



AGREEMENT OF SUBLEASE

THIS AGREEMENT OF SUBLEASE is entered into on _____, 20____, by and between **OCEANSIDE VILLAGE, LLC**, a North Carolina limited liability company authorized to do business in South Carolina, hereinafter called the "*Landlord*," and

hereinafter collectively called the "*Resident*."

BACKGROUND STATEMENT

The LANDLORD is the holder of long-term master leases covering certain lands, as they may be increased from time to time, located near Surfside Beach in Socastee Township, Horry County, South Carolina, and the Lot described below is included in the leased properties. RESIDENT desires to sublease the described Lot from LANDLORD, and LANDLORD has agreed to sublease the Lot to RESIDENT upon certain terms and conditions, as set forth in this Sublease Agreement, hereinafter called the "*Sublease*."

NOW, THEREFORE, the Landlord, for and in consideration of the covenants and agreements herein set forth to be kept and performed by the Resident, demises and subleases unto the Tenant and the Tenant does hereby hire, rent, and sublease from the Landlord the premises hereinafter described, for the period, at the rental, and upon the terms and conditions hereinafter specifically set forth.

1. Subleased Premises. LANDLORD hereby rents, demises, and subleases to RESIDENT, and RESIDENT hires, rents, and subleases from LANDLORD, "as is-where is," that certain unimproved lot of land located within Oceanside Village, Socastee Township, Horry County, South Carolina (called the "Village"), described as follows:

LOT ADDRESS:

(called the "LOT", which is approximately .056 acre), together with a non-exclusive right to use the roadways, walkways, parking areas and other amenities which may from time to time be provided for use of RESIDENT by LANDLORD (collectively called the "PREMISES"), subject to all Rules and Regulations applying to the VILLAGE which exist, or as may be added, modified, or deleted by LANDLORD from time to time in its sole discretion (the "RULES"). The LANDLORD reserves the right to adjust and modify

the LOT lines so long as it does not interfere with the placement or location of the RESIDENCE (as herein defined) on the LOT.

SUBJECT to all matters affecting title to the Premises on the date hereof.

TO HAVE AND TO HOLD the Premises unto Resident, and Resident's heirs and permitted assigns, upon and subject to all of the terms, covenants, conditions, conditional limitations, and agreements herein contained for a term of years commencing on the date of this Sublease and ending as stated below.

2. Initial Term & Renewal. The Initial Term of this Sublease shall commence on the day and year first above written (the "Commencement Date") and terminate on 2011, unless sooner terminated pursuant to any of the conditional limitations, default, or other provisions herein; **provided, however**, so long as Landlord has not notified Resident of any default hereunder, the Sublease term shall automatically be extended for consecutive two (2) year renewal terms, with a maximum possible sublease term ending no later than **June 30, 2077**. If Resident desires to terminate this Sublease during the term hereof, Resident shall notify Landlord in writing by certified mail at least 120 days prior to the expiration of the then-existing term. Landlord specifically reserves the right to modify, add, or change any of the sublease terms and conditions, including the rental fee (as herein defined).

3. Rental. RESIDENT hereby agrees to pay and LANDLORD hereby agrees to accept as rental hereunder, by bank draft, mail, or at the management office of Oceanside Village on or before the first day of each month throughout the term of this Sublease, a monthly rental fee as determined below. The initial monthly rental fee shall be in the amount of (\$), payable to Landlord in two separate amounts as follows:

- A. **Amenities Fee:** Initially \$ per month. This amount shall be paid separately by Resident payable to the "Oceanside Village Community Club" account for Landlord's use in payment of all Village costs and expenses as set forth in Paragraph 4 hereof. This fee shall remain constant from the Commencement Date until December 31st of the current calendar year. From and after January 1st of the next calendar year following the Commencement Date, and on each January 1st thereafter during the sublease term, the Amenities Fee shall be adjusted by Landlord so as to have sufficient monies to pay in full all Village costs as set forth in Paragraph 4 below.
- B. **Lease Fee:** Initially \$ per month. This amount shall be paid to Landlord as the fair rental rate for Resident's occupancy of the Lot only, exclusive of all amenities fees, services, utilities, etc. The Lease Fee shall remain constant from the Commencement Date until December 31st of the current calendar year, and then on each

January 1st thereafter throughout the Sublease term the Lease Fee shall be increased by an amount equal to the percentage increase during the prior calendar year of the "Consumer Price Index" (hereinafter the "CPI"), which is defined as the price index of all consumer items published by the U. S. Department of Labor Bureau of Statistics, Washington, D.C. If said Index is not available on an adjustment date, then Landlord, in its sole discretion, may use a comparable available index to determine changes from year to year in the consumer's cost of living. Should the index for the previous year-end not be immediately available, Resident shall continue to timely pay rental payments to Landlord equal to those amounts paid during the previous year, and the adjustment required hereunder shall be made as soon as the CPI change becomes available and the rental shall be adjusted retroactively to the first day of January and the Resident shall promptly pay the difference between the amount actually paid and the increased amount calculated as provided herein. Retroactive lease amounts must be paid by Resident within thirty (30) days of notification of the adjusted amount.

4. Village Operating Costs, Expenses and Fees. Landlord shall receive all Amenities Fees paid by Resident and shall deposit them into a separate "Oceanside Village Community Club" account. Neither Resident, nor the Advisory Board (as defined in Paragraph 6 below), shall have any interest or legal right to the Amenities Fees or any part thereof, and the parties expressly understand and agree that said fees belong to Landlord for uses described in this Sublease or in the Rules. These funds will be used to pay all costs, fees, obligations, liabilities, taxes, expenses, and associated or related charges incurred by Landlord or its agent, in their sole discretion, to hire, pay, and supervise either directly, or as independent contractors, all persons, firms, corporations, or associations necessary to be employed to properly manage, maintain, repair, restore, replace, improve, upgrade, and operate the Village, including acquiring such equipment, tools, vehicles, appliances, goods, supplies, and materials as Landlord or its Agent, in their sole discretion, deem necessary to perform or provide those services which include, but are not limited to, the following:

- A.** Water and sewer services (includes use charges, maintenance, repair, replacement, and additional systems if necessary) to service common areas and amenities in the Village; Residents in The Keys, Melody Gardens and Bermuda Bay are on Grand Strand Water and Sewer individual meter for each lot.
- B.** Labor, equipment, materials and supplies for upkeep, mowing, operation, maintenance, repair, replacement, additions, capital improvements, and reserves for roadways, walkways, parking lots, recreational and service facilities, and common areas;

- C. Garbage collection, grounds maintenance, recreational facility supervision, and security with accompanying utility services;
- D. Taxes on all Village land and improvements. The real property invoice received annually from the appropriate taxing authority will be prorated among all lots in the Village by allocating to each lot in the Village a fraction of the total tax invoice the numerator of which is the total invoice amount and the denominator of which is the total number of lots in the Village. Landlord's portion of the tax invoice will be charged to Landlord on a per lot basis for each unleased lot and any lots not made available to residents as common area, provided however that Landlord shall pay three (3) times the per lot tax allocation on its six (6) ocean front lots retained for the sole use of Landlord;
- E. Continuing to provide an on-site office serviced by all utilities, costs of administration, property, directors, officers and general liability insurance, collection of accounts, bookkeeping, supervision, professional fees and expenses, and all charges and obligations related thereto;
- F. Employing, discharging, supervising, directing, borrowing funds for the improvement or operations of the Village, and/or contracting with appropriate persons, corporations, firms, or associations as employees or independent contractors to provide management services, legal services, accounting services, or other professional services for the Village;
- G. Other items, expenses, and direct costs, including attorney's fees and accountant's fees incurred by Landlord or its Agent related to the management or operation of the Village.

5. Management by Landlord. Resident acknowledges and agrees that throughout the term of this Sublease, and any extensions or renewals thereof, Landlord (or its Agent) shall provide management and administrative services for the Village as set forth in Paragraph 4 above, and that from Amenities Fee paid by Resident, Landlord (or its Agent) shall be paid each month an amount which equals fifteen (15%) percent of the total receipts of all Amenities Fees for that month.

6. Advisory Board.

A. The Village is currently divided into districts and all subleased premises are located in one of these districts. Resident (on behalf of all persons occupying the subleased Premises) shall have the privilege of exercising one vote in the election of the Advisory Board members representing the Village district in which the Premises is located, **provided, however**, that Resident has paid all Lease and Amenities Fees and is not otherwise in default under this Sublease or the Rules. Resident acknowledges that the Landlord (or its Agent) shall have the right to approve and/or remove all candidates nominated for the Advisory Board in its sole discretion,

and that the nominating and election process shall be in conformity with the Rules, as may be amended from time to time.

B. The Advisory Board will meet regularly to inform Landlord, or its Agent, of matters that concern Residents, including, but not limited to the following:

- (1) Desired expenditures of Amenities Fees other than those already budgeted by Landlord;
- (2) Suggested amendments to Landlord's Rules and Regulations;
- (3) Violations of and suggested enforcement of Landlord's Rules and Regulations;
- (4) Planning and budgeting for civic and social events;
- (5) Other matters to promote good will in the Village and to facilitate cooperation among Residents with Landlord;
- (6) Monitor and report to Resident through the Advisory Board all activity and transactions of all standing and ad hoc committees including all bank account transactions and uses of funds.

C. The Advisory Board shall have full authority to represent and bind Resident in all matters regarding expenditures of Amenities Fees upon which Landlord seeks an advisory opinion; provided, however, Advisory Board action shall not bind or control Landlord absent Landlord's affirmative agreement to be so bound.

7. Accounting. Landlord shall employ, and pay from the Amenities Fees, a certified public accountant selected by Landlord in its sole discretion to perform an annual accounting review related to the income and expenses of the Village. Such accounting review will be available in the on-site office of Landlord for inspection by Resident during normal business hours.

8. Common Areas. The common areas which are currently available for non-exclusive use by Resident and all others who pay Amenities Fees to Landlord, as the same may be expanded, upgraded, added to, deleted or reduced, are identified as follows:

- A.** Tennis courts, recreational, and adjacent green areas, (2) swimming pools with baby pools and bathhouses, lakes and canals;
- B.** Designated common areas around lakes and canals; Clubhouse, and picnic areas;

- C. Beach-front parking lot approximately 300 feet long and bounded on the north by One Ocean Place, on the east by the Atlantic Ocean and beach, on the south by the Conch Café Restaurant and on the west by Waccamaw Drive;
- D. Garbage collection center;
- E. Guard/security house area;
- F. Roadways and walkways;
- G. Mailbox area.

Use of the common areas shall be subject to the Rules and Regulations, as they may be amended from time to time, and the Landlord reserves the right to limit or restrict use of certain common areas to a Resident who is in default of this Sublease or the Rules.

9. Insurance/Release. Resident shall procure and maintain (a) physical property damage insurance coverage on the Residence in an amount equal to its replacement value, and (b) a comprehensive policy of general liability insurance in an amount determined by Landlord. The liability policy shall name Landlord (and its Agent) as additional insured against all damage claims arising from the use of or around the subleased Premises. Evidence of the required insurance coverages shall be provided to the Landlord as of the Commencement Date of this Sublease.

In consideration of Landlord's willingness to sublease the Premises to Resident, Resident hereby releases, waives and discharges Landlord and its officers, directors, agents, employees and affiliates from any and all claims, causes of action, or complaints for damages, injunctive or other relief arising out of or in any way related to Landlord's management and operation of the Village, and all other actions or omissions of Landlord in subleasing the Premises to Resident prior to execution of this Sublease, and Resident hereby agrees to indemnify Landlord and to hold Landlord harmless from all such claims, causes of action, or complaints, as well as all claims, causes of action or complaints brought or threatened against Landlord, its officers, directors, agents, employees and affiliates in the future arising out of or in any way related to the subleasing of the Premises to Resident, including reimbursement of Landlord's reasonable attorney's fees and costs.

10. Ownership of Residence, Liens, Payment of Liabilities. Resident has purchased, or is purchasing, the manufactured, modular, or stick built home or dwelling referenced in Paragraph 29 below located on the subleased Premises (called the "Residence"). The Residence shall be deemed as the separate personal property of the Resident. Since Landlord does not own the Residence, this Sublease does not include the Residence, but does include Resident's right to maintain the Residence on the Premises during the sublease term. Resident acknowledges that he or she has inspected the Residence, the Premises and the Oceanside Village Community and

found them to be acceptable and safe and Resident agrees to keep and maintain the Residence and Premises in good order and repair and in a safe and sanitary condition, and in compliance with the Rules. Resident shall have no power or authority to act or contract with others for services that may create or give rise to a lien, or encumbrance upon the real property subleased hereunder. Resident shall promptly pay when due all installment payments owed to any lender which holds a lien upon the Residence and all other obligations and liabilities which create, or may become, liens upon the Premises or Residence located thereon. Resident shall not permit any mechanic's, materialman's or other lien to be placed upon the Premises or Residence, and Resident shall take whatever action is necessary to prevent any such lien from being placed upon the Premises or the Residence. If any lien or encumbrance is placed thereon, Resident shall take immediate steps to remove the same within thirty (30) days. In the event the Landlord pays any such charges or obligations that could or may become a lien on the Premises or Residence, Resident shall reimburse Landlord for all such amounts within twenty (20) days of demand by Landlord, together with interest at the legal rate and all costs, including attorney's fees. Resident further agrees to pay all insurance premiums insuring the Residence and personal property located on the Premises, electric, telephone, cable television, and other charges for utility services used in connection with the Premises, and all other charges, licenses, permits, taxes, and liabilities related to the use of the Premises. Upon the failure of the Resident to timely pay any rental payment due and/or upon any other default of Resident hereunder or under any other document incorporated herein (specifically including without limitation the Rules and Regulations), Landlord has the right and permission from Resident to inform any lender having a lien on the Residence of such non-payment or other default, in addition to all other remedies set forth herein or in law or equity, in Landlord's sole discretion.

11. Use of Residence and Premises.

Resident agrees that the Premises shall be used for residential purposes only and for the placement thereon of the Residence, and no other purpose, without the prior written consent of Landlord, which consent may be withheld in the absolute and sole discretion of Landlord, with or without cause. Resident shall not enter into, nor allow on the Premises, any activity which is the same as, interferes with, or competes in any way with commercial activities of Landlord or Landlord's agents or subcontractors, specifically including without limitation, buying for resale, selling, leasing, operating, or brokering within Oceanside Village, real estate, golf carts, mopeds, bicycles, telecommunications services, or other personal property or services.

Resident shall comply with all local, state and federal laws, and with any and all statutes, ordinances, and regulations of agencies having jurisdiction hereof, together with the Rules and Regulations of Landlord, as may be revised from time to time, the current ones being attached hereto as Appendix "A" and incorporated herein by reference. Resident specifically acknowledges and agrees that Resident has no rights to enforce Landlord's rights under this Sublease or paragraph, and Resident hereby waives any and all rights to enforce Landlord's rights hereunder or to object to other subleased premises in the Village being used other than for residential purposes.

12. Alterations and Improvements. Resident shall have no right to make any additions, alterations or improvements to the Residence or to the Premises without the prior written consent of Landlord, which approval may be withheld in the Landlord's sole discretion for purely aesthetic reasons. Additions, alterations, and/or improvements include, but are not limited to, changing the exterior paint color, exterior siding, constructing additions to the Residence/Premises, replacing the Residence located on the Premises, and all other alterations or improvements to the Premises. In the event the Residence is removed from the Premises during the term of this Sublease, or if the said Residence is damaged beyond fifty (50%) percent of its replacement value, the Resident shall replace the said Residence within ninety (90) days of its removal or destruction by reconstructing said damaged Residence or replacing the removed Residence, in accordance with the prior written approval obtained from Landlord. The Premises shall be deemed abandoned and Resident shall be in default under this Sublease whenever Resident fails to repair or replace said damaged or removed Residence as required herein. Time is of the essence. Any replacement home must be purchased through the Landlord or its agents.

Resident shall maintain the Residence and the Premises in a neat and orderly condition in compliance at all times with the Rules and Regulations of the Village. In the event Resident fails or is unable to maintain the Residence or Premises in this manner, Landlord shall notify Resident of such failure and Resident shall within ninety (90) days complete all such repairs or work. Failure of Resident to timely complete all repairs or work shall be a default under this Agreement. In addition to all other remedies at law and equity for such breach of this Agreement, Landlord shall have the additional right, but not the obligation, to make the repairs, or to maintain, clean-up, or repair the exterior of the Residence and grounds, and Resident shall reimburse to Landlord within twenty (20) days of the date of invoice all costs thereof as additional rental, which shall include all costs and reasonable attorney's fees.

13. Covenant of Quiet Enjoyment. So long as Resident is not in default hereunder, has paid and remains current on all rental required hereunder, including all Lease and Amenities fees, and is otherwise in compliance with all terms and conditions of this Sublease and all documents incorporated herein, including the Rules and Regulations for the Village as amended from time to time, Landlord covenants and agrees that Resident shall quietly hold and have use and enjoyment of the Premises.

14. Assignment and Subletting. Resident shall not sublet, sell, assign, or otherwise transfer, voluntarily or by operation of law, this Sublease Agreement (or Resident's rights or interests hereunder), the Premises, the Residence, or any portion of such rights or interests without the Landlord's prior written consent; provided, however, that after proper application and upon Landlord's written consent, a Resident may be authorized to transfer his or her interest in the Residence to a member of Resident's "*immediate family*" for no consideration. Landlord reserves the right to either approve or deny any application to a member of a Resident's "*immediate family*". For purposes of this Sublease, "*immediate family*" shall be defined as Resident's parents, spouse, and children. Except as otherwise authorized in this Sublease, and in the Rules regarding

the annual or vacation rental of Residences, Resident shall not permit any other person to occupy the Premises without the prior written consent of Landlord. Landlord's consent as may be required hereunder may be withheld in the sole and absolute discretion of Landlord, with or without cause. In the event one or more of the foregoing occurs, without Landlord's consent, such shall be an event of default and the Landlord, in addition to all rights herein granted, or at law or in equity, shall have the option of terminating the Sublease upon thirty (30) days written notice to Resident and/or the assignee.

In the event Resident is a partnership, corporation, limited liability company, or similar entity, the transfer of a majority ownership interest therein, however accomplished, shall be deemed as transfer hereunder requiring the Landlord's prior written approval, which may be withheld in its sole discretion.

15. Listing and Sale of Residence in Village. The transfer or sale of any Residence (or approved manufactured or modular home) within the Village must be pre-approved in writing by Landlord in accordance with the then-existing Rules. All paperwork concerning the listing, sale, transfer, and closing of a Residence, including the payment of any portion of the sales price, will be handled in coordination and through the Landlord's Agent. When the Landlord's Agent is not the listing broker in the sale or transfer of the Residence, a Transfer Fee in the amount set forth in the Rules will be paid at the time of closing by the Resident to the Oceanside Village Community Club, unless exempt under the Rules. Only upon final approval and the closing of the transfer or sale of a Residence through the Landlord's Agent will the Resident's obligations and liability under the Sublease Agreement terminate, and a new Sublease Agreement be made with the prospective purchaser/transferee. The sale of a Residence does not automatically entitle the transferee or new owner to sublease the Premises. The Transfer Fee shall be deemed Additional Rent hereunder.

16. Rules and Regulations. It is expressly understood and agreed by Resident that the Rules and Regulations applying to the Village, as described above and incorporated herein, as amended from time to time, have been thoroughly read and understood by Resident and they are a part of this Sublease. The current Rules are attached as Appendix "A." Landlord reserves the right to alter, add to, or amend such Rules from time to time, which revisions shall be enforceable by Landlord thirty (30) days after mailing written notice thereof to Resident at Resident's last known address on file with Landlord. All revisions shall also be posted in the Management Office. The violation of a Rule shall be a default under this Sublease.

17. No Waiver. Landlord's forbearance, failure to act or delay in enforcing one (1) or more events of default, defaults or breaches of the terms, conditions or covenants of this Sublease shall not be deemed to be a waiver, past or future, of events of default, defaults, or breaches of the same or other terms, conditions or covenants.

18. Default.

A. The occurrence of any of the following shall constitute an event of default:

i. Delinquency in the due and punctual payment of any rental or additional rental payable under this Sublease, which includes the Lease and Amenities Fees, when such rental shall become payable, for a period of ten (10) days after the first day of the month due; or

ii. Failure by the Resident to perform or comply with any of the conditions contained in this Sublease or the Rules and Regulations, other than those referred to in the foregoing subparagraph, for a period of fourteen (14) days after written notice thereof from the Landlord to the Resident, except for any default not susceptible of being cured within such 14-day period, in which event the time permitted to the Resident to cure such default, provided the Resident commences promptly and proceeds diligently to cure such default, and provided further that such period of time shall not be so extended as to jeopardize the interest of the Landlord in this sublease or so as to subject the Landlord or the Resident to any civil or criminal liabilities; or

iii. Resident fails to pay any installment or other debt owed to any mortgage holder, mechanic's or materialman's lien holder, judgment creditor, lien, or claim against the Residence, or Resident is otherwise in default under any agreement with any such lien holder; or

iv. Filing by the Resident in any court pursuant to any statute, either of the United States or any state, of a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver of trustee of all or a portion of the Resident's property, or an assignment by the Resident for the benefit of creditors; or

v. Filing against the Resident in any court pursuant to any statute, either of the United States or of any state, of a petition of bankruptcy or insolvency, or for reorganization, or for appointment of a receiver or trustee of all or a portion of the Resident's property, if within ninety (90) days after the commencement of any such proceeding against the Resident such petition shall not have been dismissed.

B. Upon the occurrence of an event of default, the Landlord at any time thereafter may give written notice to the Resident specifying such event of default and stating that this sublease shall expire on the date specified in such notice, which shall be at least thirty (30) days after the giving of such notice, and upon the date specified in such notice this sublease and all rights of Resident hereunder shall terminate.

C. Upon the expiration of this Sublease pursuant to subparagraph "B" of this Paragraph, the Resident shall peacefully surrender the subleased property to the Landlord, and the Landlord, upon or at any time after any such expiration, may without further notice re-enter the subleased property and repossess it by force, summary proceedings, ejectment, or otherwise, and may dispossess the Resident and remove the Resident and all other persons and property from the Premises and may have, hold, and enjoy the subleased property and the right to receive all rental income therefrom.

D. The Resident hereby expressly waives, so far as permitted by the law, the services of any notice of intention to re-enter provided for in any statute, or of the institution of legal proceedings to that end. The Resident, for and on behalf of itself and all persons claiming through or under the Resident, also waives any right of redemption or re-entry or repossession or to restore the operation of this Sublease in case the Resident shall be dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or repossession by the Landlord. In case of any expiration of this Sublease, the Landlord and the Resident, so far as permitted by law, waive trial by jury in any action, proceeding, or counterclaim brought by either of the parties hereto against the other or any matter arising out of or in any way connected with the Sublease, the relationship of Landlord and Resident, the Resident's use or occupancy of the subleased property, or any claim of injury or damage.

E. The failure by Landlord to insist upon strict performance of any of Resident's obligations hereunder or to exercise any right shall not be construed as a waiver of any such obligation or right, but the same shall remain in full force and effect. Further, Resident agrees to pay all costs and expenses, including reasonable attorney's fees, incurred by Landlord in the collection of overdue rental or in connection with the enforcement of this Sublease, or otherwise by reason of a default by Resident. In the event that any installment of rent (Lease or Amenities Fee) is more than ten (10) days overdue, Resident agrees to pay delinquency charges in the amounts set forth in the Rules. In the event Landlord takes possession of the Premises hereunder, it shall have the right to enter and occupy Residence on the Premises, and as the agent of Resident, to rent the Residence and receive all rents therefrom, which shall be applied first, to the expenses of such rental; second, to amounts due Landlord or its agents under this Sublease; third to amounts owed to any mortgage holders, lien holders, taxing authorities, and others whose debts are secured by the Residence; and fourth, to Resident. Landlord shall not be liable to Resident for any damages or destruction to the Residence by tenants as a result of such renting. Landlord also shall be entitled to deem the Residence abandoned in the event this Sublease is terminated and Resident fails to remove the Residence from the premises within ninety (90) days thereof. Upon abandonment, Landlord may deem the Residence to be Landlord's property and Landlord may retain the Residence on the Premises or may remove it from the Premises, all without any obligation of further notice to or responsibility to Resident with respect to the Residence or Landlord's actions with respect thereto.

19. Lien Upon Residence/Attorney's Fees. For any outstanding amount of Lease and/or Amenities Fees owed to the Landlord, or for any default under this Sublease, Resident hereby grants to Landlord a lien upon the Residence to secure the full and timely payments of all amounts owed to the Landlord hereunder. In the event Resident attempts to assign or transfer Resident's interest in the Residence, Landlord shall be paid in full prior to making any decision regarding consent to such assignment or transfer. Moreover, all such prospective transferees or assignees shall receive such transfer or assignment subject to the existing lien of Landlord upon the Residence and any proceeds received by Resident shall also be subject to the Landlord's lien. In the event it becomes necessary for Landlord to engage an attorney to enforce the terms of this Sublease, Resident agrees to pay and discharge all reasonable costs, attorney's, and other professional fees and all expenses incurred by Landlord, and Resident further agrees to pay all reasonable costs and expenses of removing the Residence from the Premises.

20. Leasehold Interest of Landlord; Attornment. As stated above on Page 1, the Resident acknowledges and understands that Landlord leases the larger tract (as it may be increased from time to time) comprising the entirety of Oceanside Village under master leases between Landlord and Myrtlewood Realty Associates, L.P. (the "Master Leases"), a memorandum of which is recorded in the Office of the Register of Deeds for Horry County in Deed Book 2536, at Page 1300. Landlord hereby covenants and agrees to faithfully keep and adhere to each and every term, condition and rental contained in said Master Leases. Resident hereby acknowledges that this Sublease is subject and subordinate to said Master Leases and that Resident is not a third-party beneficiary of said Master Leases and Resident gains no rights of notification or otherwise pursuant to the terms of said Master Lease, including but not limited to notification of default under said Master Leases.

THE LANDLORD AFFIRMS TO RESIDENT THAT THE MASTER LEASES CONTAIN AN AFFIRMATIVE COVENANT WHICH STATES THAT IF THE LANDLORD DEFAULTS IN ITS OBLIGATIONS TO MYRTLEWOOD REALTY ASSOCIATES, L.P., OR ITS SUCCESSORS AND ASSIGNS, UNDER THE MASTER LEASES, THEN SO LONG AS RESIDENT IS NOT IN DEFAULT UNDER THIS SUBLEASE, MYRTLEWOOD REALTY ASSOCIATES, L.P. WILL HONOR THE TERMS AND PROVISIONS OF THIS SUBLEASE WITH RESIDENT.

21. Landlord's Reservation of Rights/Limitation of Liability. Throughout the Initial and all renewal terms of this Sublease, Landlord shall have, and may in its discretion, exercise the following rights:

- A.** Landlord reserves the right to allow installation and separate metering of water consumption. In such event, Landlord may charge to Resident its costs of such service from the supplier of the service, plus a reasonable charge for overhead, or may transfer the water and sewer systems to the provider of such services allowing

Resident to pay the charges therefore directly to the provider of such services and eliminating said water and sewer charges from the Amenities Fees.

- B.** Landlord reserves the right to surcharge Resident in the event it is determined that Resident frequently uses excessive water or sewage service at the Premises.
- C.** Landlord reserves the right to charge and assess Resident with any damage to or waste of the Premises or other facilities of Oceanside Village caused by Resident, his family, guest(s) or invitees. Any such amounts shall, after demand, be payable as additional rent and shall be due within thirty (30) days after demand.
- D.** Landlord reserves and retains full ownership and control of all common areas, water distribution and sewer collection systems, recreational facilities, roadways, walkways, and other amenities subject only to the Resident's non-exclusive rights to use the same in accordance with this Sublease and all Rules and Regulations. No title, ownership, entitlements, or separate rights thereto shall vest in Resident as the result of this Sublease or Resident's payment or obligation to pay Amenities or Lease fees hereunder, nor shall Resident be deemed to have any rights therein.
- E.** Landlord expressly reserves all rights, ownership and entitlements to all minerals, metals and other real and personal property lying and being under the surface of the Premises, and to all rights, ownership, and entitlements to the use and enjoyment of the air space, sunlight, view and sightways above and over said Premises, and Resident shall not acquire any rights, entitlements, ownership easement, or separate rights thereto as a result of this Sublease or Resident's payment or obligation to pay Amenities or Lease fees hereunder.
- F.** Landlord shall not be liable respecting any condition or event occurring or resulting by reason of severe weather conditions, acts of God, or other circumstances beyond the reasonable control of Landlord.
- G.** Landlord shall have no liability for any damage or injury if the same is occasioned by the act of neglect of Resident or any other person, or by any cause not within the reasonable control of Landlord.
- H.** If any condition requiring correction or repair by Landlord shall have been caused by any action or omission of Resident, other occupants of the Residence, or his, her or their agents, servants,

licensees, invitees or guests, Resident shall promptly pay all expenses incident to such correction or repair, including all costs and attorney's fees.

- I. By Resident's execution of this Sublease, or the acceptance of an assignment thereof, Resident acknowledges that he, she or it has carefully inspected the Residence, Lot, Premises, and Oceanside Village Community Club, and has found no condition or other remedial action by Landlord.

22. Eminent Domain. This Agreement shall terminate in the event that the Premises, any portion or all of, or any material part of the Community premises shall be taken by any authority under right of eminent domain, or for any public or quasi-public use. The entire award for any such taking of the Subleased Premises (exclusive of any award for the Residence) shall belong exclusively to Landlord, free of any claim by Resident.

23. Subordination to Indebtedness. This Sublease shall, and all interest of Resident in the rented Premises shall, without the necessity of any further instrument, be and remain at all times subordinate to the lien of any mortgage or mortgages which have been or which may hereafter be granted by the Landlord upon or affecting the rented Premises or any portion of the community in which they are located.

24. Default in Residence Mortgage. In the event Resident has granted or grants a security interest in the Residence located on the Premises, and a default occurs in the leasehold mortgage or security agreement, or the note it secures, Landlord shall have no obligation to Resident with respect to the Residence, and Landlord may at its option permit removal of the Residence by the secured party subject to the terms of this Sublease, or Landlord may enter into any Sublease of the Premises or make other arrangements satisfactory to Landlord and the secured party. If Landlord shall become the owner and holder of the secured indebtedness, Landlord may take or refrain from taking any action with respect to the Residence and the Subleased Premises in any manner provided by law or the mortgage or security agreement affecting the Residence.

25. Holdover Tenant. Unless agreed to in writing by Landlord, no holding over by the Resident shall operate to extend or renew this Sublease or to imply or create a new Sublease, but in such case the tenancy (if any) thus created shall be a tenancy at will only.

26. General Easements. Landlord reserves unto itself a perpetual general utility and drainage easement on, over, across and under the subleased Premises. Resident shall permit the Landlord or its designees, to erect, install, use, maintain, and repair drainage easements, pipes, cables, conduits, plumbing, and wire in, to and through the subleased Premises, as and to the extent that the Landlord may

now or hereafter deem to be necessary or appropriate for the proper operation and maintenance of the Village. All such work shall be done, so far as practical, in such manner as to avoid interference with Resident's use of the Premises or the Residence thereon.

27. Miscellaneous.

- A. Entire Agreement.** This Sublease represents the entire understanding between the parties hereto, there being no other representations, either oral or written other than those set forth herein.
- B. Severability.** If a court of competent jurisdiction shall find any particular provision of this Sublease invalid or unenforceable, it shall not affect the other provisions hereof, and the remainder of this agreement shall be construed and enforced in all respects as if such invalid or unenforceable provisions were omitted.
- C. Amendment/Binding Effect.** This Sublease may be modified or amended only in writing executed by all parties hereto. This Agreement shall be binding upon and inure the benefit of the parties hereto, their heirs, personal representatives, successors, and assigns.
- D. Law.** This Sublease shall be governed and enforced in accordance with the laws of the State of South Carolina, and the parties agree that any and all disputes, defaults, or other matters relating to this Sublease shall be enforced in and personal jurisdiction lies in Horry County, South Carolina.
- E. Notices.** Any notice under this Sublease must be in writing and must be sent by personal delivery, certified mail, or by recognized overnight courier express to the last address of the party to whom the notice is to be given, as designated by such party in writing. The Landlord hereby designates its address as 401 Twelfth Avenue North, Post Office Box 1117, Myrtle Beach, South Carolina 29578-1117. The Resident hereby designates his or her address as the Lot Address shown on Page 1. Any change of address must be delivered to the other party in writing.
- F. Memorandum Of Sublease.** This Sublease shall not be recorded, but the parties agree to execute a written Memorandum of this Sublease for recordation in the Office of the Register of Deeds for Horry County. Such Memorandum shall describe the subleased Premises, the sublease term, together with any other terms mutually agreed to by the parties.
- G. Time.** Time is of the essence for all provisions of this Sublease and any other documents, including without limitation the Rules and Regulations incorporated herein. No extensions or forbearances shall be binding unless in writing signed by the party against whom enforcement is sought.

H. Joint and Several. In the event that more than one person shall be or become the Resident hereunder, then the obligation of Resident hereunder shall be deemed to be the joint and several obligation of each such person.

28. Acknowledgment. By signing this Sublease Resident acknowledges that he, she, or it has read and received a copy of this Sublease and the various Appendices attached hereto, including but not limited to the Rules and Regulations.

29. Description of Residence. Resident's manufactured home, modular home, or stick-built dwelling is located upon, or to be placed upon, the Premises and is described as follows:

- A. Description of Residence from Title or Agreement of Ownership:** *(Check One)*
 Modular/Manufactured Home Stick Built Dwelling

Make _____ **Model** _____ **Year** _____

Serial No. _____

B. Occupants of Residence: Resident(s)

<u>Names on most recent Sublease</u>	<u>Relationship</u>	<u>Date of birth</u>

<u>Additional names to be added</u>	<u>Relationship</u>	<u>Date of birth</u>

IN WITNESS WHEREOF, the parties have set their hands and seals on the day and year first above written at Surfside Beach, South Carolina.

LANDLORD:

OCEANSIDE VILLAGE, LLC

(WITNESS)

By: _____ (Seal)
Its Authorized Agent

RESIDENT:

(WITNESS)

_____ (SEAL)

SOCIAL SECURITY #: _____

(WITNESS)

_____ (SEAL)

SOCIAL SECURITY #: _____

(WITNESS)

_____ (SEAL)

SOCIAL SECURITY #: _____

(WITNESS)

_____ (SEAL)

SOCIAL SECURITY #: _____