

**Attachment 7**

**Form of the Subleases by and between Cliffs Club Partners and the golf operating  
subsidiaries**

SUB-LEASE

for

GOLF COURSE AND CLUB  
([Site Specific])

between

---

a Delaware limited liability company

"Lessor"

and

---

a Delaware limited liability company

"Lessee"

Dated Effective: \_\_\_\_\_, 2012

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**SUB-LEASE  
for  
GOLF COURSE AND CLUB**

**([Site Specific])**

This SUB-LEASE FOR GOLF COURSE AND CLUB ("Sub-Lease") is entered into effective \_\_\_\_\_, 2012 ("Effective Date"), by \_\_\_\_\_, a Delaware limited liability company ("Lessor") and \_\_\_\_\_, a Delaware limited liability company ("Lessee").

Introduction

A. A Master Ground Lease for Golf Courses and Clubs dated \_\_\_\_\_, 2012 ("Master Lease") was entered into between \_\_\_\_\_, a Delaware limited liability company, ("Master Lessor") and \_\_\_\_\_, a Delaware limited liability company ("Master Lessee") pursuant to that certain Joint Chapter 11 Plan ("Plan") filed by Debtors and The Plan Sponsor, dated \_\_\_\_\_, 2012, in that certain Chapter 11 Bankruptcy Case entitled In re: The Cliffs Club & Hospitality Group, Inc., et. al., d/b/a The Cliffs Golf & Country Club, Chapter 11 Case No. 12-01220, in the United States Bankruptcy Court, District of South Carolina, as confirmed by that certain Order Confirming Joint Plan of Reorganization dated \_\_\_\_\_, 2012 ("Master Lease").

B. Pursuant to the Plan, Lessor has acquired ownership of certain golf courses, clubs and related facilities, including: (i) the Cliffs at [Site Specific] located in \_\_\_\_\_ Carolina ("Club"), depicted on the site plan attached as Exhibit "A-1," including that land described on the attached Exhibit "A-2" ("Land") and those buildings and other improvements described on the attached Exhibit "A-3" ("Improvements"), subject to those matters set forth on the attached Exhibit "A-4" ("Encumbrances"); and (i) those certain leasehold parcels of land ("Leasehold Parcels") depicted on the site plans attached as Exhibit "B-1," including the land described on the attached Exhibit "B-2" ("Leasehold Land") and those buildings (if any) and improvements described on the attached Exhibit "B-3" ("Leasehold Improvements"), subject to those matters set forth on the attached Exhibit "B-4" ("Leasehold Encumbrances"). The term "Club" refers to any club houses (including restaurants, bars, dining areas and banquet rooms), spas, maintenance buildings, tennis courts and other recreational facilities as well as any personalty owned and/or leased by Lessor that is associated therewith, excluding the golf courses. The Land, Improvements and Clubs are sometimes referred to herein collectively as the "Premises."

C. Pursuant to Section \_\_\_\_\_ of the Master Lease, the Master Lessee (the "Lessor" hereunder) is authorized to sublease all or any portion of the premises described in the Master Lease, and the Master Lessor has approved subleasing of the Premises described herein to "Lessee" hereunder.

D. Lessor wishes to lease the Premises to Lessee and Lessee wishes to lease the Premises from Lessor, subject to the terms and conditions of the Master Lease and in accordance with the terms of this Sub-Lease.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee agree as follows:

## **Article 1**

### **Lease, Term and Rent**

**Section 1.01** Lease of Facilities. Lessor hereby leases (or subleases as to the Leasehold Parcels), the Premises to Lessee, and Lessee hereby leases, (or sub-subleases as to the Leasehold Parcels), the Premises from Lessor, on a non-recourse triple net basis, subject to the terms and conditions of the Master Lease and in accordance with the terms of this Sub-Lease.

**Section 1.02** Term and Lease Years. This Sub-Lease shall commence on the effective date for the Plan ("Commencement Date"). "Lease Years" shall be measured from the Commencement Date and each anniversary of the effective date of the Plan shall mark the beginning of a new Lease Year until midnight EDT/EST of the last day of the \_\_\_\_\_ Lease Year, at which time the term shall expire ("Lease Term"). Lessor and Lessee shall confirm the Commencement Date and Lease Term in the Memorandum of Sub-Lease to be recorded pursuant to Section 5.17 below.

**Section 1.03** Annual Rent. Lessee shall pay to Lessor in arrears annual rent equal to one-hundred percent (100%) of the "Net Cash Flow" as that term is defined on the attached Exhibit "C" ("Annual Rent"). Said Annual Rent shall be paid in arrears commencing on the \_\_\_\_\_ business day of the second full calendar month after the end of the first Lease Year and continuing on the first business day of the second full calendar month after the end of each subsequent Lease Year thereafter throughout the term. The last payment of Annual Rent shall be due on the first business day of the second full calendar month after expiration of the Lease Term ("Rent Payment Dates").

**Section 1.04** Statement of Net Cash Flow. On or before each Rent Payment Date, Lessee shall submit to Lessor a statement stating for the prior Lease Year the: (i) revenues, with an itemization of the amount for each component category; (ii) expenses, with an itemization of the amount for each component category; and (iii) Net Operating Revenue ("Statement of Net Cash Flow").

**Section 1.05** Records and Audits. Lessee shall keep and maintain full and accurate books of account and records from which the Net Cash Flow can be determined for each Lease Year. Lessor shall have the right from time to time during the thirty-six (36) months period following each Lease Year to inspect and audit all such books and records relating to Net Cash Flow. If any such inspection and audit discloses that the Net Cash Flow was understated, Lessee shall forthwith pay to Lessor any additional sum determined by Lessor to be payable.

**Section 1.06** Accord and Satisfaction. No payment by Lessee or receipt by Lessor of any lesser amount than the amount stipulated to be paid hereunder shall be deemed other than on account of the earliest stipulated amount due; nor shall any endorsement or statement on any check or letter be deemed an accord and satisfaction. Lessor may accept any check or payment without prejudice to Lessor's right to recover the balance due or to pursue any other legal remedy available to Lessor.

**Section 1.07** Lessor's Tradenames and Logo. To the extent that Lessor has the right pursuant to the Master Lease to use the tradename \_\_\_\_\_ and the associated logos, and the goodwill associated with such tradename and logos (the "**Marks**") in connection with the operation of the Club, Lessor hereby grants a royalty-free non-assignable license to Lessee to use the Marks during the Term in connection with Lessee's operation of the Club.

**Section 1.08** Triple Net Lease. The Annual Rent payable hereunder shall be absolutely triple net to Lessor, so that this Sub-Lease shall yield to Lessor the annual rent specified herein during each Lease Year throughout the Term, and that all costs, expenses, and obligations of every kind and nature whatsoever relating to the Premises shall be paid by Lessee, except as explicitly excluded herein.

**Section 1.09** Condition of Premises. Lessee has inspected the Premises (including, but not by way of limitation, all buildings, fixtures, equipment, furniture and other personal property) and accepts the same in their present "AS-IS" condition, without representation or warranty (express or implied) of any nature whatsoever from Lessor.

**Section 1.10** Status of Master Lease. Lessee acknowledges and agrees that its rights in and to the Premises hereunder are subordinate and subject to the terms and conditions of the Master Lease. Lessee shall have no rights in and to the Premises hereunder which the Master Lessee does not have pursuant to the Master Lease. Lessee shall have no rights against Lessor hereunder which Master Lessee does not have against the Master Lessor pursuant to the Master Lease. Lessee agrees to pay each sum (except for Annual Rent pursuant to the Master Lease) and perform each obligation on the part of Lessor to be paid and/or performed pursuant to the Master Lease, to the extent relating to the Premises, and to indemnify and hold harmless Lessor from and against claims, causes of action, damages, expenses (including reasonable attorney's fees and court costs) asserted against and/or incurred by Lessor in connection with any failure by Lessee to do so.

## **Article 2**

### **Obligations of Lessee**

**Section 2.01** Taxes. Lessee shall pay all ad valorem real estate taxes, personal property taxes, governmental assessments, federal taxes, state taxes and local taxes relating to ownership and/or operation of the Club, Improvements and/or Land ("Taxes") to the extent accruing during the Term, excluding only any gross receipts taxes on rent received by Lessor pursuant to the this Sub-Lease. Any Taxes attributable in part to period(s) before or after the Term shall be prorated on a per diem basis and Lessee shall be responsible for the portion(s)



thereof attributable to the Term. This obligation of Lessee shall survive any expiration or termination of this Sub-Lease.

**Section 2.02** Compliance with Laws. Lessee shall comply, and cause the Land, Improvements and Club to comply with all applicable laws, statutes, ordinances (including, but not limited to, building codes and zoning regulations and ordinances), orders, rules, regulations and requirements of all federal, state, county and municipal governments, and the appropriate agencies, officers, departments, boards and commissions thereof, and the board of fire underwriters and/or the fire insurance rating organization or similar organization performing the same or similar functions, whether now or hereafter in force.

**Section 2.03** Real Estates Taxes. Lessee shall pay all ad valorem real estate taxes coming due during the Lease Term directly to the applicable taxing authorities as and when due.

**Section 2.04** Operating Responsibilities. Lessee shall: (a) maintain (or cause to be maintained) the physical condition of all Improvements in reasonable condition and perform at its expense such maintenance, repairs, replacements and/or improvements as may be necessary or appropriate to assure the same; and (b) operate (or cause to be operated) the Club continuously.

(a) Subject to the foregoing and the other terms and conditions of this Sub-Lease, Lessee shall have the authority and responsibility to: (a) determine, establish, and implement the policies, standards, and schedules for the operation and maintenance of the Premises and all matters affecting customer relations; (b) hire, train, and supervise the general manager, golf course superintendent, head golf professional, food and beverage manager, and all Premises employees; (c) supervise and direct all phases of operation of the Premises; and (d) establish accounting and payroll procedures and functions for the Premises. Lessor will cooperate with Lessee to permit and assist Lessee to carry out its duties under this Lease, provided however, Lessor shall not be required to incur any cost related thereto.

(b) Without in any way limiting Lessee's right and obligation to manage and operate the Premises, Lessee shall perform the following services, or cause the same to be performed for the Premises:

(i) enter into such contracts for the furnishing of utilities and maintenance and other services to the Premises;

(ii) make all repairs, decorations, revisions, alterations and improvements to the Premises (other than capital improvements) as shall be reasonably necessary for maintenance of the Premises in good and sanitary order, condition and repair;

(iii) incur such expenses as shall be necessary for the continuous operation and reasonable maintenance of the Premises;

(iv) apply for, and use reasonable efforts to obtain and maintain, all licenses and permits required of Lessee in connection with the operation and management

of the Premises; and Lessor agrees to execute any and all applications and such other documents as shall be reasonably required and to otherwise cooperate, in all reasonable respects, with Lessee in the application for, and obtaining and maintenance of, such licenses and permits;

(v) use reasonable efforts to do, or cause to be done, all such acts and things in and about the Premises as shall be reasonably necessary to comply with all requirements of any applicable insurance policies and any applicable laws, rules or ordinances, and to discharge any lien, encumbrance or other charge on the Premises not existing as of the date hereof or contemplated in the Plan; and

(vi) pay all ad valorem taxes or other impositions and all insurance premiums when due in connection with the Facilities.

(c) Personnel. Lessee shall employ all of the employees of the Premises and comply with all applicable employment and immigration laws in connection therewith. Lessee may cause the foregoing responsibilities to be performed by any Permitted Sub lessee.

**Section 2.05** Mechanics' Liens. Lessee shall promptly pay and discharge, when due, all charges for labor, services, or materials used or incurred by it in connection with the construction and/or repair of the Premises, and shall not allow any liens to be filed against any interest in the Premises with respect to any such labor, services, or materials used or incurred by Lessee. Lessor hereby gives notice to all persons that any liens claimed by any person as the result of improving the Club pursuant to a contract with Lessee, or any other person other than the Lessor, shall extend to, and only to, the right, title, and interest, if any, of the person who contracts for said Improvements. In no event shall said lien extend to the interest of Lessor, its successors or assigns, in the Clubs. Lessor hereby expressly prohibits any such liability. Without limitation of the foregoing, Lessor may transfer such lien to a bond posted by Lessor, and recover from Lessee all costs of such bond.

**Section 2.06** Compliance with Encumbrances. Lessee shall at its expense comply with all terms, conditions and requirements comprising the Encumbrances, to the extent applicable to the Club.

**Section 2.07** Utilities. Lessee shall punctually pay and discharge or cause to be paid and discharged when due, all charges and deposits for gas, water, sewer service, electricity, trash removal, and other utilities or services used in connection with or furnished to the Premises during the term of this Lease. The parties agree that utility services may, at Lessor's option, be billed directly to Lessee.

**Section 2.08** Payment of Expenses. Lessee shall during the Term pay and discharge punctually, as and when the same shall become due and payable, all duties, taxes, special and general assessments water rents, sewer rents, charges, and payments, together with all interest and penalties thereon, whether foreseen or unforeseen, as shall during the Term be charged, laid, levied, assessed, or imposed upon, or become due and payable, or liens upon, the Premises, or any part thereof or any interest therein, or any Improvements, appurtenances, fixtures, or equipment thereon, by virtue of any present or future law, order, statute, rule,

regulation, directive, or ordinance of the United States of America, or any city, county, or state governments having jurisdiction, or of any department, office or bureau thereof, or any other governmental authority. With respect to special assessments that are payable in installments, Lessee is obligated to pay only those installments that accrue during the Term. Lessee may, at its own cost and expense, and free of any expense to Lessor, undertake by appropriate proceedings to review or appeal any taxes, assessments or other such charges or payments levied against all or any portion of the Premises during the term of this Lease. In any event, all such taxes and assessments shall be paid by Lessee prior to the date on which said tax or assessment becomes delinquent.

**Section 2.09** Title to Land and Improvements. The title to any and all Improvements made or placed upon the Land, including all motors, machinery, and utility lines installed thereon or affixed or Lessee thereto, shall immediately upon the termination, by lapse of time or otherwise, of this Lease, vest in Lessor free and clear of any and all liens, encumbrances or other matters arising by, through or under Lessee. Upon the expiration or sooner termination of this Lease, Lessee shall peaceably and quietly surrender the Premises, and all such buildings, improvements, equipment, fixtures, furnishings, furniture, motors, machinery, and utility lines, in good order, repair, and condition, reasonable wear and tear excepted. In addition, Lessee promptly will deliver to Lessor all service and employment contracts, transferable insurance policies, licenses, certificates of need, licenses, and permits, and such operating data and other information that are owned by Lessee and that Lessor may reasonably require, and, if requested by Lessor, Lessee will transfer and assign by written instrument its interest in and to such of the foregoing as may be designated by Lessor, to the extent assignable.

**Section 2.10** Maintenance and Repairs. Lessee hereby covenants, throughout the term of this Lease, that Lessee will, take reasonable care of the Premises and all Improvements that are at any time located or constructed on the Land, and all equipment, fixtures, furniture, furnishings, motors, machinery, and utility lines now or hereafter Lessee thereto, and the cart paths, sidewalks, parking areas, curbs, gutters, and street lighting now or hereafter located thereon, and will keep the same in reasonable repair, order, and condition, and that Lessee will not do or suffer any waste with respect thereto, and that Lessee will, promptly make all necessary repairs, interior and exterior, structural and nonstructural, ordinary as well as extraordinary, foreseen as well as unforeseen. Lessee shall maintain the grounds and landscaping on the Property in reasonable condition. Lessor shall not be required to make any repairs, alterations, replacements, or improvements to the Premises. When used in this paragraph or elsewhere in this Lease, the term "**repairs**" shall include replacements or renewals when necessary and all such repairs made by Lessee shall be equal in quality and class to the original work.

**Section 2.11** Compliance with Laws. Lessee shall, throughout the Term, and at no expense whatsoever to the Lessor, promptly comply with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state, county, and municipal governments, and appropriate departments, commissions, boards, and offices thereof, foreseen and unforeseen, ordinary as well as extraordinary, and whether or not the same shall presently be within the contemplation of the parties hereto that may be applicable to the Premises or the business operations conducted thereon. No abatement, diminution, or reduction of the rent or other charges required to be paid by the Lessee pursuant to the terms of this Lease shall be

claimed by, or allowed to, the Lessee for any inconvenience, interruption, cessation, or loss of business or otherwise caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directives, ordinances, or regulations of any governmental or lawful authority whatsoever, or by priorities, rationing, or curtailment of labor or materials, or by war, civil commotion, strikes or riots.

**Section 2.12** Covenant to Operate. During the Term, and during normal business hours, Lessee shall continuously conduct, operate and keep open for business the golf courses, driving ranges, pro-shops, club houses, restaurants, snack bars and other Club Facilities.

**Section 2.13** Mortgage. Neither Lessor nor Lessee shall mortgage any interest in Land or the leasehold interest created by this Sub-Lease, except as specifically authorized by the Plan.

### Article 3

#### Insurance, Environmental & Losses

**Section 3.01** Insurance.

(a) Casualty Insurance. Lessee shall at all times during the term of this Lease, at its own expense, insure or cause to be insured, and keep insured with an insurance company duly authorized to do business, all Improvements now or hereafter located on the Land, and all alterations, extensions, and improvements thereto and replacements thereof, together with all fixtures, furnishings, furniture, motors, machinery, utility lines, and equipment located therein or Lessee thereto, against: (i) loss or damage by fire, windstorm, flood, and the risks contemplated within the extended coverage endorsement as such endorsement may customarily be written; (ii) sprinkler leakage; (iii) vandalism and malicious mischief, (iv) boiler and machinery exposure; and (v) against such other risks as Lessee determines to be reasonably required. All such insurance policies shall be for the replacement value of all of said buildings, improvements, fixtures, furnishings, furniture, motors, machinery, utility lines and equipment. All such policies of insurance shall name the Master Lessor and the Lessor as insured's and be payable to Sub-Lessor, Lessor, Lessee, and any permitted mortgagee as their respective interests may appear. Lessee agrees to pay the premiums on said policies as and when the same become due and payable.

(b) Liability Insurance. Without limiting the indemnification obligations set forth in this Lease, including, without limitation, the indemnification obligations contained herein, Lessee agrees that it will procure, or cause to be procured, and maintain in force throughout the term of this Lease, for the benefit of Master Lessor, Lessor, Lessee, and any mortgagee, as their respective interests shall appear, a policy or policies of public liability insurance written by a company authorized to engage in the business of general liability insurance, protecting Master Lessor, Lessor and Lessee against any and all claims for injury to persons or property occurring in, upon, or about the Premises, and each and every part thereof naming Lessor as an additional insured. Such public liability policy or policies for the Premises shall have an initial combined single limit for personal injury and property damage of not less

than Two Million Dollars (\$2,000,000) with respect to injuries, death, or damages in any one occurrence. Lessee shall promptly pay when due any and all insurance premiums in connection with any policy or policies of insurance.

(c) Workers' Compensation. Lessee shall procure, or cause to be procured, and maintain in force throughout the Term, at Lessee's expense, workers' compensation insurance covering all employees of Lessee and employer's liability insurance for the Premises in an amount not less than five hundred thousand dollars (\$500,000) or as otherwise required by law, and neither of such policies shall contain a provision for participation by the insured in any loss limits.

(d) Obligation to Repair, Restore and Replace. If any Improvements at any time located on the Land shall be damaged or destroyed by any cause whatsoever during the Term of this Lease, Lessee shall, with reasonable promptness and all due diligence, repair, restore, or replace the same from the proceeds of any insurance policy maintained by Lessee hereunder so that the Improvements thereon after such repair, restoration, or replacement shall at least equal in value the Improvements situated thereon prior to such damage or destruction. All losses shall be adjusted with the insurance company or companies by Lessor. All proceeds of insurance policies shall be paid to Lessor.

(e) Blanket Policies. Any insurance coverage required by this paragraph may be by means of a policy or policies of blanket insurance covering other premises; provided, however, any such blanket policy shall specify therein the amount of the total insurance allocated to the Club.

### **Section 3.02**

#### Obligations with Respect to Environmental Laws.

(a) Lessor and Lessee, as applicable, each shall comply with all applicable laws, ordinances, and regulations (including consent decrees and administrative orders) relating to public health and safety and protection of the environment, including those statutes, laws, regulations, and ordinances identified in subparagraph (i) below, all as amended and modified from time to time (collectively, "**Environmental Laws**") affecting the Premises. All governmental permits relating to the use or operation of the Club and the Improvements required by applicable Environmental Laws are and will remain in effect, and Lessor and Lessee, as applicable, shall comply with them.

(b) Lessee shall not, in violation of Environmental Laws, release, generate, manufacture, store, treat, transport, or dispose of Hazardous Material, as that term is defined in subparagraph (h) below, on, in, under, or from the Premises or the Improvements; provided, however, the Lessee shall have no responsibility with regard to the release, generation, manufacture, storage, treatment, transportation, or disposal of Hazardous Material which occurred, or results from a condition which existed, prior to the Effective Date.

(c) Lessor represents and warrants that it has no actual knowledge of any violation of the Environmental Laws including but not limited to the release, generation, manufacture, storage, treatment, transportation, or disposal of Hazardous Material in violation of Environmental Laws, on, in, under, or from the Premises which occurred, or results from a

condition which existed, prior to the effective date of this Lease. If any Hazardous Material is found on the Premises and such Hazardous Material's presence is not in compliance with the Environmental Laws and existed, or results from a condition which existed, prior to the Effective Date, then Lessor, at its own cost and expense, will cause the Master Lessor to: (i) immediately take such action as is necessary to detain the spread of and remove the Hazardous Material to the complete satisfaction of Lessee and the appropriate governmental authorities; (ii) promptly and diligently pursue the resolution of and defend against any resulting actions and proceedings arising under the Environmental Laws to the satisfaction of Lessee; and (iii) keep the Premises free of any lien imposed pursuant to the resulting breach of any Environmental Laws.

(d) The parties will promptly notify each other, in writing, if either of them has or acquires notice or knowledge that any Hazardous Material has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under, or from the Premises. Each party shall immediately notify the other, and provide copies to the other, upon receipt of all written complaints, claims, citations, demands, inquiries, reports, or notices relating to the condition of the Premises or compliance with Environmental Laws.

(e) In addition to, and without limiting, the other indemnifications contained in this Lease, Lessee hereby agrees to indemnify, defend, and hold Lessor and Lessor's affiliates, shareholders, directors, officers, employees, and agents free and harmless from and against all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements, or expenses of any kind (including attorneys' and experts' fees and expenses and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by, or asserted or awarded against Lessor or any of them in connection with or arising from or out of Lessee's misrepresentation, inaccuracy, or breach of any warranty, covenant, or agreement contained or referred to in this Section. This indemnification is the obligation of Lessee and will survive the expiration or termination of this Lease. Lessee, its successors, and assigns waive, release, and agree not to make any claim or bring any cost recovery action against Lessor under CERCLA, as that term is defined below, or any state equivalent or any similar law now existing or enacted after this date. To the extent that Lessor is strictly liable under any such law, regulation, ordinance, or requirement, Lessee's obligation to Lessor under this indemnity will also be without regard to fault on the part of Lessee with respect to the violation or condition that results in liability to Lessor.

(f) For purposes of this Lease, "Hazardous Material" means: (i) "Hazardous substances" or "toxic substances" as those terms are defined by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9601, et seq., or the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, both as amended to this date and as amended after this date; (ii) "Hazardous wastes," as that term is defined by the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6902, et seq., as amended to this date and as amended after this date; (iii) Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material, or substance within the meaning of any other applicable federal, state, or local law, regulation, ordinance, or requirement relating to or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste substance or material, all as amended to this date or as amended after this date; (iv) crude oil or any fraction of it that is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per

square inch absolute); (v) any radioactive material, including any source, special nuclear, or by-product material as defined at 42 U.S.C. § 2011, et seq., as amended to this date or as amended after this date; (vi) asbestos in any form or condition; and (vii) polychlorinated biphenyls (PCB's) or substances or compounds containing PCB's.

**Section 3.03 Casualty and Condemnation.** In the event that any portion of the Premises are damaged by fire or other casualty, or in the event any portion of the Premises are taken by eminent domain, the proceeds thereof shall be payable to Lessor.

**Section 3.04 Improvements and Alterations.** Lessee shall be entitled to make such improvements and alterations to the Premises as it may deem necessary or appropriate without the prior approval of Lessor.

#### **Article 4**

##### **Events of Default and Remedies**

**Section 4.01 Lessee Event of Default.** Each of the following shall constitute an "Event of Default" on the part of Lessee:

(a) **Rent, Taxes and Insurance.** The failure of Lessee to: (i) pay Annual Rent when due in accordance with the requirements hereof; (ii) pay all ad valorem real estate taxes, assessments, personal property taxes and other taxes when due in accordance with the requirements hereof; or (iii) keep insurance continually in full force and effect in accordance with the requirements hereof;

(b) **Payment Obligations.** The failure of Lessee to pay any other sum (i.e. other than as provided herein) required on its part to be paid hereunder, which failure results in the imposition of a lien on title to the Premises provided that Lessor gives Lessee notice thereof and a period of thirty (30) days within which to make said payment.

No other act or omission of Lessee shall constitute an "Event of Default" on the part of Lessee hereunder.

**Section 4.02 Lessor Event of Default.** Each of the following shall constitute an "Event of Default" on the part of Lessor:

(a) **Payment Obligations.** The failure of Lessor to pay any sum required on its part to be paid hereunder, provided that Lessee gives Lessor notice thereof and a period of ten (10) days within which to make said payment; or

(b) **Performance Obligations.** The failure of Lessor to perform any obligation required on its part to be performed hereunder, provided that Lessee gives Lessor notice thereof and a period of thirty (30) days within which to make said payment, which period may be extended for a reasonable period of time of up to an additional sixty (60) days if: (i) it is not reasonably possible to perform said obligation within thirty (30) days; (ii) Lessor promptly

institutes reasonable efforts to perform said obligation during said thirty (30) days period and thereafter diligently and continuously pursues the same to completion.

**Section 4.03** Remedies of Lessor. Upon occurrence of an "Event of Default" on the part of Lessee hereunder, Lessor may at its election exercise, after thirty (30) days written notice to Lessee during which time Lessee fails to cure any such Event of Default, any and/or all of the following legal remedies:

- (a) Terminate the entire Sub-Lease and all of Lessee's rights hereunder;
- (b) With or without terminating the Sub-Lease, re-enter and take possession of the Premises. No such re-entry shall be construed as an election to terminate the Sub-Lease or any portion thereof unless so stated in a written notice from Lessor to Lessee or court order.

The foregoing are the only remedies of Lessor and Lessor shall not seek any money damages based on any Event of Default on the part of Lessee.

**Section 4.04** Remedies of Lessee. Upon occurrence of an "Event of Default" on the part of Lessor hereunder, Lessee may at its election exercise any and/or all of the following legal remedies:

- (a) Pay such sum and/or perform such obligation as was required to be paid and/or performed by Lessor hereunder and set-off the reasonable and necessary cost thereof against Rent next coming due hereunder;
- (b) Enforce provisions of the Sub-Lease through actions for specific performance and/or injunctive relief; and
- (c) Seek such other relief and/or remedies as may be available to Lessee pursuant to the laws of the state in which the Premises are located.

The foregoing remedies of Lessee are mutual and non-exclusive.

**Section 4.05** Option to Purchase Premises. In the event that Lessor duly elects to exercise its option to purchase the Premises pursuant to Section 4.05 of the Master Lease, then in such event this Sub-Lease shall continue in full force and effect in accordance with the terms and conditions hereof.

**Section 4.06** Dispute Resolution.

- (a) Resolution by the Parties. The parties hereto desire, to establish procedures to facilitate the informal and inexpensive resolution of any disputes arising out of or relating to this Agreement by mutual cooperation and without resort to litigation. To accomplish this objective, Lessor and Lessee agree to follow the procedures set forth below if a dispute arises under this Sub-Lease. The complaining party shall write a description of the alleged breach of contract or complaint and send it to the other party by certified or registered mail. This letter shall explain the nature of the complaint and refer to the relevant sections of the Sub-Lease which the complaint is based. The complaining party shall also set forth a proposed solution to



the problem, including a reasonably specific time frame within which the parties must act. The party receiving the letter must respond in writing within thirty (30) days with an explanation, including references to the relevant parts of the Sub-Lease and a response to the proposed solution. Within thirty (30) days of receipt of this response, the parties must discuss options for resolving the dispute. The complaining party must initiate the scheduling of this resolution discussion.

(b) Mediation. A settlement conference must be held within thirty (30) days of an unsuccessful resolution meeting. The settlement conference will be held at the Judicial Arbitration & Mediation Services, Inc. ("JAMS") designated by Lessee or the American Arbitration Association ("AAA") if JAMS does not have an office in \_\_\_\_\_. The complaining party may agree on a retired judge from the JAMS or AAA panel. If the parties are unable to agree, JAMS or AAA will provide a list of three (3) available judges and each party may strike one. The remaining judge will serve as the mediator at the settlement conference.

(c) Arbitration. If the dispute is not settled by the other resolution formats prescribed herein, the parties agree to submit the dispute to JAMS or AAA for binding arbitration in South Carolina. The aggrieved party may initiate arbitration by sending written notice of an intention to arbitrate by registered mail or certified mail to all parties and to JAMS or AAA. The notice must contain a description of the dispute, the amount involved, and the remedy sought. Either party may seek equitable relief from the arbitration in addition to monetary damages. The parties may agree on a retired judge from the JAMS or AAA panel. If they are unable to agree, JAMS or AAA will provide a list of three (3) available judges and each party may strike one. The remaining judge will serve as the arbitrator at the settlement conference. The arbitration shall be held in accordance with the provision of Florida law, except as specifically provided herein.

**Section 4.07** Termination of Sub-Lease Upon Termination of Master Lease. Upon the Master Lessor's exercise of its right to terminate the Master Lease upon default by the Lessee in accordance with Section 5.03 of the Master Lease, if Lessor does not duly elect to exercise its option to purchase pursuant to Section 4.05 of the Master Lease, this Sub-Lease shall immediately and irrevocably terminate and be of no further effect.

## **Article 5**

### **Miscellaneous**

**Section 5.01** Assignment, Subletting and Leasehold Mortgage. Lessee shall not assign, sublet, mortgage, encumber or transfer its leasehold interest hereunder, or any interest it holds pursuant hereto, without obtaining the prior written consent of Lessor.

**Section 5.02** Waiver of Subrogation. Lessor and Lessee each waive any and all rights to recover against the other, or against the officers, directors, managers, members, shareholders, partners, joint venturers, employees, agents, customers, invitees or business visitors of the other party, for any loss or damage to such waiving party arising from any cause covered by any insurance required to be carried by such party pursuant to the provisions of this Sub-Lease or any other insurance actually carried by such party, except willful

acts of misconduct. Lessor and Lessee from time-to-time will cause their respective insurers to issue appropriate waiver of subrogation rights endorsements to all policies of insurance carried in connection with the Premises.

**Section 5.03** Estoppel Certificates. Lessor and Lessee hereby covenant and agree that each of them shall, without charge, and at any time from time to time within ten (10) days after written request by the other, deliver a written instrument to the other, or to any person, firm, or corporation specified by the other, which written instrument shall state the following information: (a) that this Sub-Lease is unmodified and in full force and effect, or if there has been any modification, that the same is in full force and effect as so modified, and identifying any such modifications; (b) whether or not there are any existing defaults with respect to the terms of this Lease known by the party executing said instrument with respect to the other party, and if any such defaults are known, specifying the same; (c) the dates through which rent and all other charges hereunder have been paid; and (d) such other matters relating to the Sub-Lease as may be reasonably requested. Neither party shall be required to provide any such estoppel certificate more than twice during any rolling twelve (12) months period.

**Section 5.04** Waiver. Neither the failure of either party to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of either party's right to demand exact compliance with the terms hereof. The receipt by the Lessor of rent, or additional rent, or of any other payment required to be made by Lessee, or any part thereof, shall not be a waiver of any other rent or additional rent or payments then due, nor shall receipt, though with knowledge of the breach of any covenant or condition hereof, operate as or be deemed to be a waiver of such breach, and no waiver by the Lessor of any of the provisions hereof, or any of the Lessor's rights, remedies, privileges, or options hereunder, shall be deemed to have been made unless made by the Lessor in writing.

**Section 5.05** Notice. Any notice or demand which must or may be given by either Lessor or Lessee to the other under this Lease shall be in writing and deemed given when: (i) physically received by personal delivery; or (ii) when deposited with the United States Postal Service certified or registered mail, return receipt requested, postage prepaid, or (iii) when deposited with a nationally known commercial courier service (such as Federal Express) addressed to the respective parties at the following addresses:

To Lessor:

Attention: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

E-mail: \_\_\_\_\_

- and -

\_\_\_\_\_  
Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_  
E-mail: \_\_\_\_\_

To Lessee:

\_\_\_\_\_  
Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_  
E-mail: \_\_\_\_\_

- and -

\_\_\_\_\_  
Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Such addresses may be changed by either party giving written notice to the other as provided in this paragraph. The telephone and e-mail information set forth above is for general information and not formal notice purposes.

**Section 5.06** Binding Effect. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, personal representatives, successors, and permitted assigns of the parties hereto, jointly and severally. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. This Lease and the performance thereof shall be governed, construed, interpreted, and regulated by the laws of the State in which each Club is located. The parties agree that venue for any action arising under or as a result or in connection with this Lease shall be proper in the state where the Premises are located. The section headings used herein are for indexing purposes only and are not to be used in interpreting or construing the terms of this Lease.

**Section 5.07** Partial Invalidity. If any term, covenant, condition, or provision of this Sub-Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Sub-Lease shall be valid and be enforced to the fullest extent permitted by law.

**Section 5.08** Entire Lease. This Sub-Lease contains the entire agreement of Lessor and Lessee with respect to the subject matter hereof. No oral statement or prior written matter shall have any force or effect except to the extent the same is incorporated herein. This Sub-Lease may not be modified or cancelled except as specifically provided herein or by a writing subscribed to by both parties.

**Section 5.09** Holding Over. Should Lessee hold over in possession after the expiration or termination of this Sub-Lease without Lessor's written permission, such continued possession shall not be construed as a renewal of this Lease, but shall be construed as a tenancy at will from month-to-month at twice the monthly rent of the last month of the term of this Lease and otherwise subject to all of the terms and provisions hereof.

**Section 5.10** No Joint Venture. Lessor shall in no event be construed to be a partner or joint venturer of Lessee or any permitted assignee or sublessee, and Lessor shall not be responsible for any of Lessee's debts or liabilities or the debts or liabilities of any permitted assignee or sublessee.

**Section 5.11** Indemnity. Lessee hereby agrees to defend, indemnify and hold Lessor harmless of and from any and all losses, damages, claims or expenses, including reasonable attorneys' fees, arising from Lessee's use of the Premises, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by the Lessee, its agents, employees, contractors or invitees, in or about the Premises or elsewhere, or from any negligence of Lessee, its agents, contractors, employees, or invitees other than expenses for which Lessor would otherwise be responsible hereunder, or losses, damages, claims or expenses resulting from Lessor's negligence or willful misconduct. Lessor shall not be liable to Lessee, or any employee, agent, contractor or invitee of Lessee, or to the general public, for any injury or damage to person or property for any reason whatsoever, and, with respect to injury or damage caused by any defect in the Premises, until Lessor shall have received written notice of the existence of the same and shall have had a reasonable time in which to correct the same.

**Section 5.12** Limitation of Lessee Liability. Notwithstanding anything to the contrary provided in this Lease, it is specifically understood and agreed that only those failures of Lessee to perform a covenant, term or condition of this Sub-Lease expressly identified in Section 5.01 shall constitute a default under this Sub-Lease and that, in the event of such default, Lessor's only remedies will be those expressly set forth in Section 5.03. Without limiting the foregoing, it is understood and agreed that the Lessee's obligations under this Sub-Lease are non-recourse to the Lessee and that in no event shall Lessor have any right to obtain a money judgment or levy execution against the Lessee or any property of Lessee.

**Section 5.13** Time. Time is of the essence of this Sub-Lease and each and every provision hereof.

**Section 5.14** Impartial Interpretation. This Sub-Lease is the result of negotiations between Lessor and Lessee and, therefore, the language contained in this Lease shall be construed as a whole according to its fair meaning and not strictly for or against either Lessor or Lessee.

**Section 5.15** Force Majeure. "Force Majeure" means the following events or circumstances, to the extent that they cause the delay of performance of any obligation hereunder incurred by the claiming party and such delay is beyond the reasonable control of the party claiming the Force Majeure: (a) strikes or lockouts (excluding Lessee's employees, contractors, or workforce) or impracticability in procuring materials or suitable substitute materials or failure of utilities necessary for performance; (b) acts of God, tornadoes, hurricanes, floods, drought, sinkholes, fires and other casualties, landslides, and earthquakes; and (c) acts of war, terrorism, blockades, insurrection, riots, civil disturbances, or national calamities. Notwithstanding anything to the contrary contained in this Lease, all of the parties' obligations hereunder shall be subject to the provisions hereof. For any Force Majeure resulting in a delay in either party's performance, provided that the claiming party is duly and diligently working to end the Force Majeure and minimize the impact of the Force Majeure, the performance of the party claiming Force Majeure shall be extended by one day for each day of delay in such party's performance attributable to the Force Majeure event. Any party claiming Force Majeure must provide the other party with immediate notice of the Force Majeure once the party knows of (or should have know of) the Force Majeure event. The notice must describe the Force Majeure event, the anticipated duration of the Force Majeure, and actions to be taken by the claiming party to end the Force Majeure and minimize its impact.

**Section 5.16** Memorandum of Lease. Lessor and Lessee agree that a Memorandum of Sub-Lease in the form and content set forth on the attached Exhibit "D" shall be executed and recorded in the local public records of the county where the Premises are located. This Sub-Lease shall not be recorded in any public records without the prior written consent of both Lessor.

**Section 5.17** Brokers. Lessor and Lessee each: (a) represents to the other that it has not dealt with any real estate broker, agent or finder in connection with this transaction; and (b) agrees to indemnify and hold harmless the other from all losses; damages and expenses (including reasonable attorneys' fees) incurred by the other due to any breach by the indemnifying party of its representation and warranty set forth above.

**Section 5.18** Attorneys' Fees. In the event that either Lessor or Lessee institutes legal proceedings to enforce its rights hereunder, the party prevailing therein shall be entitled to recover reasonable attorneys' fees, paralegal fees, expert witness fees, and court costs (all of the foregoing including those in preparation for filing suit, in defense of such suit, at trial, on appeal and/or in bankruptcy from the party not prevailing therein).

Signature Page for Lessor

The undersigned acknowledges that it approves and agrees to be bound by the terms of this SUB-LEASE FOR GOLF COURSE AND CLUB with an effective date of \_\_\_\_\_, 2012 and acknowledges that it has executed said document effective as of the date first set forth therein. This Signature Page for Lessor is attached to and made a part of said Sub-Lease for Golf Course and Club.

Signed in the presence of:

LESSOR:

1) \_\_\_\_\_,  
Name: \_\_\_\_\_ a Delaware limited liability company

2) \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2012 by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a Delaware limited liability company, on behalf of said company. Said person did not take an oath but is personally known to me.

[ NOTARY SEAL ]

\_\_\_\_\_  
Notary Public  
Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Signature Page for Lessee

The undersigned acknowledges that it approves and agrees to be bound by the terms of this SUB-LEASE FOR GOLF COURSE AND CLUB with an effective date of \_\_\_\_\_, 2012 and acknowledges that it has executed said document effective as of the date first set forth therein. This Signature Page for Lessee is attached to and made a part of said Sub-Lease for Golf Course and Club.

Signed in the presence of:

LESSEE:

1) \_\_\_\_\_  
a Delaware limited liability company

Name: \_\_\_\_\_

2) \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )

)

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2012 by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of said \_\_\_\_\_. Said person did not take an oath but is personally known to me.

[ NOTARY SEAL ]

\_\_\_\_\_  
Notary Public

Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

Signature Page for Consent of Master Lessor

The undersigned acknowledges that it consents to that certain SUB-LEASE FOR GOLF COURSE AND CLUB with an effective date of \_\_\_\_\_, 2012 and acknowledges that it has executed said document effective as of the date first set forth therein. This Signature Page for Master Lessor is attached to and made a part of said Sub-Lease for Golf Course and Club.

Signed in the presence of:

Master Lessor:

1) \_\_\_\_\_  
Name: \_\_\_\_\_ a Delaware limited liability company

2) \_\_\_\_\_  
Name: \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2012 by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of said \_\_\_\_\_. Said person did not take an oath but is personally known to me.

[ NOTARY SEAL ]

\_\_\_\_\_  
Notary Public  
Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



**EXHIBIT "A-1"**

Club Site Plan

**EXHIBIT "A-2"**

Land

Including all easements and other appurtenants related thereto.

**EXHIBIT "A-3"**

Improvements

Including all other buildings, structures, and improvements now existing or hereafter constructed upon said land during the term of this Sub-Lease. The term "Golf Course" refers to any portions of the Land used for fairways, greens, sand traps, rough areas, cart paths, ponds and related facilities, including buildings and other improvements used primarily for golfing activities.

**EXHIBIT "A-4"**

Encumbrances

**EXHIBIT "B-2"**

Leasehold Site Plan

**EXHIBIT "B-2"**

Leasehold Land

Leasehold Parcel No. 1

Lease dated \_\_\_\_\_ between “\_\_\_\_\_” as Landlord and “\_\_\_\_\_” as Tenant, as: (a) memorialized by that certain \_\_\_\_\_ recorded on \_\_\_\_\_ as \_\_\_\_\_; (b) as assigned by \_\_\_\_\_ to \_\_\_\_\_ pursuant to that certain \_\_\_\_\_ dated \_\_\_\_\_ and recorded \_\_\_\_\_ as \_\_\_\_\_; and (c) as further assigned by \_\_\_\_\_ to \_\_\_\_\_ pursuant to that certain \_\_\_\_\_ dated \_\_\_\_\_ and recorded \_\_\_\_\_, all among the official records of \_\_\_\_\_, \_\_\_\_\_.

Leasehold Parcel No. 2

Lease dated \_\_\_\_\_ between “\_\_\_\_\_” as Landlord and “\_\_\_\_\_” as Tenant, as: (a) memorialized by that certain \_\_\_\_\_ recorded on \_\_\_\_\_ as \_\_\_\_\_; (b) as assigned by \_\_\_\_\_ to \_\_\_\_\_ pursuant to that certain \_\_\_\_\_ dated \_\_\_\_\_ and recorded \_\_\_\_\_ as \_\_\_\_\_; and (c) as further assigned by \_\_\_\_\_ to \_\_\_\_\_ pursuant to that certain \_\_\_\_\_ dated \_\_\_\_\_ and recorded \_\_\_\_\_, all among the official records of \_\_\_\_\_, \_\_\_\_\_.

Leasehold Parcel No. 3

Lease dated \_\_\_\_\_ between “\_\_\_\_\_” as Landlord and “\_\_\_\_\_” as Tenant, as: (a) memorialized by that certain \_\_\_\_\_ recorded on \_\_\_\_\_ as \_\_\_\_\_; (b) as assigned by \_\_\_\_\_ to \_\_\_\_\_ pursuant to that certain \_\_\_\_\_ dated \_\_\_\_\_ and recorded \_\_\_\_\_ as \_\_\_\_\_; and (c) as further assigned by \_\_\_\_\_ to \_\_\_\_\_ pursuant to that certain \_\_\_\_\_ dated \_\_\_\_\_ and recorded \_\_\_\_\_, all among the official records of \_\_\_\_\_, \_\_\_\_\_.

**EXHIBIT "B-3"**

Leasehold Improvements

**EXHIBIT "B-4"**

Leasehold Encumbrances



**EXHIBIT C**

Definition of Let Cash Flow:

The term "Net Cash Flow" means:

**EXHIBIT "D"**

Memorandum of Sub-Lease

**MEMORANDUM OF SUB-LEASE**  
**("[Site Specific] Club")**

THIS MEMORANDUM OF SUB-LEASE is entered into effective \_\_\_\_\_, 2012,  
by \_\_\_\_\_, a Delaware limited liability company ("Lessor") and  
\_\_\_\_\_, Delaware limited liability company ("Lessee").

Lessor and Lessee entered into a certain Sub-Lease dated \_\_\_\_\_, 2012 ("Sub-Lease"), pertaining to that certain golf course and club facilities commonly known as " \_\_\_\_\_ " and located on that land described on the attached Exhibit "A" ("Land"). Capitalized terms used herein have the meanings ascribed thereto in the Sub-Lease.

1. Sub-Lease. The Land, and the rights of Lessee to use the Land, are subject to the terms and conditions of the Sub-Lease, which is subject to that certain Master Lease dated \_\_\_\_\_, 2012 was entered into between \_\_\_\_\_, a Delaware limited liability company, and \_\_\_\_\_, a Delaware limited liability company pursuant to that certain Joint Chapter 11 Plan ("Plan") filed by Debtors and The Plan Sponsor, dated \_\_\_\_\_, 2012, in that certain Chapter 11 Bankruptcy Case entitled In re: The Cliffs Club & Hospitality Group, Inc., et. al., d/b/a The Cliffs Golf & Country Club, Chapter 11 Case No. 12-01220, in the United States Bankruptcy Court, District of South Carolina, as confirmed by that certain Order Confirming Joint Plan of Reorganization dated \_\_\_\_\_, 2012 ("Master Lease").

2. Term and Extensions. The Sub-Lease has a Lease Term that commences on \_\_\_\_\_, 2012, and expires at midnight EDT/EST on \_\_\_\_\_, unless duly extended. Subject to certain conditions, Lessee may extend the Lease Term for up to \_\_\_\_\_ additional periods of \_\_\_\_\_ years each.

3. Notice of No Liens. Lessor hereby gives notice to all persons that any liens claimed by any person as the result of work pursuant to a contract with Lessee, or any other person other than the Lessor, shall extend to, and only to, the right, title, and interest, if any, of the person who contracts for said Improvements. In no event shall said lien extend to the interest of Lessor, its successors or assigns, in the Land and improvements located thereon. Lessor hereby expressly prohibits any such liability.

4. Notice. All parties are hereby put on notice to consult with Lessor and/or Lessee as appropriate with regards to matters relating to the Land and/or Sub-Lease.

[Signature Pages Attached]

Signature Page for Lessor

The undersigned acknowledges that it approves and agrees to be bound by the terms of this Memorandum of Sub-Lease with an effective date of \_\_\_\_\_, 2012 and acknowledges that it has executed said document effective as of the date first set forth therein. This Signature Page for Lessor is attached to and made a part of said Memorandum of Sub-Lease.

Signed in the presence of:

LESSOR:

1) \_\_\_\_\_,  
Name: \_\_\_\_\_ a Delaware limited liability company

2) \_\_\_\_\_ By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2012 by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a Delaware limited liability company, on behalf of said company. Said person did not take an oath but is personally known to me.

[ NOTARY SEAL ]

\_\_\_\_\_  
Notary Public  
Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Signature Page for Lessee

The undersigned acknowledges that it approves and agrees to be bound by the terms of this Memorandum of Sub-Lease with an effective date of \_\_\_\_\_, 2012 and acknowledges that it has executed said document effective as of the date first set forth therein. This Signature Page for Lessee is attached to and made a part of said Memorandum of Sub-Lease.

Signed in the presence of:

LESSEE:

1) \_\_\_\_\_  
a Delaware limited liability company

Name: \_\_\_\_\_

2) \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2012 by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of said \_\_\_\_\_. Said person did not take an oath but is personally known to me.

[ NOTARY SEAL ]

\_\_\_\_\_  
Notary Public

Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**EXHIBIT "A"**

Land  
("["*Site Specific*"] Club")