction, or meaning of any provision.

26. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be considered to be an original. All those counterparts together will constitute the same instrument, which may be sufficiently evidenced by one counterpart. The signing of this Agreement at different times and places by the parties will not affect the validity of this Agreement. Scanned, faxed, or other electronic copies of the executed Agreement shall be effective as originals.

27. Attorneys' Fees. In the event suit is brought to enforce or interpret all or part of this Agreement, or if suit is brought for any other relief permitted hereunder, the party awarded costs in such suit, if any, shall be entitled to recover reasonable attorneys' fees incurred in connection with such suit, not as damages, but as costs. Attorneys' fees shall be determined at normal hourly rates for the individuals involved regardless of whether said rates bear a reasonable relationship to the relief obtained. A party not entitled to recover costs in any such suit shall not be entitled to recover attorneys' fees. The provisions of this Section 26 shall survive the closing or earlier termination of this Agreement or the Closing Date and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

28. Severability. Should any portion of this Agreement or the application thereof to any person or circumstance be invalid or unenforceable to any extent by law, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby, and shall be enforced to the greatest extent permitted by law.

29. Performance Deadlines. Notwithstanding anything herein to the contrary, in event the final date of performance by either party to this Agreement of any condition or obligation hereunder falls upon a non-business day (*i.e.*, Saturday, Sunday, national holiday or local holiday recognized by banks in the locality of the Property), the final date for performance of such condition or obligation shall be extended automatically and without notice until the next succeeding business day, time being of the essence with respect to the matters set forth in this Agreement. Unless otherwise specified herein, all references to "day" or "days" will mean a calendar day or calendar days and all references to "year" or "years" will mean a 365 day year. For purposes of this Agreement, the term "Business Day" means any day of the year, excluding Saturday, Sunday or any national holiday or local holiday recognized by banks in the locality of the Property).

30. Assignment. No party to this Agreement shall assign this Agreement without prior written consent of the other parties, such consent not to be unreasonably withheld, except as identified herein; provided, however, this Agreement may be assigned by Purchaser or Seller without consent of the other parties to facilitate one or more 1031 Exchanges in accordance with Section 17 above.

31. Exclusivity. In consideration of Purchaser's commitment to expend time, effort, and expense to evaluate the transactions contemplated hereby, Seller and its members, managers, officers, employees, agents and representatives shall immediately terminate all negotiations or discussions with third parties regarding the possible sale, lease, exchange, transfer and/or contribution of all or any portion of the Property (a "Sale"). Furthermore, Seller agrees that for a period beginning on the Effective Date and continuing until the Closing, or earlier termination of this Agreement in accordance with the terms hereof, neither Seller nor its members, managers, officers, employees agents and/or representatives shall, directly or indirectly, pursue, initiate, continue or engage in any negotiations or discussions with, or provide any information to, any other person or entity with respect to a Sale or any other transaction inconsistent with the transactions contemplated by this Agreement.

32. No Offer. This Agreement shall not be deemed an offer or binding upon Purchaser or Seller unless and until this Agreement is fully executed and delivered by both Purchaser and Seller.

33. Electronic Signatures. For purposes of negotiating, executing and amending this Agreement, any document signed electronically and transmitted by facsimile machine or scanned email shall be treated in all manner and respects as an original document. Purchaser and Seller acknowledge and agree that the use and transmission of electronic records or signatures, shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act or the South Carolina Uniform Electronic Transactions Act. No party may raise the use of electronic signatures or the fact that any electronic signature was transmitted through the use of a facsimile or scanned email as a defense to the enforcement of this Agreement.

[SIGNATURE PAGE IS ATTACHED]

[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement for the Purchase of Real Property to be executed, ratified and delivered as of the Effective Date.

SELLER: CITY OF MYRTLE BEACH, SOUTH CAROLINA,
a political subdivision of the State of South Carolina

By: _____

Name: John G. Pedersen, Jr.

Title: City Manager

Date Signed by Seller: _____, 20__

PURCHASER: PONDEROSA, INC., a South Carolina corporation

By: _____

Name: John S. Springs

Title: President

Date Signed by Purchaser: _____, 20__

EXHIBIT "A"
PROPERTY SURVEY

See attached.

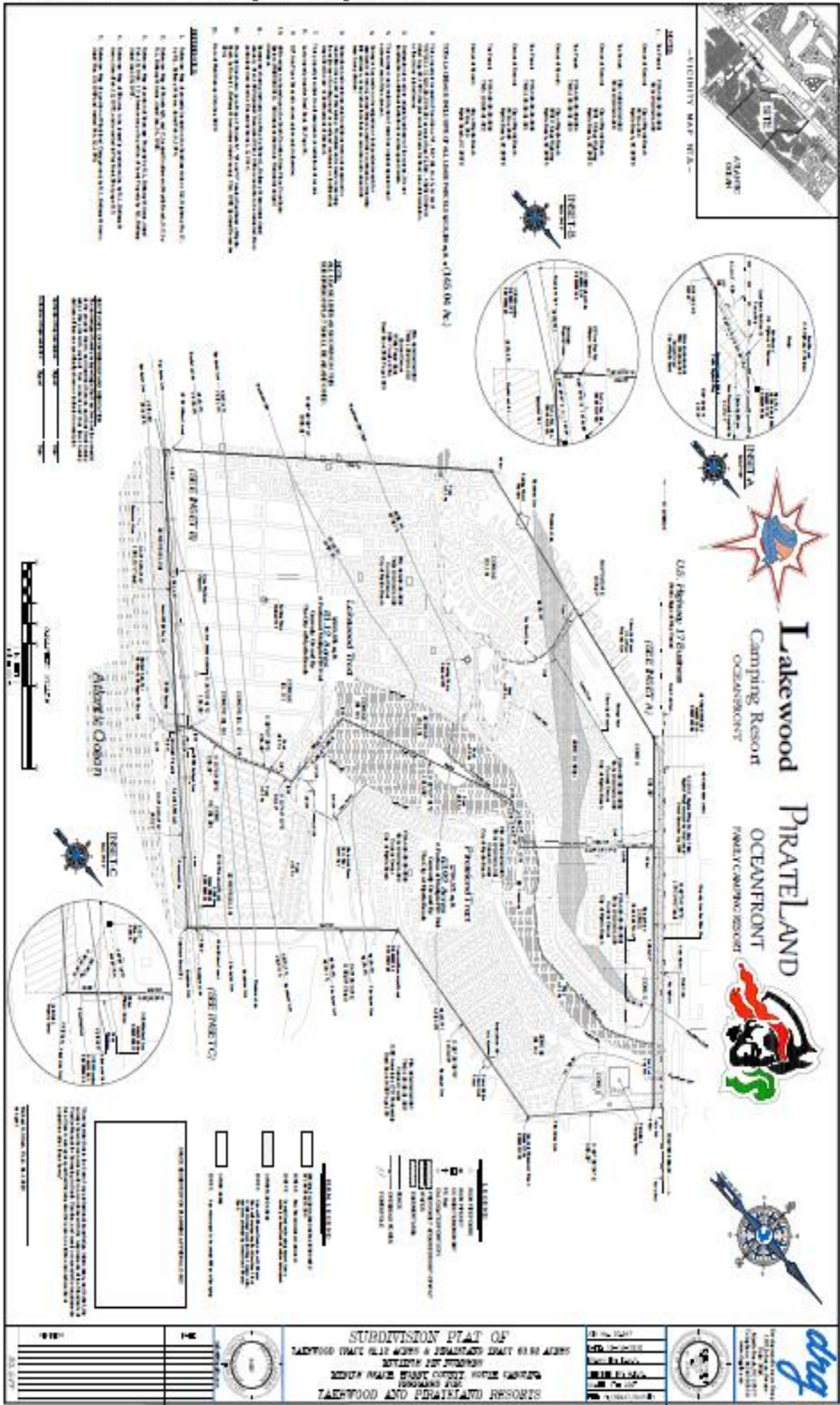


EXHIBIT "B"

FORM OF ESCROW AGREEMENT

See attached.

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made and entered into as of the ____ day of _____, 20__ (the "Effective Date"), by and among **CITY OF MYRTLE BEACH**, South Carolina, a political subdivision of the State of South Carolina ("Seller"), and **PONDEROSA, INC.**, a South Carolina corporation, along with its permitted successors and assigns ("Purchaser"), and **NEXSEN PRUET, LLC**, a South Carolina limited liability company ("Escrow Agent" or "Nexsen Pruet"). Seller, Purchaser and Escrow Agent being collectively referred to herein as the "Parties," and each of the Parties being individually referred to herein as a "Party."

RECITALS:

WHEREAS, Purchaser and Seller have entered into that certain Purchase and Sale Agreement having an effective date of _____, 20__ (the "Contract"), wherein Seller, as seller, has agreed to sell, and Purchaser, as Purchaser, has agreed to purchase that certain real property situate, lying and being approximately 145 acres, more or less, (the "Property"), together with all rights, appurtenances, easements, and privileges thereto, which Property is more particularly described therein and shown on Exhibit "A" attached thereto; and

WHEREAS, Purchaser and Seller have requested that Escrow Agent serve as escrow agent under the Contract in accordance with the terms and provisions of this Agreement and the Contract.

NOW, THEREFORE, in consideration of the mutual covenants made in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions: Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Contract.
2. Appointment of Escrow Agent; Acceptance of Duties: Seller and Purchaser hereby appoint and designate Escrow Agent as escrow agent for the purposes set forth herein, and Escrow Agent hereby accepts such appointment and agrees to perform the duties assigned to Escrow Agent in this Agreement.
3. Deposit: Escrow Agent agrees to promptly deposit the Earnest Money Deposit under the Contract received from Purchaser (collectively, "Deposit") in a non-interest bearing, deposit account controlled by Escrow Agent (such account being referred to herein as the "Escrow Fund Account"). Escrow Agent shall be under no obligation to invest the funds deposited with it on behalf of any party. Escrow Agent may commingle such funds received by it in a non-interest bearing escrow account with funds of others and may, without limitation, deposit such funds in its trust or escrow accounts with any reputable bank, savings and loan association, trust company or financial institution selected by Escrow Agent. All such funds so deposited with Escrow Agent, including the Deposit, being collectively referred to herein as the "Escrow Fund" or "Escrow Funds."
4. Release and Disbursement of Escrow Fund: Escrow Agent shall hold the Escrow Fund in trust as an escrow agent/trustee in the Escrow Fund Account until written release/disbursement instructions signed by both Seller and Purchaser are given to Escrow Agent; provided, however, if Purchaser does not terminate the Contract on or before the end of the Due Diligence Period in accordance with Sections 3(c) or 4 of the Contract, or any other express right of termination provided therein, then Escrow Agent shall promptly disburse the Earnest Money to Seller in accordance with the Contract and, in such event, written release/disbursement instructions signed by both Seller and Purchaser shall not be required.

5. Duties of Escrow Agent/Indemnity:

(a) Disputed Funds. In the event of a dispute between Seller and Purchaser, Escrow Agent shall not disburse any Escrow Funds (to the extent such funds are in dispute) until it has received: (1) joint written instructions from Seller and Purchaser, or (2) an order from a court of competent jurisdiction directing Escrow Agent to distribute such withheld Escrow Funds. A dispute as to a portion of the Escrow Funds shall not prevent the disbursement by the Escrow Agent of that portion of the Escrow Funds unaffected by such dispute.

(b) Uncertainty as to Escrow Funds. In the event that Escrow Agent deems itself uncertain in its sole reasonable discretion at any time with regard to the disposition of the Escrow Funds, Escrow Agent may, at its election, deposit the Escrow Funds into the registry or custody of any court of competent jurisdiction, together with such legal pleadings as it may deem appropriate, and interplead the parties hereto. Upon such deposit, Escrow Agent shall be discharged from all further duties and liabilities under this Agreement. All costs and expenses incurred by Escrow Agent in taking any action pursuant to this paragraph shall be covered by and paid pursuant to Section 6 herein.

(c) Requirements and Responsibilities. Escrow Agent shall have no duties except as stated herein and the parties agree that it shall not constitute a conflict of interest for Escrow Agent to represent one of the parties in connection with this Agreement or the Contract. Escrow Agent shall not be liable for anything which it may do or refrain from doing in connection herewith provided that it acts in good faith, and without gross negligence, willful neglect or intentional breach of this Agreement. In the event that Escrow Agent becomes involved in litigation relating to the escrow arrangement contemplated by this Agreement (other than litigation commenced by Escrow Agent in accordance with Subsection (b) above), the non-prevailing party shall be responsible for the payment of Escrow Agent's reasonable fees and expenses related to the dispute and for the reasonable attorney fees and costs of the prevailing party. Escrow Agent's duties under this Agreement shall terminate upon Escrow Agent's disbursement of all Escrow Funds in accordance with this Agreement.

(d) Resignation or Replacement. Escrow Agent may resign from its duties under this Agreement following thirty (30) days prior written notice to Seller and Purchaser. Escrow Agent may be removed and replaced following thirty (30) days prior written notice to Escrow Agent by both Seller and Purchaser. In either event, the duties of Escrow Agent shall terminate thirty (30) days after the date of such notice (or as of such earlier date as may be mutually agreeable) and Escrow Agent shall then remit the Escrow Funds then in its control to a successor escrow agent appointed by both Seller and Purchaser (as evidenced by a jointly-signed written notice filed with Escrow Agent). If Seller and Purchaser fail to agree on the appointment of a successor, Escrow Agent may petition any court with competent jurisdiction to do so.

6. Escrow Fees and Expenses: Escrow Agent's fees and expenses, if any, for its services in holding the Escrow Funds and serving as escrow agent under this Agreement shall be paid by Purchaser and Seller, and Purchaser and Seller shall be jointly and severally liable for the payment of any such fees and expenses.

7. Miscellaneous Provisions:

(a) This Agreement contains, and is intended as, a complete statement of all of the terms of the arrangements between Seller, Purchaser and Escrow Agent with respect to the matters provided for, and supersedes any previous agreements and understandings between the parties with respect to those matters. The introductory language and the recitals set forth above are incorporated into this Agreement by reference.

(b) This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of South Carolina, without regard to its principles of conflicts of law.

(c) Whenever any provision is made herein for notices, notice shall be given in accordance with Section 10.5 of the Contract, and

(i) if intended for Purchaser, shall be addressed to:

The address for Purchaser set forth in Section 22 of the Contract.

(ii) if intended for Seller, shall be addressed to:

The address for Seller set forth in Section 22 of the Contract.

(iii) if intended for Escrow Agent, shall be addressed to:

Nexsen Pruet, LLC
1101 Johnson Avenue, Suite 300
Myrtle Beach, SC 29577
Attention: Franklin G. Daniels, Esq.
Email: fdaniels@nexsenpruet.com
T: (843) 213-5403
F: (843) 213-5416

Addresses for notices may be changed from time to time by a method set forth above.

(d) If at any time any of the covenants or the provisions contained in this Agreement are deemed invalid or unenforceable by the laws of the jurisdiction wherein it is to be enforced, such covenants or provisions shall be considered divisible as to such portion and such covenants or provisions shall become and be immediately amended and reformed to include only such covenants or provisions as are enforceable by the court or other body having jurisdiction of this Agreement; and the Parties agree that such covenants or provisions, as so amended and reformed, shall be valid and binding as though the invalid or unenforceable portion had not been included herein.

(e) No provision of this Agreement may be amended or modified except by an instrument or instruments in writing signed by the Parties and Escrow Agent. Any Party may waive compliance by another with any of the provisions of this Agreement. No waiver of any provision hereof shall be construed as a waiver of any other provision. Any waiver must be in writing.

(f) None of the parties hereto may assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other parties hereto. All of the terms and provisions of this Agreement shall be binding on, and shall inure to the benefit of, the respective heirs, successors and permitted assigns of the parties.

(g) The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the Parties hereto and their respective successors and assigns and they shall not be construed as conferring and are not intended to confer any rights on any other persons.

(h) This Agreement and any amendments hereto (i) may be executed in any number of counterparts, each of which, when executed, shall be deemed an original and all of which shall be deemed

one and the same instrument, and (ii) may be signed by electronic signature such as facsimile transmission and such signatures shall be deemed to be original signatures.

(i) Each individual and entity executing this Agreement hereby represents and warrants that he, she or it has the capacity set forth on the signature pages hereof with full power and authority to bind the Party on whose behalf he, she or it is executing this Agreement to the terms hereof.

(j) This Agreement shall not be effective unless it is signed by Seller, Purchaser and Escrow Agent.

[Signatures on next page]

[SIGNATURE PAGE TO ESCROW AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date first above written.

SELLER: CITY OF MYRTLE BEACH, SOUTH CAROLINA,
a political subdivision of the State of South Carolina

By: _____
Name: John G. Pedersen, Jr.
Title: City Manager

PURCHASER: PONDEROSA, INC.,
a South Carolina corporation

By: _____
Name: John S. Springs
Title: President

ESCROW AGENT: NEXSEN PRUET, LLC,
a South Carolina limited liability company

By: _____
Name: Franklin G. Daniels, J.D., LL.M.
Title: Attorney

EXHIBIT "C"

FORM OF PURCHASE MONEY NOTE

See attached.

EXHIBIT "D"

FORM OF FIRST MORTGAGE

See attached