EXHIBIT "C"

COVENANT REGARDING HURRICANE EVACUATION
And DEVELOPMENT, USE AND OPERATION
DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS AND RESTRICTIONS ("Declaration") is made as of the _____ day of _____, 20___, by EAST SHORE INTERNATIONAL ENTERPRISES, LLC & 411 E S ("Developer").

Developer is the owner of fee simple title to the real property described in Schedule 1 attached hereto and made a part hereof (hereinafter, the ("Real Property"). The City of Clearwater, Florida (the "City"), has amended its Comprehensive Plan to designate Clearwater Beach as a Community Redevelopment District pursuant to the Pinellas County Planning Council Rules in order to implement the provisions of Beach by Design, a plan for the revitalization of Clearwater Beach.

The designation of Clearwater Beach as a Community Redevelopment District (the "Designation") provides for the allocation of Hotel Density Reserve Units as an incentive for the development of mid-size quality hotels. Pursuant to the Designation, the allocation of Hotel Density Reserve Units is subject to compliance with a series of performance standards, including a requirement that resorts containing a hotel developed with Hotel Density Reserve Units shall be closed and all Guests evacuated from such hotels as soon as practicable after the National Hurricane Center posts a hurricane watch that includes Clearwater Beach. The purpose of such evacuation is to ensure that such a hotel is evacuated in advance of the period of time when a hurricane evacuation would be expected in advance of the approach of hurricane force winds.

The City has granted, by City Council Resolution_____, passed and approved on _____, 20____, Developer's application for Hotel Density Reserve Units pursuant to the Designation, subject to Developer's compliance with the requirements of the Designation. Developer desires for itself, and its successors and assigns, as owner, to establish certain rights, duties, obligations and responsibilities with respect to the use and operation of the Real Property in accordance with the terms and conditions of the allocation of the Hotel Density Reserve Units to the City and the Designation, which rights, duties, obligations and responsibilities shall be binding on any and all successors and assigns and will run with the title to the Real Property.

THEREFORE, in consideration of the covenants and restrictions herein set forth and to be observed and performed, and in further consideration of the allocation of Hotel Density Reserve Units to Developer, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, Developer hereby declares, covenants and agrees as follows:

1.   Benefit and Enforcement. These covenants and restrictions are made for the benefit of Developer and its successors and assigns and shall be enforceable by them and also for the

benefit of the residents of the City and shall be enforceable on behalf of said residents by the City Council of the City.

2. Covenant of Development, Use and Operation. Developer hereby covenants and agrees to the development, use and operation of the Real Property in accordance with the provisions of this Declaration.

2.1 Use. The use of the resort on the Real Property is restricted as follows:

2.1.1 74 units, which is the number of hotel units allocated to Developer from the Hotel Density Reserve, shall be used solely for transient occupancy of one month or thirty (30) consecutive days or less, must be licensed as a public lodging establishment and classified as a hotel, and must be operated by a single licensed operator of the hotel. All other units shall be licensed as a public lodging establishment. No unit shall be used as a primary or permanent residence. Access to overnight accommodation units must be provided through a lobby and internal corridor. A reservation system shall be required as an integral part of the hotel use and there shall be a lobby/front desk area that must be operated as a typical lobby/front desk area for a hotel would be operated. All hotel units shall be required to be submitted to a rental program requiring all hotel units to be available for members of the public as overnight hotel guests on a transient basis at all times. No unit shall have a complete kitchen facility as that term is used in the definition of "dwelling unit" in the Code. Developer shall make available for inspection to authorized representatives of the City its books and records pertaining to each Hotel Density Reserve unit upon reasonable notice to confirm compliance with these regulations as allowed by general law. The Developer agrees to comply with the Design Guidelines as set forth in Section VII. of Beach by Design.

2.1.2 As used herein, the terms "transient occupancy," "public lodging establishment," "hotel", and "operator" shall have the meaning given to such terms in Florida Statutes Chapter 509, Part I.

2.2 Closure of Improvements and Evacuation. The Hotel developed on the Real Property shall be closed as soon as practicable upon the issuance of a hurricane watch by the National Hurricane Center, which hurricane watch includes Clearwater Beach, and all Hotel guests, visitors and employees other than emergency and security personnel required to protect the hotel, shall be evacuated from the Hotel as soon as practicable following the issuance of said hurricane watch. In the event that the National Hurricane Center shall modify the terminology employed to warn of the approach of hurricane force winds, the closure and evacuation provisions of this Declaration shall be governed by the level of warning employed by the National Hurricane Center which precedes the issuance of a forecast of probable landfall in order to ensure that the guests, visitors and employees will be evacuated in advance of the issuance of a forecast of probable landfall.

3 Effective Date. This Declaration shall become effective upon issuance of all building permits required to build the project ("Project") and Developer's commencement of

construction of the Project, as evidence by a Notice of Commencement for the Project. This Declaration shall expire and terminate automatically if and when the allocation of Reserve Units to the Developer expires or is terminated.

4   Governing Law. This Declaration shall be construed in accordance with and governed by the laws of the State of Florida.

5   Recording. This Declaration shall be recorded in the chain of title of the Real Property with the Clerk of the Courts of Pinellas County, Florida.

6   Attorneys' Fees. Developer shall reimburse the City for any expenses, including reasonable attorneys' fees, which are incurred by the City in the event that the City determines that it is necessary and appropriate to seek judicial enforcement of this Declaration and the City obtains relief, whether by agreement of the parties or through order of a court of competent jurisdiction.

7   Severability. If any provision, or part thereof, of this Declaration or the application of this Declaration to any person or circumstance will be or is declared to any extent to be invalid or unenforceable, the remainder of this Declaration, or the application of such provision or portion thereof to any person or circumstance, shall not be affected thereby, and each and every other provision of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, Developer has caused this Declaration to be executed this _____ day of _____, 20___.

In the Presence of:

EAST SHORE INTERNATIONAL
ENTERPRISES, LLC & 411 E S

_____

Print Name:

_____

_____

Print Name:

_____   By:_____
                                            John A. Bodziak, Architect, as Agent

STATE OF FLORIDA
COUNTY OF PINELLAS

       The foregoing instrument was acknowledged before me this ____ day of _____, 20___, by John A. Bodziak, Architect, as Agent for EAST SHORE INTERNATIONAL ENTERPRISES, LLC & 411 E S, both being Florida limited liability companies, on behalf of the companies, who is [__] personally known to me, or who [__] has produced _____ as identification.

_____
Notary Public

Print Name: _____

My Commission Expires: _____

CITY OF CLEARWATER, FLORIDA

By: William B. Horne II,
      City Manager

Attest:

_____
Rosemarie Call, City Clerk

Countersigned:

_____
George N. Cretekos, Mayor

Approved as to Form:

_____
Michael P. Fuino,
Assistant City Attorney

STATE OF FLORIDA
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this _____ day of
_____, 20___, by GEORGE N. CRETEKOS, as Mayor of the City of Clearwater,
Florida, who is [   ] personally known to me or   has [   ] produced
_____ as identification.

_____
Notary Public
Print Name:_____
My Commission Expires:

STATE OF FLORIDA
COUNTY OF PINELLAS

      The foregoing instrument was acknowledged before me this _____ day of
_____, 20___, by WILLIAM B. HORNE, II, as City Manager of the City of
Clearwater, Florida, who is [   ] personally known to me or who has [   ] produced
_____ as identification.

                        _____
                        Notary Public
                        Print Name:_____
                        My Commission Expires: