

## LOT 1 STADIUM AND GROUND SUBLEASE

This LOT 1 STADIUM AND GROUND SUBLEASE (“**Sublease**”) is made and entered into as of this 21<sup>st</sup> day of September, 2009 (the “**Effective Date**”) by and between SPORTS MENAGERIE STADIUM LLC, a North Carolina limited liability company (“**Sublandlord**”) and SPORTS MENAGERIE LLC, a Delaware limited liability company (“**Subtenant**”).

### WITNESSETH:

WHEREAS, the City of Winston-Salem (“**City**”) and Brookstown Development Partners, LLC (“**BDP**”) have entered into that certain Ground Lease Agreement (the “**Ground Lease**”) of even date herewith, wherein BDP leased that certain real property consisting of approximately 8.561 acres known as Revised Lot 1 as shown on the Plat of Subdivision at the site of the Downtown Winston-Salem Baseball Stadium recorded in Plat Book 54, Page 182, Forsyth County Registry (the “**Real Property**”).

WHEREAS, BDP and Sublandlord have entered into that certain Lot 1 Ground Sublease (the “**Ground Sublease**”) of even date herewith, wherein Sublandlord subleased the Real Property. A copy of the Ground Sublease is attached hereto as **Exhibit A** and incorporated herein by reference as if fully set forth herein.

WHEREAS, City and Sublandlord have entered into that certain Stadium Lease (the “**Stadium Lease**”) of even date herewith, pursuant to which City leased to Sublandlord, as tenant, the stadium improvements constructed, and to be constructed, upon the Real Property (“**Stadium**”). A copy of the Stadium Lease is attached hereto as **Exhibit B** and incorporated herein by reference as if fully set forth herein.

WHEREAS, Subtenant desires to sublet and Sublandlord desires to sublease the Real Property and the Stadium pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises, rent, mutual covenants and conditions contained herein, and other good and valuable consideration, Sublandlord and Subtenant hereby agree as follows:

- 1. Subleased Premises.** Sublandlord hereby sublets to Subtenant, and Subtenant hereby subleases from Sublandlord the entire Stadium and the Real Property upon the terms and conditions stated herein. The Stadium and the Real Property shall be referred to collectively as the “**Subleased Premises**” in this Sublease.
- 2. Term of Sublease.** The Term of this Sublease shall commence on the Effective Date (the “**Commencement Date**”) and shall end on October 31, 2034 (the “**Expiration Date**”). Notwithstanding the foregoing, in no event shall the Term of this Sublease continue beyond that time which is one (1) minute prior to the expiration or earlier termination of the first to expire or terminate of the Ground Lease and the Stadium Lease.

**3. The Ground Lease, Ground Sublease, and Stadium Lease.**

(a) Unless otherwise defined herein, capitalized terms used, but not defined, in this Sublease shall have the same meanings ascribed to them in the Stadium Lease. The Ground Lease, Ground Sublease, and Stadium Lease are collectively referred to herein as the “**Leases**”. Subtenant acknowledges that it has reviewed and is familiar with all of the terms, covenants and conditions of the Leases, which are hereby incorporated herein by reference in their entirety. Subtenant assumes and agrees to perform, observe and comply with all of the terms, covenants and conditions on the part of BDP and Sublandlord to be performed, observed and complied with under the Leases, and the Subtenant also assumes and agrees to perform, observe, and comply with all the obligations of the Subtenant as the same are specifically set forth in the Leases. Sublandlord represents that it has full right, power and authority under the Leases, and otherwise, to enter into this Sublease, and to grant the rights and delegate the duties contained herein to Subtenant.

(b) This Sublease is expressly made subject to all of the terms, covenants and conditions of the Leases. To the extent there is any conflict between the provisions of the Ground Lease or the Stadium Lease, and the provisions of this Sublease, the provisions of the Ground Lease or Stadium Lease shall prevail.

**4. Use and Occupancy; Delivery of Possession.**

(a) Sublandlord shall construct and improve the Subleased Premises in accordance with the provisions of the Leases, and shall deliver the same to Subtenant on or before April 9, 2010. Subtenant shall use and occupy the Subleased Premises only for the Permitted Use.

(b) Subtenant covenants that it will occupy the Subleased Premises in accordance with the terms of the Leases and will not suffer to be done or omit to do any act that may result in a violation of or a default under any of the terms and conditions of the Leases. Subtenant further covenants and agrees to indemnify Sublandlord against and hold Sublandlord harmless from any loss or liability arising out of, by reason of, or resulting from Subtenant’s failure to perform or observe any of the terms and conditions of the Leases. Subtenant shall perform all of the maintenance, repair and replacement obligations of Sublandlord under the Stadium Lease.

(c) Subtenant agrees that Sublandlord shall not be required to perform any of the covenants and obligations of the parties acting as “landlord” under the Leases (collectively, “**Landlord Parties**”; each a “**Landlord Party**”) with respect to the Subleased Premises and, insofar as any of the covenants and obligations of Sublandlord hereunder are required to be performed under the Leases by the Landlord Parties thereunder, the Subtenant and Sublandlord shall be entitled to look to their direct Landlord Party for such performance with respect to the Subleased Premises. Any default or failure of performance by a Landlord Party under the Leases shall not affect this Sublease or waive or defer any of Subtenant’s obligations hereunder; provided, however, that in the event of any such default or failure of performance by a Landlord Party under any of the Leases, Sublandlord shall take such action as may reasonably be required, under the circumstances, to secure such performance upon Subtenant’s written request therefor. If Sublandlord shall be in breach of its obligations as a tenant or subtenant under the Leases, then

Subtenant shall be entitled to pursue all its legal remedies against Sublandlord for such breach of the Leases.

(d) At all times during the Term of this Sublease, it shall be Subtenant's responsibility to pay when due all operating expenses incurred with respect to the operation of the Stadium.

**5. Rent.**

(a) Beginning on June 1, 2010 (the "**Rent Commencement Date**"), and continuing through the end of the Term, Subtenant shall pay to Sublandlord as rent for the Subleased Premises (i) all Base Rent, Overage Rent, and Nominal Rent that is due under the Stadium Lease, at the same time and in the same manner as is provided in the Stadium Lease, and (ii) all Upfront Rent and Base Rent that is due under the Ground Sublease, at the same time and in the same manner as is provided in the Ground Sublease, and (iii) all payments, costs, fees, and other amounts due and payable (the "**Loan Payments**") from Sublandlord to Bank of America, NA, pursuant to the Construction Loan as described in **Section 21** of the Stadium Lease (as the same may be modified, amended, refinanced or replaced from time to time), at the same time and in the same manner as is provided in the Construction Loan documents or in any replacement loan documents.

(b) Any sums due from Subtenant to Sublandlord, including without limitation the Upfront Rent, Base Rent, Overage Rent, and Nominal Rent as defined in the Stadium Lease and the Ground Sublease, the Loan Payments, and any other sums which may become due and payable by Subtenant to Sublandlord hereunder, shall be called "**Rent.**"

**6. Leasehold Deed of Trust Provisions.** The provisions of **Section 21** of the Stadium Lease are hereby incorporated by reference and shall apply to this Sublease as if fully set forth herein, except that (i) "Landlord" under that **Section 21** shall mean Sublandlord for the purposes of this Sublease; (ii) "Tenant" under that **Section 21** shall mean "Subtenant" for the purposes of this Sublease; (iii) "Lease" under that **Section 21** shall mean this Sublease; (iv) "Term" under that **Section 21** shall mean the Term of this Sublease; and (v) any other defined term used in that **Section 21** shall have the meaning given in this Sublease, if any; and if any such defined term is not defined in this Sublease, then that defined term shall have the meaning given in the Stadium Lease.

**7. Condemnation and Casualty.**

(a) If the whole or any part of the Subleased Premises shall be taken or condemned in any manner by any governmental authority for any public or quasi-public use, and if the Ground Lease or Stadium Lease terminates then, in any such event, the Term of this Sublease shall cease and terminate as of the date that the first of the Ground Lease or Stadium Lease terminates. Subject to the terms of the Leases, Subtenant shall be allowed to participate in any compensation awarded upon a total or partial taking of the Subleased Premises.

(b) If all or any portion of the Subleased Premises is damaged by fire or any other casualty, then the repair or restoration of the Subleased Premises shall be governed by **Section 19** of the Stadium Lease. If the Ground Lease or the Stadium Lease is terminated due to such

casualty, then the Term of this Sublease shall cease and terminate as of the date that the first of the Ground Lease or Stadium Lease terminates.

**8. Assignment or Subletting.**

(a) Subtenant may, with the prior written consent of Sublandlord which shall not be unreasonably withheld, conditioned, or delayed, but subject at all times to the terms of **Section 15** (Assignment and Subletting) of the Ground Lease and **Section 20** (Assignment and Subletting) of the Stadium Lease, at any time and from time to time, assign or encumber this Sublease or its rights hereunder, or sublet the Subleased Premises or any part thereof at any time and from time to time during the Term.

(b) In the case of a sublet of the Subleased Premises by Subtenant, Subtenant may delegate all or any portion of its rights and duties under this Sublease to its sublessee. Regardless of whether any of the Leases or this Sublease specifically mentions the rights of Subtenant or any sublessee, any time under the Leases or this Sublease that Subtenant is authorized to receive a benefit or to perform an act, or is required to perform an act, Sublandlord specifically agrees that the receipt or performance may be done by Subtenant or a sublessee of Subtenant.

(c) Subtenant expressly acknowledges and agrees that this Sublease shall be subject to the provisions of **Section 16** (Leasehold Deed of Trust Provisions) of the Ground Lease and **Section 21** (Leasehold Deed of Trust Provisions) of the Stadium Lease.

(d) Notwithstanding the terms of this **Section 8**, any assignment of this Sublease (and, if assigned, then any further assignment of this Sublease) and any sublease of the Subleased Premises (and, if subleased, then any further sublease of the Subleased Premises) shall require the prior written consent of City in accordance with the provisions set forth in the Ground Lease and Stadium Lease.

**9. Purchase Option.** Sublandlord hereby agrees that any purchase option provided to Sublandlord in the Stadium Lease may be exercised directly by Subtenant.

**10. Default and Remedies.**

(a) **Definitions.**

- (i) “**Monetary Obligation**” means any obligation of Subtenant under this Sublease to pay any Rent on the day when that Rent is due and payable under this Sublease.
- (ii) “**Material Non-Monetary Default**” means a Default under **Section 10(b)(ii)(1)** and **Sections 10(b)(ii)(3) through 10(b)(ii)(9)**.
- (iii) “**Material Non-Monetary Obligation**” means any obligation of Subtenant to perform any covenant, term or obligation under this Sublease, excluding Monetary Obligations and Minor Non-Monetary Obligations.

- (iv) **“Minor Non-Monetary Obligation”** means any obligation of Subtenant to perform the obligations of BDP under **Section 7** (Maintenance, Repairs and Replacements) of the Ground Lease and Sublandlord under **Section 10** of the Stadium Lease (Maintenance, Repairs and Replacements).
- (v) **“Non-Monetary Obligation”** means any Material Non-Monetary Obligation and any Minor Non-Monetary Obligation.
- (vi) **“Potential Default”** means a Potential Monetary Default or a Potential Non-Monetary Default.
- (vii) **“Potential Monetary Default”** means any failure of Subtenant to perform a Monetary Obligation for which (1) Sublandlord has delivered to Subtenant notice of such failure; (2) the cure period under this Sublease has not yet expired; and (3) Subtenant has not yet cured.
- (viii) **“Potential Non-Monetary Default”** means any failure of Subtenant to perform a Non-Monetary Obligation for which (1) Sublandlord has delivered to Subtenant notice of such failure; (2) the cure period under this Sublease has not yet expired; and (3) Subtenant has not yet cured.
- (ix) **“Season”** means the Subtenant’s then current annual baseball season commencing with the first game of the season and concluding with the last game of that season.

(b) **Events of Default.** Subject to the terms of **Section 6**, the occurrence of any one or more of the following shall constitute a default by Subtenant under this Sublease (“**Default**”):

- (i) **Monetary Default.** If Subtenant shall fail to perform any Monetary Obligation and such Monetary Obligation shall remain unsatisfied for a period ending on the later of (1) one hundred eighty (180) days after Subtenant’s receipt of written notice thereof from Sublandlord (except that the cure period for the payment of Base Rent due December 1<sup>st</sup> shall expire on April 1<sup>st</sup> of the following year provided Sublandlord gives notice of the failure to timely pay the December 1<sup>st</sup> Base Rent payment by December 31<sup>st</sup>), or (2) thirty (30) days following the expiration of the Season if Subtenant (or a permitted Transferee (as defined in the Stadium Lease) of Subtenant) is actively using the Stadium as a minor league baseball stadium and the end of the one hundred eighty (180) day period under subsection (1) above ends during that Season. A Default under this **Section 10(b)(i)** is a “**Monetary Default.**”
- (ii) **Non-Monetary Default.** The occurrence of any one or more of the following shall constitute a non-monetary default by Subtenant under this Sublease (“**Non-Monetary Default**”):
  - (1) if Subtenant shall fail to keep and perform any Material Non-Monetary Obligation and such failure shall continue for a period

ending on the later of (A) thirty (30) days after Subtenant's receipt of written notice thereof from Sublandlord, unless such failure under this subsection (1) cannot be cured within such thirty (30) day period and Subtenant (or Leasehold Beneficiary) fails within such thirty (30) day period to undertake to cure such failure and then does not proceed with reasonable diligence to complete such cure, or (B) thirty (30) days following the expiration of the Season if Subtenant (or a permitted Transferee (as defined in the Stadium Lease) of Subtenant) is actively using the Stadium as a minor league baseball stadium and the end of the thirty (30) day period under subsection (A) above ends during that Season.

- (2) if Subtenant shall fail to keep and perform any Minor Non-Monetary Obligation and such failure shall continue for a period ending on the later of (A) one hundred and eighty (180) days after Subtenant's receipt of written notice thereof from Sublandlord, unless such failure under this subsection (2) cannot be cured within such one hundred and eighty (180) day period and Subtenant (or Leasehold Beneficiary) fails within such one hundred and eighty (180) day period to undertake to cure such failure and then does not proceed with reasonable diligence to complete such cure, or (B) thirty (30) days following the expiration of the Season if Subtenant (or a permitted Transferee (as defined in the Stadium Lease) of Subtenant) is actively using the Stadium as a minor league baseball stadium and the end of the one hundred eighty (180) day period under subsection (A) ends during that Season; provided, however, upon written notice to Sublandlord delivered prior to the expiration of the later to occur of (A) or (B) above, Subtenant shall have the right to defer any repairs or maintenance to no later than ten (10) days prior to the start of the next Season. A Default under this **Section 10(b)(ii)(2)** is a "**Minor Non-Monetary Default.**"
- (3) If the Subleased Premises is used for other than the Permitted Use and such non-compliance shall continue for a period of thirty (30) days after Subtenant's receipt of written notice thereof from Sublandlord.
- (4) If Subtenant fails to cure any Potential Default (as defined in the Ground Lease) by BDP under the Ground Lease before such Potential Default becomes a Default (as defined in the Ground Lease).
- (5) If Subtenant fails to cure any Potential Default (as defined in the Stadium Lease) by Sublandlord under the Stadium Lease before such Potential Default becomes a Default (as defined in the Stadium Lease).

- (6) If any assignment or sublet occurs in violation of **Section 8** of this Sublease, and such violation shall continue for a period of thirty (30) days after Subtenant's receipt of written notice thereof by Sublandlord.
- (7) If Subtenant fails to maintain the insurance coverages required under **Section 25(a)** of the Ground Lease and **Section 30(a)** of the Stadium Lease and such failure continues for a period of thirty (30) business days after Subtenant's receipt of written notice thereof from Sublandlord.
- (8) If Subtenant makes any general assignment for the benefit of creditors.
- (9) If a petition to have Subtenant adjudged a bankrupt or a petition for reorganization under any bankruptcy, insolvency, receivership or other Applicable Laws relating to the readjustment of indebtedness generally is filed by or against Subtenant and, if involuntary, such petition is not discharged or dismissed within one hundred and eighty (180) days after its filing.

(c) **Notice of Potential Default.** A duplicate copy of all written notices of Potential Default required to be delivered by Sublandlord to Subtenant hereunder shall be simultaneously delivered to City and Leasehold Beneficiary, such that Leasehold Beneficiary shall have the same opportunity to cure any Potential Default by Subtenant under this Sublease. No notice of any Potential Default to Subtenant shall be deemed effective until copies thereof are delivered to City and Leasehold Beneficiary.

(d) **Remedies.**

- (i) **Default (Other than Minor Non-Monetary Default).** Upon a Default (other than a Minor Non-Monetary Default), Sublandlord may, in addition to all rights and remedies available at law and in equity, (1) terminate this Sublease, (2) reenter the Subleased Premises and remove all persons and property from the Subleased Premises and dispose of such property as Sublandlord deems fit, all without being guilty of trespass or being liable for any damages caused thereby, (3) cure such Default, in which case Subtenant shall pay Sublandlord upon demand all expenses incurred by Sublandlord in curing the Default; and/or (4) recover from Subtenant all actual damages incurred by Sublandlord as a result of the Default. If Sublandlord reenters the Subleased Premises, then Sublandlord may either terminate this Sublease or, from time to time without terminating this Sublease, make such repairs as Sublandlord may deem necessary to relet the Subleased Premises, and relet the Subleased Premises upon such terms and conditions as Sublandlord deems advisable without any responsibility whatsoever to account to Subtenant for any rents collected. No retaking of possession of the Subleased Premises by Sublandlord shall be deemed as

an election to terminate this Sublease unless a written notice of such intention is given by Sublandlord to Subtenant at the time of reentry; provided that Sublandlord may at any time thereafter elect to terminate this Sublease. If Sublandlord elects to terminate this Sublease, then Sublandlord may recover from Subtenant all actual damages suffered by Sublandlord, including the costs of recovering and reletting the Subleased Premises, and Subtenant shall remain liable to Sublandlord for the total Rent (which may at Sublandlord's election be accelerated to be due and payable in full as of the Default and recoverable as damages in a lump sum) as would have been payable by Subtenant hereunder for the remainder of the Term without crediting Subtenant for any rentals actually received from any reletting. Subtenant expressly acknowledges that in the event of a Default, regardless of whether this Sublease terminates, to the fullest extent permitted by Applicable Law, Subtenant shall be fully liable for the total Rent due under this Sublease without any credit or offset whatsoever. Notwithstanding anything to the contrary contained in this Sublease or pursuant to Applicable Law, Sublandlord shall not be required to mitigate Sublandlord's damages or Subtenant's damages in the event of a Monetary Default by Subtenant under this Sublease, either by attempting to relet the Subleased Premises or otherwise, and Subtenant hereby permanently and irrevocably waives any claim or right to require Sublandlord to mitigate such damages. Notwithstanding anything contained in this Sublease to the contrary, Subtenant does not waive any obligation of Sublandlord under Applicable Law to mitigate its damages as a result of any Non-Monetary Default. All amounts owed by Subtenant to Sublandlord under this Sublease shall bear interest from the date due until paid in full at twelve percent (12%) per annum (the "**Interest Rate**"); except that Rent shall bear interest from the date due until paid in full at two percent (2%) per annum. Notwithstanding the foregoing, if a Material Non-Monetary Default under **Sections 10(b)(ii)(3) through 10(b)(ii)(9)** occurs during a Season when Subtenant (or a permitted Transferee (as defined in the Stadium Lease) of Subtenant) is actively using the Subleased Premises as a minor league baseball stadium, then neither City nor Sublandlord shall terminate this Lease, reenter the Premises, or otherwise remove Subtenant until thirty (30) days following the end of the Season.

- (ii) Minor Non-Monetary Default. Upon a Minor Non-Monetary Default, Sublandlord may: (1) undertake to cure the Minor Non-Monetary Default at Subtenant's expense and Subtenant shall reimburse Sublandlord on demand for the reasonable costs incurred by Sublandlord of curing such Minor Non-Monetary Default; (2) bring an action for specific performance to compel Subtenant to perform its obligations under this Sublease; and/or (3) recover from Subtenant all actual damages incurred by Sublandlord as a result of the Minor Non-Monetary Default. Notwithstanding anything contained in this Sublease to the contrary, Subtenant does not waive any



obligation of Sublandlord under Applicable Law to mitigate its damages as a result of any Minor Non-Monetary Default.

(e) **Rent Subordination.** Sublandlord agrees that Subtenant's obligation to pay Rent under this Sublease shall, at all times until the Construction Loan is paid in full, be subordinate to the payment obligations to the Leasehold Beneficiary under the Construction Loan ("**Rent Subordination**"), and as such, Subtenant is allowed to pay Rent under this Sublease only if not in default in the payments due under the Construction Loan (such a default is a "**Loan Payment Default**"). If a Loan Payment Default exists and Subtenant fails to pay Rent under this Sublease due to the Rent Subordination, then Subtenant shall not be in Monetary Default under this Sublease until the failure of Subtenant to pay such Rent by the later of: (i) the end of the applicable cure period for that failure to pay Rent under **Section 10(b)(i)** for a Monetary Default ("**Rent Cure Period**"); and (ii) if, and only if, the Loan Payment Default is cured by the end of the Rent Cure Period, then thirty (30) days after the date of the satisfaction of the Loan Payment Default; provided, however, that the additional thirty (30) day period referenced in subsection (ii) above shall not operate to extend the cure period under **Section 10(b)(i)** for the failure to timely pay the December 1st Rent payment.

11. **Third-Party Beneficiary.** Subtenant agrees that the City shall be deemed to be a third-party beneficiary of this Sublease and that upon a Default as defined in the Ground Lease or a Default as defined in the Stadium Lease, City shall have the right to enforce all provisions of this Sublease directly against Subtenant.

12. **Quiet Enjoyment.** Sublandlord covenants and agrees with Subtenant that, provided Subtenant is not in Default under this Sublease, Subtenant shall peaceably and quietly enjoy the Subleased Premises and Subtenant's possession in accordance with the Permitted Use shall not be disturbed by Sublandlord or any one claiming by, through or under Sublandlord subject, nevertheless, to the terms and conditions of this Sublease and the Leases.

13. **"Sublandlord"**. The term "Sublandlord" as used in this Sublease refers to the "tenant" under the Stadium Lease and the "subtenant" under the Ground Sublease at the time in question, so that if the Stadium Lease or Ground Sublease are assigned, such covenants, conditions and agreements shall be binding upon each successor assignee.

14. **Indemnity.**

(a) Each party hereto does hereby agree to indemnify the other and hold the other harmless, of and from any claim, damage, liability, costs or expense, including reasonable attorneys' fees, which either may suffer or incur by reason of the failure of the other to perform, observe and comply with any of the terms, covenants and conditions of this Sublease or the Leases, as such terms, covenants and conditions may affect the Subleased Premises.

(b) Subtenant acknowledges Subtenant has the same indemnification obligations for the benefit of City that Sublandlord has under **Section 30(e)** and **Section 32(c)** of the Stadium Lease.

15. **Financial Reporting.** Subtenant shall comply with the requirements of **Section 50** of the Stadium Lease that are applicable to Subtenant.

**16. Sublandlord Default; Right to Cure.** Without limiting any remedy at law or equity to which Subtenant may otherwise be entitled, Sublandlord agrees that if Sublandlord fails to perform any covenant or agreement in this Sublease contained on the part of Sublandlord to be performed, then and in such event after the continuance of any such failure or default for sixty (60) days after notice in writing thereof is given by Subtenant to Sublandlord (or, if such failure or default cannot be reasonably cured within sixty (60) days and Sublandlord does not commence to cure such failure or default within sixty (60) days after written notice thereof and diligently complete such cure within a reasonable time thereafter), Subtenant may elect, as its sole and exclusive remedy, to either (a) cure such defaults all on behalf of and at the expense of Sublandlord, and if Sublandlord does not reimburse Subtenant for the expenses incurred by Subtenant in curing such default within thirty (30) days after Sublandlord's receipt of a statement of such expenses (with reasonable supporting documentation), then Subtenant may deduct the expense from the next installment(s) of Rent due hereunder (notwithstanding the foregoing, in the event of any emergency, Subtenant may cure the default without giving prior notice to Sublandlord provided Subtenant gives notice to Sublandlord as soon as is reasonably practical), or (b) pursue an action against Sublandlord for specific performance of Sublandlord's obligations under this Sublease, or (c) pursue an action against Sublandlord for actual damages. Subtenant may further do all necessary work and make all necessary payments in connection therewith, including, but not limited to, the payment of attorney's fees, costs and charges of or in connection with any legal action which may have been brought against Sublandlord. It is specifically understood that, except as set forth in this Sublease, Subtenant shall at no time be obligated to make any payment or perform any obligation of Sublandlord and that, if Subtenant does make payments or perform obligations of Sublandlord, no continuing obligation to do so at any future time or times will be created on the part of Subtenant.

**17. Notices.** All notices required to be given or otherwise given hereunder shall be in writing signed by the party serving the same and shall be sent by registered or certified United States mail (return receipt requested, postage prepaid), or by a national overnight courier service (such as Federal Express), and shall be addressed to the parties at the addresses appearing below or to such other address as either party may have furnished from time to time to the other as a place for the service of notice. Any notice so sent shall be deemed to have been given as of the time said notice is actually received or the date delivery is refused. Any notice not properly sent or addressed shall nevertheless be effective upon the receipt thereof. Notices may be given by either party's legal counsel but notice to either party's legal counsel shall not constitute notice hereunder.

Sublandlord: Sports Menagerie Stadium LLC  
926 Brookstown Avenue  
Winston-Salem, NC 27101  
Fax: (336) 714-2288

Subtenant: Sports Menagerie, LLC  
926 Brookstown Avenue  
Winston-Salem, NC 27101  
Fax: (336) 714-2288

Landlord: City of Winston-Salem  
Lee D. Garrity, City Manager  
City Hall  
101 North Main Street, Suite 170  
Winston-Salem NC 27101  
Fax: (336) 748-3060

with separately sent copies to:

City of Winston-Salem  
Angela I. Carmon, Esq., City Attorney  
City Hall  
101 North Main Street, Room 134  
Winston-Salem NC 27101  
Fax: (336) 748-3816

BDP: Brookstown Development Partners, LLC  
104 Cambridge Plaza Drive  
Winston-Salem, NC 27101

with a copy separately sent to:

Thomas T. Crumpler  
Allman Spry Leggett & Crumpler, P.A.  
380 Knollwood Street, Suite 700  
Winston-Salem, North Carolina 27103  
Facsimile No.: (336) 722-8720

Construction Lender: Bank of America, NA  
380 Knollwood Street, NC4-512-02-08  
Suite 201  
Winston-Salem, NC 27103

**18. Binding Effect.** The covenants, conditions and agreements contained herein shall be binding upon and inure to the benefit of Sublandlord and Subtenant and their representatives heirs, executors, administrators, successors and permitted assigns.

**19. Surrender of the Subleased Premises.** Upon the expiration or earlier termination of this Sublease, Subtenant shall remove all personal property of Subtenant and Subtenant shall at its own expense repair any damage caused by such removal. Subtenant shall surrender and deliver the Subleased Premises in the same condition as required under the Leases for the delivery of the Stadium and Real Property at the expiration or earlier termination of the Stadium Lease and Ground Lease, respectively.

**20. Governing Law.** This Sublease is entered into in the State of North Carolina, and its validity and interpretation shall be construed in accordance with the laws of that State.

21. **Counterparts**. This Sublease may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument.

22. **Limitation of Damages**. Notwithstanding any other provisions in this Sublease, neither Sublandlord nor Subtenant shall be liable to the other or to City for any special, consequential, incidental or punitive damages.

23. **Insurance**. Subtenant and Sublandlord shall be responsible for providing and keeping in force the insurance policies required under the Stadium Lease. Subtenant's insurance obligations shall be deemed to be those of Sublandlord under the Stadium Lease, and as such: (a) Subtenant's insurance obligations shall be satisfied hereunder by the furnishing by either Sublandlord or Subtenant of the policies required under **Section 30** of the Stadium Lease; and (b) Subtenant shall not be required to provide duplicate policies with those required under **Section 30** of the Stadium Lease.

24. **Tri-Party Agreement**. Contemporaneously with the execution of this Sublease, Subtenant, Sublandlord, City, BDP, Construction Lender and Sports Menagerie Corp. are entering into a Tri-Party Agreement ("**Tri-Party Agreement**") which shall be recorded in the Forsyth County Public Registry. The terms of this Sublease are subject to the terms of the Tri-Party Agreement and in the event of any conflict between the terms of this Sublease and the Tri-Party Agreement, the terms of the Tri-Party Agreement shall control.

25. **Modification of Leases**. Sublandlord agrees that it will not enter into any amendment to the Leases which would materially adversely affect Subtenant's use of the Subleased Premises or which would materially increase Subtenant's obligations under this Sublease.

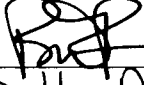
26. **Short Form Sublease**. On the Effective Date, the parties shall execute the Short Form Sublease attached as **Exhibit C** ("**Short Form Sublease**"). If this Sublease is terminated for any reason, then Subtenant shall prepare, execute and deliver to Sublandlord a Release and Cancellation of the Short Form Sublease.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Sublandlord and Subtenant have each caused this Agreement of Sublease to be executed by its duly authorized partner or officer and the appropriate corporate seals have been hereunto affixed all as of the day and year first written above.

SUBLANDLORD:

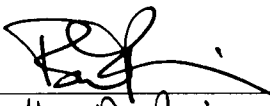
SPORTS MENAGERIE STADIUM LLC

By:   
Name: Billy D. Prim  
Title: Manager  
Date: 9/21/09

SUBTENANT:

SPORTS MENAGERIE, LLC

By: Sports Menagerie Corp., its Manager

By:   
Name: Billy D. Prim  
Title: President  
Date: 9/21/09

**EXHIBIT A**  
THE "GROUND SUBLEASE"

**EXHIBIT B**  
THE "STADIUM LEASE"

## EXHIBIT C

### SHORT FORM SUBLEASE

**DRAWN BY AND MAIL TO:**

Parker Poe Adams & Bernstein LLP (TMQ)  
Three Wachovia Center  
401 S. Tryon Street, Suite 3000  
Charlotte, NC 28202

### MEMORANDUM OF SUBLEASE

**THIS MEMORANDUM OF SUBLEASE (“Memorandum”)** is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2009, by the **SPORTS MENAGERIE STADIUM LLC**, a North Carolina limited liability company (“**Sublandlord**”), and **SPORTS MENAGERIE, LLC**, a Delaware limited liability company (“**Subtenant**”).

1. The City of Winston-Salem, North Carolina (“**City**”) and Brookstown Development Partners, LLC (“**BDP**”) entered into a Ground Lease dated \_\_\_\_\_, 2009 (“**Ground Lease**”), pursuant to which the City is leasing to BDP certain premises in Winston-Salem, North Carolina, as described on **Exhibit A** (“**Real Property**”).
2. The City and Sublandlord entered into a Stadium Lease dated \_\_\_\_\_, 2009 (“**Stadium Lease**”), pursuant to which the City is leasing to Sublandlord improvements constructed and to be constructed on the Real Property (“**Stadium**”).
3. BDP and Sublandlord entered into a Lot 1 Ground Sublease dated \_\_\_\_\_, 2009 (“**Ground Sublease**”), pursuant to which BDP is subleasing to Sublandlord the Real Property
4. Sublandlord and Subtenant entered into a Lot 1 Stadium and Ground Sublease dated \_\_\_\_\_, 2009 (“**Sublease**”), pursuant to which Sublandlord is subleasing to Subtenant the Real Property and Stadium (the Real Property and Stadium are collectively referred to in this Memorandum as the “**Subleased Premises**”).
5. The term of the Sublease begins on \_\_\_\_\_, 2009 (“**Commencement Date**”) and expires at 11:59 p.m. on October 31, 2034.
6. The terms of the Sublease are expressly made subject to all of the terms, covenants and conditions of the Ground Lease, Stadium Lease and Ground Sublease. To the extent there is any conflict between the provisions of the Ground Lease or Stadium Lease and the provisions of the Sublease, the provisions of the Ground Lease and Stadium Lease shall prevail.
7. The terms of the Sublease are subject to the terms of the Tri-Party Agreement between City, BDP, Sublandlord, Subtenant, Bank of America, N.A. and Sports Menagerie Corp. entered into contemporaneously herewith and recorded in the Forsyth County Public Registry. In the



event of any conflict between the terms of the Sublease and the Tri-Party Agreement, the terms of the Tri-Party Agreement shall control.

**8.** The Sublease contains provisions for the benefit of the holders of Leasehold Deeds of Trust on the Subleased Premises, all as set forth in the Sublease, which include the right of the holders of any Leasehold Deed of Trust to further extend the term of the Stadium Lease for a period of up to ninety-nine (99) years from the time that such holders take possession of the Stadium.

**9.** The address of Sublandlord is:

Sports Menagerie Stadium LLC  
926 Brookstown Avenue  
Winston-Salem, NC 27101

**10.** The address of Subtenant is:

Sports Menagerie, LLC  
926 Brookstown Avenue  
Winston-Salem, NC 27101

**11.** All of the provisions of the Sublease are hereby incorporated into and made a part of this Memorandum by this reference. The provisions of this Memorandum constitute only a general description of the contents of the Sublease with respect to matters set forth herein. Accordingly, third parties are advised that the provisions of the Sublease shall control with respect to all matters set forth herein. In the event of any discrepancy between the provisions of the Sublease and this Memorandum, the provisions of the Sublease shall prevail over the provisions of this Memorandum.

**IN WITNESS WHEREOF**, Sublandlord and Subtenant have caused this Memorandum of Sublease to be executed effective as of the day and year first written above.

**SUBLANDLORD:**

**SPORTS MENAGERIE STADIUM LLC**,  
a North Carolina limited liability company

By: \_\_\_\_\_

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

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

STATE OF NORTH CAROLINA

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

I, \_\_\_\_\_, a Notary Public of \_\_\_\_\_ County, State of North Carolina, certify that \_\_\_\_\_, who being by me duly sworn, says that he/she is \_\_\_\_\_ of **SPORTS MENAGERIE STADIUM LLC**, a North Carolina limited liability company, and that he/she, as \_\_\_\_\_, being authorized to do so, executed the foregoing instrument on behalf of the company.

Witness my hand and official seal, this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_

Notary Public

My Commission Expires:

\_\_\_\_\_

[NOTARY SEAL]

**SUBTENANT:**

**SPORTS MENAGERIE, LLC**, a Delaware limited liability company

By: \_\_\_\_\_

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

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

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, \_\_\_\_\_, a Notary Public of \_\_\_\_\_ County, State of North Carolina, certify that \_\_\_\_\_, who being by me duly sworn, says that he/she is \_\_\_\_\_ of **SPORTS MENAGERIE, LLC**, a Delaware limited liability company, and that he/she, as \_\_\_\_\_, being authorized to do so, executed the foregoing instrument on behalf of the company.

Witness my hand and official seal, this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_

Notary Public

My Commission Expires:

\_\_\_\_\_

[NOTARY SEAL]

**EXHIBIT A**

**REAL PROPERTY**

Being known and designated as Revised Lot 1 as shown on the Plat of Subdivision at the site of the Downtown Winston-Salem Baseball Stadium recorded in Plat Book 54, Page 182, in Office of the Register of Deeds of Forsyth County, North Carolina, to which map reference is hereby made for a more particular description.