Section 1: 8-K (FORM 8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 21, 2017

Drive Shack Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)

001-31458	**81-0559116**
(Commission File Number)	**(IRS Employer Identification No.)**
1345 Avenue of the Americas, 45th Floor New York, New York	
(Address of principal executive offices)	**10105 (Zip Code)**

Registrant's telephone number, including area code (212) 798-6100

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ **Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)**

☐ **Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)**

☐ **Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d- 2(b))**

☐ **Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Item 1.01 Entry into a Material Definitive Agreement.

On December 21, 2017, Drive Shack Inc. (the "Company") entered into definitive agreements with its external manager, FIG LLC (the "Manager") to internalize the Company's management function (the "Internalization"). Since the Company's inception in 2002, under the supervision of the Company's board of directors, the Manager has been responsible for managing the Company's operations. As described in more detail below, on December 21, 2017, the Company agreed with the Manager to terminate the existing management agreement, extend offers of employment to all of the Company's executive team who are currently employees of the Manager and arrange for the Manager to continue to provide certain services for a transition period. The Internalization will be effective as of January 1, 2018.

The Company's executive team will remain unchanged following the Internalization. Members of the Company's executive team, currently employed by the Manager, who will be employed by the Company, include Sarah L. Watterson, Chief Executive Officer and President; Lawrence A. Goodfield, Jr., Chief Financial Officer, Chief Accounting Officer and Treasurer; and Sara A. Yakin, Chief Operating Officer. Wesley R. Edens, who is a Principal and co-founder of Fortress Investment Group LLC, an affiliate of the Manager, will remain the Chairman of the Company's board of directors.

Each of the agreements described under this Item 1.01, and the transactions contemplated thereby, were negotiated and unanimously approved by a special committee (the "Special Committee") comprised entirely of independent and disinterested members of the board of directors of the Company, advised by independent counsel.

Termination and Cooperation Agreement

On December 21, 2017, the Company entered into a Termination and Cooperation Agreement (the "Termination and Cooperation Agreement") with the Manager. The Company has been managed by the Manager pursuant to an Amended and Restated Management and Advisory Agreement, dated January 1, 2017 (the "Management and Advisory Agreement"). Under the Termination and Cooperation Agreement, the Management and Advisory Agreement will terminate effective as of January 1, 2018, except that certain confidentiality, indemnification, expense reimbursement and miscellaneous provisions will survive. In connection with the termination of the Management and Advisory Agreement, the Company will make a one-time cash payment of $10.7 million to the Manager.

As described in the Termination and Cooperation Agreement, the Company has extended offers of employment to thirteen employees currently employed by the Manager or its affiliates. The thirteen employees include the executive officers of the Company whose employment arrangements are further described in Item 5.02 below. Other professionals who provide services on behalf of the Manager will continue to fill similar roles as employees of the Company. The Manager has agreed to be solely responsible for the payment of all compensation payable to such employees with respect to the period prior to January 1, 2018, whether payable prior to or following January 1, 2018, including any discretionary cash bonus payment payable in respect of the 2017 calendar year.

Pursuant to the Termination and Cooperation Agreement, effective as of January 1, 2018, and continuing through the expiration date of the 2017 Drive Shack Inc. Nonqualified Option and Incentive Award Plan (adopted as of April 11, 2017, the "Option Plan"), no "Awards" (as defined in the Option Plan) will be granted or otherwise awarded to the Manager under the Option Plan. In addition, the Company and the Manager agreed to provide that (i) outstanding "Tandem Awards" (as defined in the Option Plan) held by certain employees formerly employed by the Manager will not terminate or be forfeited as a result of the transactions contemplated by the Termination and Cooperation Agreement and (ii) the vesting of such Tandem Awards will relate to the holder's employment with the Company and its affiliates following January 1, 2018.

The information set forth herein with respect to the Termination and Cooperation Agreement is qualified in its entirety by the full text of the Termination and Cooperation Agreement, which is filed as Exhibit 10.1 hereto and incorporated into this Item 1.01 by reference.

Transition Services Agreement

On December 21, 2017, in connection with the Termination and Cooperation Agreement, the Company entered into a Transition Services Agreement, effective as of January 1, 2018 (the "Transition Services Agreement"), with the Manager. In order to facilitate the transition of the Company's management of its operations and provide the Company sufficient time to develop such services in-house or to hire other third-party service providers for such services, under the Transition Services Agreement, the Manager will continue to provide to the Company certain services (the "Services"). The Services primarily include information technology, legal, regulatory compliance, tax and accounting services, which were previously provided under the Management and Advisory Agreement, in the same manner previously provided. The Services will be provided for a fee intended to be equal to the Manager's cost of providing the Services, including the allocated cost of, among other things, overhead, employee wages and compensation and out-of-pocket expenses, and will be invoiced on a monthly basis.

The Transition Services Agreement may be terminated under certain circumstances, including (1) by mutual written consent of the Manager and the Company, (2) by either the Manager or the Company in the event of a material breach by the non-terminating party that is not cured within thirty (30) days following written notification thereof, and (3) by the Manager if the Company fails to pay any sum due and payable for a period of at least thirty (30) days.

Under the Transition Services Agreement, the Manager will provide legal, regulatory compliance, tax and accounting Services until June 30, 2018 and information technology Services until January 1, 2019 (subject to extension by the Company for such information technology Services for an additional six (6) months). If the Company elects to extend any Service, the Company must provide to the Manager not less than sixty (60) days prior written notice of such extension. If the Company elects to terminate any Service prior to its scheduled termination date, the Company must provide to the Manager not less than thirty (30) days prior written notice of such termination unless the Manager otherwise agrees. In connection with any such termination of a Service, in addition to any other costs due, the Company will reimburse the Manager for any actual costs and expenses owed by the Manager with respect to such Service to the extent owed by the Manager in connection with such Service up to the date that such Service would otherwise have been provided (i.e., in the absence of such early termination).

The Transition Services Agreement will terminate on the earliest to occur of (a) the date on which the Transition Services Agreement is terminated pursuant to events described in the paragraph two paragraphs above, (b) the latest date on which any Service is to be provided as set forth in the Transition Services Agreement or (c) the date on which the provision of all Services has been canceled in accordance with the terms of the Transition Services Agreement.

The information set forth herein with respect to the Transition Services Agreement is qualified in its entirety by the full text of the Transition Services Agreement, which is filed as Exhibit 10.2 hereto and incorporated into this Item 1.01 by reference.

Item 1.02 Termination of a Material Definitive Agreement.

The information set forth in Item 1.01 with respect to the termination of the Management and Advisory Agreement is incorporated by reference into this Item 1.02.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Employment Letter Agreements

In connection with the Internalization, on December 21, 2017, the Company entered into letter agreements (collectively, the "Letter Agreements"), effective as of January 1, 2018, with each of the following executive officers: Sarah L. Watterson, Chief Executive Officer and President; Lawrence A. Goodfield, Jr., Chief Financial Officer, Chief Accounting Officer and Treasurer; and Sara A. Yakin, Chief Operating Officer. Pursuant to the terms of each letter agreement, each executive officer's employment is at will and may be terminated at any time by the Company or such executive officer. Under the terms of each letter agreement, each executive officer will be entitled to receive an annual base salary as set forth in the table below. In addition, each executive officer will be eligible to participate in a bonus incentive plan and entitled to participate in employee benefit plans made available to other similarly situated employees.

Executive Officer	Annual Base Salary
Sarah L. Watterson	$ 200,000
Lawrence A. Goodfield, Jr.	$ 200,000
Sara A. Yakin	$ 200,000

Each of the letter agreements provides that (1) during the term of such executive officer's employment and for six (6) months thereafter if such executive officer resigns or is terminated for "Cause," such executive officer will not compete with the Company anywhere in the United States, and (2) during the term of such executive officer's employment and for twelve (12) months thereafter, such executive officer will not solicit employees, independent contractors or consultants of the Company, accept work in any capacity providing substantially similar services to those such executive officer provided to the Company, or solicit investors or clients of the Company. Each letter agreement also contains covenants relating to the treatment of confidential information and intellectual property. "Cause" is defined as, among other things, such executive officer's (i) misconduct or gross negligence in the performance of his or her duties to the Company, (ii) failure to perform his or her duties to the Company, (iii) commission of, indictment for, conviction of, or pleading guilty to, a felony, (iv) failure to cooperate in any audit or investigation of the business or financial practices of the Company, (v) fraud or dishonest action or (vi) breach of such Letter Agreement or violation of the code of conduct or other written policy of the Company.

A copy of each of the Letter Agreements is filed as an exhibit herewith and incorporated in this Item 5.02 by reference. The information set forth herein with respect to the Letter Agreements is qualified in its entirety by the full text of such Letter Agreements, which are filed as Exhibits 10.3, 10.4 and 10.5 hereto, respectively, and incorporated into this Item 5.02 by reference.

Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

In connection with the Internalization, on December 21, 2017, the Company amended and restated its Code of Business Conduct and Ethics (the "Amended Code of Business Conduct and Ethics") and its Code of Ethics for Principal Executive Officers and Senior Financial Officers (the "Amended Code of Ethics for Officers"), each effective as of January 1, 2018, to reflect, among other things, their application to employees of the Company instead of employees of the Manager. Copies of the Amended Code of Business Conduct and Ethics and the Amended Code of Ethics for Officers will be posted on the Company's website at ir.driveshack.com.

Item 8.01 Other Events.

On December 21, 2017, the Company issued a press release describing the Internalization. A copy of the press release is included as Exhibit 99.1 to this report and incorporated by reference herein.

Forward Looking Statements

Certain items in this Current Report on Form 8-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the benefits of the Company's internalization of management. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond the Company's control. The Company can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this Current Report on Form 8-K. For a discussion of some of the risks and important factors that could cause actual results to differ from such forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent Annual Report on Form 10-K and most recent Quarterly Report on Form 10-Q. Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this Current Report on Form 8-K. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Termination and Cooperation Agreement, dated December 21, 2017, by and between Drive Shack Inc. and FIG LLC
10.2	Transition Services Agreement, dated December 21, 2017, by and between Drive Shack Inc. and FIG LLC
10.3	Letter Agreement, dated December 21, 2017, by and between Drive Shack Inc. and Sarah L. Watterson
10.4	Letter Agreement, dated December 21, 2017, by and between Drive Shack Inc. and Lawrence A. Goodfield, Jr.
10.5	Letter Agreement, dated December 21, 2017, by and between Drive Shack Inc. and Sara A. Yakin
99.1	Press release dated December 21, 2017

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 21, 2017

DRIVE SHACK INC.

By: /s/ Sarah L. Watterson
Name: Sarah L. Watterson
Title: Chief Executive Officer and President

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Section 2: EX-10.1 (EXHIBIT 10.1)

Exhibit 10.1

EXECUTION VERSION

TERMINATION AND COOPERATION AGREEMENT

This TERMINATION AND COOPERATION AGREEMENT (the "Agreement"), dated as of December 21, 2017, is made by and between Drive Shack Inc., a Maryland corporation (the "Company"), and FIG LLC, a Delaware limited liability company (the "Manager"). The Company and the Manager are collectively referred to as the "Parties" and each individually as a "Party."

W I T N E S S E T H:

WHEREAS, the Company is externally managed by the Manager pursuant to the Amended and Restated Management and Advisory Agreement, dated as of January 1, 2017 (the "Management Agreement"), by and between the Company and the Manager; and

WHEREAS, the Company has determined that it is in the best interests of its stockholders to internalize management of the Company and to enter into this Agreement to provide for an effective transition of management from the Manager to the Company.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, and intending to be legally bound hereby, subject to the conditions and other terms herein set forth, the Parties hereby agree as follows:

ARTICLE I

TERMINATION OF THE MANAGEMENT AGREEMENT

1.1 Termination. Effective as of 12:01 a.m. on January 1, 2018 (the "Effective Date"), the Management Agreement is hereby terminated (the "Termination"), except that Sections 11 and 18 – 26 of the Management Agreement shall survive indefinitely, Section 6 of the Management Agreement shall survive six (6) years from the Effective Date, and Sections 8 – 10 of the Management Agreement shall survive until the Manager has received all amounts payable thereunder with respect to all periods prior to the Effective Date.

1.2 Payment. In connection with the Termination, on the first business day prior to the Effective Date, the Company shall make a one-time payment to the Manager of $10,700,000 by wire transfer of funds to an account specified by the Manager.

1.3 Actions Upon Termination. The Manager shall forthwith:

(a) after deducting any accrued compensation and reimbursement for its expenses to which it is then entitled, pay over to the Company (or one of its subsidiaries) all money collected and held for the account of the Company (or such subsidiary) pursuant to the Management Agreement;

(b) deliver to the Board of Directors of the Company a schedule reflecting the Management Fee (as defined in the Management Agreement) paid since September 30, 2017, and the Expenses (as defined in the Management Agreement) incurred by the Manager for the calendar year 2017; and

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(c) deliver to the Company all property and documents of the Company (or any of its subsidiaries) then in the custody of the Manager, other than documents necessary or useful for the Manager to provide services under the TSA (as defined below).

1.4 Transition Services. On or before the Effective Date, the Parties shall execute and deliver a Transition Services Agreement substantially in the form attached hereto as Exhibit A (the "TSA").

ARTICLE II

COMPENSATION AND EMPLOYEE MATTERS

2.1 Drive Shack Stock Options. Effective as of the Effective Date and continuing through the expiration date of the 2017 Drive Shack Inc. Nonqualified Option and Incentive Award Plan (adopted as of April 11, 2017, the "Option Plan"), no "Awards" (as defined in the Option Plan) will be granted or otherwise awarded to the Manager under the Option Plan, including any Awards that would otherwise be granted to the Manager upon an equity issuance by the Company in accordance with Section 5.5(a) of the Option Plan. Prior to the Effective Date, the Company and the Manager shall take all actions necessary to provide that (i) outstanding "Tandem Awards" (as defined in the Option Plan) shall not terminate or be forfeited as a result of the transactions contemplated by this Agreement and (ii) the vesting of such Tandem Awards shall relate to the holder's employment with the Company and its affiliates following the Effective Date; provided that such actions (and any related documentation) shall be subject to approval by the Nominating , Corporate Governance and Conflicts Committee of the Board of Directors of Fortress Investment Group LLC (the "Tandem Award Terms Approval").

2.2 Offers of Employment. Prior to the Effective Date, the Company shall make a written offer of employment to each employee of the Manager listed on Exhibit B hereto (each, an "Offer Employee"), and each Offer Employee who accepts such offer of employment shall become employed by the Company or one of its affiliates on the Effective Date. Unless otherwise determined by the Manager in its sole discretion with respect to Offer Employees who do not accept the offer of employment pursuant to this Section 2.2, each Offer Employee shall (i) terminate employment with the Manager and its affiliates effective as of immediately prior to the Effective Date and (ii) cease to be an active participant in any employee benefit plans maintained by the Manager and its affiliates effective as of immediately prior to the Effective Date.

2.3 2017 Compensation. The Manager shall be solely responsible for the payment of all compensation payable to the Offer Employees with respect to the period prior to the Effective Date, whether payable prior to or following the Effective Date, and including any discretionary cash bonus payment payable to any Offer Employee in respect of the 2017 calendar year.

ARTICLE III

CERTAIN COVENANTS

3.1 Business Opportunities.

(a) The Parties recognize and anticipate that some individuals may serve as a director, officer or employee of both (i) the Company or its subsidiaries (collectively, the "Company Group"), and (ii) the Manager or its affiliates, excluding the Company Group (collectively, the "Manager Group"), and that such individuals (collectively, the "Identified Persons" and, individually, an "Identified Person") may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Company Group or the Manager Group, directly or indirectly, may engage or other business activities that overlap with or compete with those in which the Company Group or the Manager Group, directly or indirectly, may engage.

(b) The Company agrees that none of the Identified Persons or the Manager Group shall have any duty to refrain from directly or indirectly engaging in the same or similar business activities or lines of business in which the Company Group now engages or proposes to engage, or otherwise competing with the Company Group, and none of the same shall constitute a breach of any duty otherwise existing at law, in equity or otherwise to the Company Group. The Company hereby agrees that if an Identified Person or any member of the Manager Group acquires knowledge of a potential transaction or other business opportunity which may be available to it, her or him and the Company Group, neither such Identified Person, nor any member of the Manager Group nor any of their respective agents or advisors shall have any obligation as a result of any duty otherwise existing at law, in equity or otherwise, to communicate, present or offer such transaction or other business opportunity to the Company Group; provided, however, that the foregoing shall not apply to, and the Company does not renounce any interest in, any potential transaction or business opportunity offered to any Identified Person if such transaction or opportunity is expressly offered to such Identified Person solely in his or her capacity as a director, officer or employee of the Company Group.

(c) The Manager agrees that none of the Identified Persons or the Company Group shall have any duty to refrain from directly or indirectly engaging in the same or similar business activities or lines of business in which the Manager Group now engages or proposes to engage, or otherwise competing with the Manager Group, and none of the same shall constitute a breach of any duty otherwise existing at law, in equity or otherwise to the Manager Group. The Manager hereby agrees that if an Identified Person or any member of the Company Group acquires knowledge of a potential transaction or other business opportunity which may be available to it, her or him and the Manager Group, neither such Identified Person, nor any member of the Company Group nor any of their respective agents or advisors shall have any obligation as a result of any duty otherwise existing at law, in equity or otherwise, to communicate, present or offer such transaction or other business opportunity to the Manager Group; provided, however, that the foregoing shall not apply to, and the Manager does not renounce any interest in, any potential transaction or business opportunity offered to any Identified Person if such transaction or opportunity is expressly offered to such Identified Person solely in his or her capacity as a director, officer or employee of the Manager Group.

ARTICLE IV

ACCESS TO INFORMATION; CONFIDENTIALITY; PRIVILEGE

4.1 Access to Information. Until January 1, 2021, the Manager shall afford to the Company and its authorized accountants, counsel and other designated representatives reasonable access during normal business hours to, or, at the Manager's expense, provide copies of all books, records, contracts, instruments, data, documents and other information in the possession or under the control of the Manager immediately following the Effective Date that relates to the Company or any of the Company's property or assets; provided, however, that in the event that the Manager determines that any such provision of or access to any information in response to a request under this Section 4.1 would be commercially detrimental in any material respect, violate any law or agreement or waive any attorney-client privilege, the work product doctrine or other applicable privilege, the Parties shall take all reasonable measures to permit compliance with such request in a manner that avoids any such harm or consequence. In the absence of gross negligence or willful misconduct by the Manager, the Manager shall not have any liability if any historical information provided pursuant to this Section 4.1 is found to be inaccurate or if any information is lost or destroyed.

4.2 Production of Witnesses. At all times from and after the Effective Date, upon reasonable request:

(a) The Manager shall use commercially reasonable efforts to make available, or cause to be made available, to the Company, the directors, officers, employees and agents of the Manager as witnesses for interviews, depositions, and investigative, trial or hearing testimony to the extent that the same may reasonably be required by the Company (giving consideration to business demands of such directors, officers, employees and agents) in connection with any legal, administrative or other proceeding or investigation in which the Company may from time to time be involved, except in the case of any action, suit or proceeding in which the Company is adverse to the Manager; provided, that the Company shall reimburse the Manager for all reasonable costs and expenses incurred in connection with such efforts; and

(b) The Company shall use commercially reasonable efforts to make available, or cause to be made available, to the Manager, the directors, officers, employees and agents of the Company as witnesses for interviews, depositions, and investigative, trial or hearing testimony to the extent that the same may reasonably be required by the Manager (giving consideration to business demands of such directors, officers, employees and agents) in connection with any legal, administrative or other proceeding or investigation in which the Manager may from time to time be involved, except in the case of any action, suit or proceeding in which the Manager is adverse to the Company; provided, that the Manager shall reimburse the Company for all reasonable costs and expenses incurred in connection with such efforts.

4.3 Confidentiality. Notwithstanding Section 6 of the Management Agreement, the Manager may disclose, or may permit disclosure of, information obtained in connection with the services rendered under the Management Agreement (i) to its affiliates and their respective auditors, attorneys, financial advisors, bankers and other appropriate consultants and advisors who have a need to know such information for purposes of performing services for the Company and who are informed of their obligation to hold such information confidential to the same extent as is applicable to the Manager and in respect of whose failure to comply with such obligations, the Manager will be responsible, (ii) if it or any of its affiliates are required or compelled to disclose any information by judicial or administrative process or by other requirements of law or stock exchange rule, or otherwise requested to disclose information in connection with any formal or informal regulatory or other government investigation, or (iii) as necessary in order to permit such Party to prepare and disclose its financial statements, or other disclosures required by law or such applicable stock exchange. Notwithstanding the foregoing, in the event that any demand or request for disclosure of information is made pursuant to the foregoing clause (ii) above, the Manager shall promptly notify the Company of the existence of such request or demand and, to the extent commercially practicable, shall provide the Company thirty (30) days (or such lesser period as is commercially practicable) to seek an appropriate protective order or other remedy, which the Parties will cooperate in obtaining. In the event that such appropriate protective order or other remedy is not obtained, the Manager shall furnish, or cause to be furnished, only that portion of the information that is legally required to be disclosed and shall use commercially reasonable efforts to ensure that confidential treatment is accorded such information.

4.4 Privileged Matters.

(a) The Parties recognize that legal and other professional services have been provided prior to the Effective Date to the Manager, and that such legal services have included: (i) services in which the Parties are jointly represented by counsel (either inside counsel for the Manager or outside counsel retained by the Manager); (ii) services in which information has been shared between the Parties subject to common interest understandings or agreements; and (iii) services provided solely for the benefit of either the Manager or the Company and its affiliates. The Parties agree that any determination as to the nature of the legal services will be made by the Manager in the Manager's sole discretion.

(b) With respect to services determined by the Manager to have been provided to the Parties in a joint representation or to information shared pursuant to common interest understandings or agreements as described in Section 4.4(a)(i) or 4.4(a)(ii), above, the Parties agree to cooperate in connection with all decisions as to privileges that may be asserted under applicable law. Absent agreement by the Parties to waive or not to assert any applicable privilege in a particular matter, the Parties hereby agree to assert and maintain all such privileges, in each case, whether or not the privileged information is in the possession of or under the control of the Company or the Manager.

(c) With respect to services determined by the Manager to have been provided solely to the Company, the Parties agree that the Company should be deemed to be the client with respect to such services for the purposes of asserting all privileges that may be asserted under applicable law. The Company shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the Company, or its assets, operations, liabilities or Company employees (other than Company employees previously employed by the Manager), in any lawsuits or other proceedings initiated by or against the Company, now pending or which may be asserted in the future, in each case, whether or not the privileged information is in the possession of or under the control of the Company or the Manager.

(d) With respect to services determined by the Manager to have been provided solely to the Manager, the Parties agree that the Manager should be deemed to be the client with respect to such services for the purposes of asserting all privileges that may be asserted under applicable law. The Manager shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the Manager, or its assets, operations, liabilities or employees, in any lawsuits or other proceedings initiated by or against the Manager, now pending or which may be asserted in the future, in each case, whether or not the privileged information is in the possession of or under the control of the Company or the Manager.

(e) Upon receipt by either Party of any subpoena, discovery or other request which requires the production or disclosure of information as to which the other Party has the sole right hereunder to assert or waive a privilege, or if such Party obtains knowledge that any of its current or former directors, officers, agents or employees have received any subpoena, discovery or other requests which requires the production or disclosure of such privileged information, such Party shall promptly notify the other Party of the existence of the request and shall provide the other Party a reasonable opportunity to review the information and to assert any rights it may have under this Section 4.4 or otherwise to prevent the production or disclosure of such privileged information.

(f) The access to information being granted pursuant to Section 4.1, the agreement to provide witnesses and individuals pursuant to Section 4.2 hereof, and the transfer of privileged information between and among the Parties pursuant to this Agreement shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement, the Transition Services Agreement or otherwise.

4.5 Financial Information Certifications. The Parties agree, upon reasonable advance notice and during normal business hours, to cooperate with each other in such manner as is necessary to enable the principal executive officer or officers, principal financial officer or officers and controller or controllers of the Company to make the certifications required of the Company under Sections 302, 404 and 906 of the Sarbanes-Oxley Act of 2002.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Parties. Each Party hereby represents and warrants to the other Party that (a) except with respect to the Tandem Award Terms Approval, (i) such Party has all requisite power and authority to execute and deliver this Agreement, to carry out its obligations hereunder, and to consummate the transactions contemplated hereby and (ii) such Party has obtained all necessary corporate or limited liability company, as applicable, approvals for the execution and delivery of this Agreement, the performance of its obligations hereunder, and the consummation of the transactions contemplated hereby and (b) this Agreement has been duly executed and delivered by such Party and (assuming due authorization, execution and delivery by the other Party) constitutes such Party's legal, valid and binding obligation, enforceable against it in accordance with its terms.

5.2 Representations and Warranties of the Manager. The Manager hereby represents and warrants to the Company that (a) the Manager has made reasonable inquiry (directly or by consultation with counsel) on behalf of the Company to determine whether the performance of this Agreement or the TSA will (i) violate any provision of law, statute, rule or regulation to which the Company is subject, (ii) violate any order, judgment or decree of a governmental authority applicable to the Company (iii) conflict with, or result in a breach or default under, any term or condition of the organizational documents of the Company or (iv) conflict with, or result in a breach or default under, any term or condition of any material agreement or other instrument to which the Company is a party or by which it may be bound and (b) after such inquiry, and assuming receipt of the Tandem Award Terms Approval, the Manager has no knowledge of any such violation, conflict, breach or default, except in the case of clauses (i), (ii) and (iv) above, as would not be material to the Company.

ARTICLE VI

DISPUTE RESOLUTION

6.1 Appointed Representative. Each Party shall appoint a representative who shall be responsible for administering the dispute resolution provisions in Section 6.2 (each, an "Appointed Representative"). Each Appointed Representative shall have the authority to resolve any Agreement Disputes on behalf of the Party appointing such representative.

6.2 Negotiation and Dispute Resolution.

(a) Except as otherwise provided in this Agreement or in the TSA, in the event of a controversy, dispute or claim arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity, termination or breach of this Agreement or the TSA or otherwise arising out of, or in any way related to this Agreement or the TSA or any of the transactions contemplated hereby or thereby (each, an "Agreement Dispute"), the Appointed Representatives shall negotiate in good faith for thirty (30) days to settle any such Agreement Dispute.

(b) Nothing said or disclosed, nor any document produced, in the course of any negotiations, conferences and discussions in connection with efforts to settle an Agreement Dispute that is not otherwise independently discoverable shall be offered or received as evidence or used for impeachment or for any other purpose, but shall be considered as to have been disclosed for settlement purposes.

(c) If a satisfactory resolution of any Agreement Dispute is not achieved by the Appointed Representatives within thirty (30) days, each Party will be entitled to refer the dispute to arbitration in accordance with Section 6.3.

6.3 Arbitration.

(a) If a satisfactory resolution of any Agreement Dispute is not achieved by the Appointed Representatives within thirty (30) days, such Agreement Dispute shall be resolved, at the request of either Party, by arbitration administered by the International Institute for Conflict Prevention and Resolution under its Arbitration Rules (the "CPR Rules"), conducted in New York, New York. There shall be three arbitrators. Each Party shall appoint one arbitrator. The two Party-appointed arbitrators shall agree on a third arbitrator who will chair the arbitral tribunal. Any arbitrator not appointed within a reasonable time shall be appointed in accordance with the CPR Rules. Any controversy concerning whether an Agreement Dispute is an arbitrable Agreement Dispute, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this Section 6.3 will be determined by the arbitrators. In resolving any Agreement Dispute, the Parties intend that the arbitrators apply the substantive laws of the State of New York, without regard to any choice of law principles thereof that would mandate the application of the laws of another jurisdiction. The Parties intend that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable, and any award rendered by the arbitrators shall be final and binding on the Parties. The Parties agree to comply with any award made in any such arbitration proceedings and agree to enforcement of or entry of judgment upon such award, in any court of competent jurisdiction, including any New York State or federal court. The arbitrators shall be entitled, if appropriate, to award monetary damages and other remedies, subject to the provisions of Section 6.4. The Parties will use commercially reasonable efforts to encourage the arbitrators to resolve any arbitration related to any Agreement Dispute as promptly as practicable. Except as required by applicable law, including disclosure or reporting requirements, the arbitrators and the Parties shall maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

(b) The arbitrators may consolidate arbitration under this Agreement with any arbitration arising under or relating to the TSA if the subjects of the Agreement Disputes thereunder arise out of or relate essentially to the same set of facts or transactions. Such consolidated arbitration will be determined by the arbitrators appointed for the arbitration proceeding that was commenced first in time.

(c) Unless otherwise agreed in writing, the Parties will continue to provide service and honor all other commitments under this Agreement and the TSA during the course of dispute resolution pursuant to the provisions of this ARTICLE VI with respect to all matters not subject to such dispute resolution.

6.4 Limitation of Liability. It is the intent of the Parties that each Party will be responsible for its own acts, errors and omissions and that each Party is liable to the other Party for any actual direct damages incurred by the non-breaching Party as a result of the breaching Party's failure to perform its obligations in the manner required by this Agreement; provided, however, that the Manager shall not be liable to the Company for any damages incurred by the Company in connection with any failure to file, or delay in the filing of, any documents required to be filed by the United States Securities and Exchange Commission. Notwithstanding the foregoing, no Party will be liable hereunder for, and each Party hereby expressly waives any and all rights with respect to, exemplary, punitive, presumptive, special, incidental, lost profits, consequential or speculative damages.

ARTICLE VII

MISCELLANEOUS

7.1 Release.

(a) Effective as of the Effective Date, each Party (in such capacity, the "Releasing Party") does hereby, for itself and each of its affiliates, release and forever discharge the other Party and its affiliates and each of their respective current or former stockholders, directors, officers, agents and employees (in each case, in such person's respective capacity as such) and their respective heirs, executors, administrators, successors and assigns, from any and all liabilities whatsoever to the Releasing Party or any of its subsidiaries, whether at law or in equity (including any right of contribution), whether arising under any contract, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed at or before the Effective Date.

(b) Each Releasing Party expressly understands and acknowledges that it is possible that unknown losses or claims exist or might come to exist or that present losses may have been underestimated in amount, severity, or both. Accordingly, each Releasing Party is deemed expressly to understand provisions and principles of law such as Section 1542 of the Civil Code of the State of California (as well as any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar or comparable to Section 1542), which Section provides: **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.** Each Releasing Party is hereby deemed to agree that the provisions of Section 1542 and all similar federal or state laws, rights, rules, or legal principles of California or any other jurisdiction that may be applicable herein, are hereby knowingly and voluntarily waived and relinquished with respect to the release in Section 7.1(a).

7.2 Further Assurances. Subject to the limitations or other provisions of this Agreement, (a) each Party shall use commercially reasonable efforts (subject to, and in accordance with applicable law) to take promptly, or cause to be taken promptly, all actions, and to do promptly, or cause to be done promptly, and to assist and cooperate with the other Party in doing, all things reasonably necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement and to carry out the intent and purposes of this Agreement, including using commercially reasonable efforts to perform all covenants and agreements herein applicable to such Party and (b) neither Party will take any action which would reasonably be expected to prevent or materially impede, interfere with or delay any of the transactions contemplated by this Agreement.

7.3 Notices. Unless expressly provided otherwise in this Agreement, all notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received when delivered against receipt or upon actual receipt of (i) personal delivery, (ii) delivery by reputable overnight courier, (iii) delivery by facsimile transmission against answerback, (iv) delivery by registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(a) If to the Company:

Drive Shack Inc.
111 West 19th Street
8th Floor
New York, New York 10011
Attention: Ms. Sarah L. Watterson

(b) If to the Manager:

FIG LLC
1345 Avenue of the Americas
45th Floor
New York, New York 10105
Attention: Mr. David N. Brooks

Either party may alter the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section 7.3 for the giving of notice.

7.4 Binding Nature Of Agreement; Successors And Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns as provided in this Agreement. This Agreement may not be assigned by either of the Parties without the prior written consent of the other Party.

7.5 Entire Agreement. This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter of this Agreement, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter of this Agreement. The express terms of this Agreement control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms of this Agreement. This Agreement may not be modified or amended other than by an agreement in writing executed by the Parties.

7.6 Controlling Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of New York, notwithstanding any New York or other conflict-of-law provisions to the contrary.

7.7 Indulgences, Not Waivers. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

7.8 Titles Not to Affect Interpretation. The titles of paragraphs and subparagraphs contained in this Agreement are for convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation of this Agreement.

7.9 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts of this Agreement, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

7.10 Provisions Separable. The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

7.11 Gender. Words used herein regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first written above.

DRIVE SHACK INC.,
a Maryland corporation

By: /s/ Sarah L. Watterson
Name: Sarah L. Watterson
Title: Chief Executive Officer and President

FIG LLC,
a Delaware limited liability company

By: /s/ David N. Brooks
Name: David N. Brooks
Title: Secretary

[Signature Page to Termination and Cooperation Agreement]

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Section 3: EX-10.2 (EXHIBIT 10.2)

Exhibit 10.2

EXECUTION VERSION

TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT (the "Agreement"), dated as of December 21, 2017, and effective as of January 1, 2018 (the "Effective Date"), is made by and between Drive Shack Inc., a Maryland corporation (the "Company"), and FIG LLC, a Delaware limited liability company ("Service Provider"). The Company and Service Provider are collectively referred to as the "**Parties**" and each individually as a "**Party**."

W I T N E S S E T H:

WHEREAS, the Company and Service Provider are party to that certain Termination Agreement, dated as of the date hereof (the "Termination Agreement"), pursuant to which the Parties have agreed to terminate Service Provider's role as external manager of the Company as of the Effective Date; and

WHEREAS, pursuant to the Termination Agreement, the Company and its affiliates will continue to require that Service Provider provide or cause to be provided certain services during a transitional period following the Effective Date on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, and intending to be legally bound hereby, subject to the conditions and other terms herein set forth, the parties hereby agree as follows:

ARTICLE I

SERVICES

1.1 Services. Subject to the terms and conditions of this Agreement, Service Provider shall provide to the Company and its affiliates the services set forth on Schedule A attached hereto (together, the "Services"). The Company acknowledges and agrees that Service Provider may provide Services itself or by or through one or more of its affiliates or, subject to the Company's prior consent upon reasonable advance notice, third party contractors; provided, however, Service Provider shall remain responsible for Services provided by its affiliates or third party contractors and any subcontracting shall not relieve Service Provider of its obligations hereunder, including with respect to the scope and level of Services. Service Provider shall use commercially reasonable efforts consistent with its general practices to cause each third party contractor on whose services the Services are dependent to comply with the relevant third party contractor's contractual obligations.

1.2 Additional Services. Services not agreed upon in Schedule A but provided during the twelve (12) month period prior to the Effective Date by Service Provider to the Company can be requested in writing. Upon receipt of such notice, within a commercially reasonable period of time under the circumstances, Service Provider and the Company shall discuss in good faith such requested additional services (the "Additional Services") and the terms and conditions applicable to such services; if Service Provider agrees to provide such Additional Services and the Parties reach an agreement in writing on the terms and conditions for such Additional Services, then Service Provider shall provide such Additional Service on such terms and conditions, and Schedule A shall be deemed amended to include the Additional Services, which shall be

provided in accordance with such agreed terms and conditions and the other applicable terms and conditions of this Agreement and the Additional Services shall be deemed to be Services hereunder.

1.3 Performance of Services. Service Provider shall use commercially reasonable efforts to provide, or cause one or more of its affiliates or third party contractors to provide, the Services in accordance with applicable law and any of Service Provider's written policies and procedures and within the standard and manner that is commensurate in all material respects (in nature, quality and timeliness) with the manner in which they were provided during the one year period prior to the Effective Date, subject to any limitations or restrictions agreed to in writing by the Parties (such agreement not to be unreasonably withheld, conditioned or delayed), which limitations or restrictions are posed by or resulting from (a) any modification in process for providing Services necessitated by the separation of the management of the Company from Service Provider's continuing operations, (b) any change in scope (as agreed in writing by the Parties from time-to-time during the Term), and (c) any restrictions imposed on Service Provider by applicable law. For the avoidance of doubt, in providing the Services, Service Provider may use any information systems, hardware, software, processes and procedures it deems necessary or desirable in its reasonable discretion.

1.4 Connectivity, Compliance and Security Measures. The Company shall comply with all policies and procedures of Service Provider that have been provided to the Company in connection with its access to and use of the Services.

1.5 Cost Reimbursements.

(a) As compensation to Service Provider for the Services set forth on Schedule A rendered hereunder, the Company shall, for each Service performed, reimburse Service Provider for its cost of providing the Services, including the allocated cost of, among other things, overhead, employee wages and compensation and out-of-pocket expenses, in each case, determined using Service Provider's cost allocation methodology consistent with past practice, without any intent to cause Service Provider to receive profit or incur loss (the "Cost Reimbursements"). On a monthly basis, Service Provider shall provide an invoice setting forth the Cost Reimbursements to be charged in arrears to the Company hereunder, including reasonable supporting documentation. Services Fees shall be paid within forty-five (45) days of the Company's receipt of such invoice. Late payments shall bear interest at the lesser of ten (10%) per annum or the maximum rate allowed by law.

(b) All sales, use and other taxes, levies and charges imposed by applicable taxing authorities on the provision of Services (collectively, "Taxes") shall be borne by the Company. If Service Provider or any of its affiliates or third party contractors are required to pay such Taxes, (i) Service Provider shall invoice the Company for such Taxes and (ii) the Company shall promptly reimburse Service Provider therefor in accordance with this Section 1.5(b).

1.6 Direction and Control of Employees. Unless otherwise agreed by the Parties, for purposes of all compensation and employee benefits and welfare matters, all employees and representatives of Service Provider, its affiliates and third party contractors shall be deemed to be employees or representatives of Service Provider, its affiliates or third party contractors and not employees or representatives of the Company. In performing the Services, such employees and representatives shall be under the direction, control and supervision of Service Provider, its affiliates or third party contractors (and not the Company or its affiliates) and Service Provider, its affiliates and third party contractors shall have the sole right to exercise all authority with respect to the employment (including termination of employment), assignment and compensation of such employees, representatives and third party contractors.

1.7 Cooperation of Service Provider. During the Term and following any termination of this Agreement or a Service, Service Provider shall, and shall use commercially reasonable efforts to cause its affiliates and third party contractors to, at the Company's cost, cooperate in good faith with the Company and its affiliates to transfer records and take such other actions reasonably requested by the Company to enable it to make alternative arrangements for the provision of services substantially consistent with or replacing the Services provided pursuant to this Agreement.

1.8 Return of Records owned by the Company. Upon termination of a Service with respect to which Service Provider or its affiliates holds books, records or files, including current or archived copies of computer files, owned by the Company or its affiliates and used by Service Provider, its affiliates or its third party contractors in connection with the provision of a Service to the Company or its affiliates, Service Provider will use commercially reasonable efforts to return all of such books, records or files as soon as reasonably practicable. The Parties acknowledge and agree that copies of emails relating to the conduct of the business of the Company will be fully retained by the Service Provider in its archival records in compliance with its statutory obligations as an investment adviser. Additionally, Service Provider or its affiliates may retain books, records and files (a) as necessary to comply with applicable laws or court orders and (b) to the extent they have become included in automatic "backups" by routine procedures or by electronic communication or information management systems without the requirement to "scrub" such systems or its backup servers, provided that such books, records or files retained by Service Provider shall remain subject to the use and confidentiality restrictions in this Agreement until such books, records or files are destroyed by Service Provider in accordance with its own information technology and record retention policies and applicable law.

1.9 Work Product and Intellectual Property. Service Provider acknowledges that any and all writings, documents, designs, data and other materials that Service Provider makes, conceives or develops at any time as a result of Service Provider's performance of the Services may be utilized by the Company to the extent necessary to receive and use the Services hereunder. Each Party shall retain the entire right, title and interest in and to intellectual property and other proprietary information that existed prior to, or are created independently of the performance of the Services. Each of the Parties acknowledge and agree that the Company shall be the sole and exclusive owner of any right, title, license or other interest in or to the intellectual property set forth in Schedule B attached hereto (collectively, the "Company IP") and Service Provider hereby assigns to the Company any and all of Service Provider's right, title and interest in and to the Company IP, to the extent Service Provider has any. In addition, the Company shall be the sole and exclusive owner of any right, title, license or other interest in or to, Transition IP solely to the extent exclusively related to the business of the Company. Except for the Company IP and as set forth in the preceding sentence, Service Provider shall be the sole and exclusive owner of any right, title, license or other interest in or to, all Transition IP, and, for the avoidance of doubt, no such items shall be considered a work made for hire within the meaning of Title 17 of the United States Code. For purpose of this Agreement, "Transition IP" shall mean any copyrights, patents, trade secrets and other intellectual property rights to the extent developed, created, modified, or improved, or used or relied upon, by Service Provider or its affiliates or third party contractors in connection with the Services or the performance of Service Provider's obligations hereunder.

ARTICLE II

CERTAIN COVENANTS

2.1 Cooperation of the Company. The Company shall cooperate with Service Provider in all reasonable respects in the performance of the Services, as applicable.

2.2 Independent Contractor. In providing the Services, Service Provider shall act solely as an independent contractor. Nothing herein shall constitute or be construed to be or create a partnership, joint venture or principal/agent relationship between the Company or any of its affiliates or their respective directors, officers or employees, on the one hand, and Service Provider or any of its affiliates or their respective directors, officers or employees, on the other hand.

2.3 Compliance with Laws and Regulations. Each Party shall be responsible for its own compliance with any and all applicable laws in connection with its performance under this Agreement.

2.4 Limitation of Liability; Indemnity.

(a) It is the intent of the Parties that each Party will be responsible for its own acts, errors and omissions and that each Party is liable to the other Party for any actual direct damages incurred by the non-breaching Party as a result of the breaching Party's failure to perform its obligations in the manner required by this Agreement. Notwithstanding the foregoing, no Party will be liable hereunder for, and each Party hereby expressly waives any and all rights with respect to, exemplary, punitive, presumptive, special, incidental, lost profits, consequential or speculative damages. SUBJECT TO SECTION 2.4(C), IN NO EVENT SHALL SERVICE PROVIDER'S LIABILITY IN THE AGGREGATE FOR ANY AND ALL DAMAGES AND LOSSES HEREUNDER EXCEED $2,000,000.

(b) The Company shall indemnify, defend and hold Service Provider and its successors, assigns, members, affiliates, employees, officers, participants, shareholders, directors and personal representatives, harmless from and against all losses, liabilities, claims, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, the "Losses") that arise out of this Agreement (including the provision of Services to or receipt and use of Services by the Company and its affiliates), except for Losses to the extent arising from any breach of this Agreement by Service Provider or the gross negligence or willful misconduct of Service Provider. The foregoing indemnity shall survive the termination of this Agreement.

(c) Service Provider shall indemnify, defend and hold the Company and its successors, assigns, members, affiliates, employees, officers, participants, shareholders, directors and personal representatives, harmless from and against all Losses arising from the gross negligence or willful misconduct of Service Provider; provided, that, in no event shall Service Provider's liability in the aggregate for all Losses indemnified under this Section 2.4(c) exceed $10,700,000. The foregoing indemnity shall survive the termination of this Agreement.

ARTICLE III

TERM AND TERMINATION

3.1 Term. This Agreement shall commence on the Effective Date and terminate on the earliest to occur of (a) the date on which this Agreement is terminated pursuant to Section 3.3, (b) the latest date on which any Service is to be provided as indicated on Schedule A or (c) the date on which the provision of all Services has been canceled pursuant to Section 3.2 (such period, the "Term"). The Company may extend the Term or the provision of any individual Service for an additional period requested by the Company on notice provided no less than 60 days prior to the then-current scheduled end of the Term or expiration date for such Service, in each case, for a period of time not to exceed that set forth in Schedule A.

3.2 Termination of Individual Services. The Company may terminate at any time any individual Service provided under this Agreement on a Service-by-Service basis upon written notice to Service Provider identifying the particular service to be terminated and the effective date of termination, which date shall not be less than thirty (30) days after receipt of such notice unless Service Provider otherwise agrees; provided that the Company shall reimburse Service Provider for any actual costs and expenses owed by Service Provider or its affiliates with respect to such Service to the extent owed by Service Provider in connection with such Service up to the date that such Service would otherwise have been provided (i.e., in the absence of such early termination) under Schedule A; provided further that Service Provider shall reasonably promptly inform the Company if any Services depend upon a Service for which the Company has provided notice of termination, and Service Provider shall be under no further obligation to provide such dependent Services upon such termination.

3.3 Termination of Agreement.

(a) This Agreement may be terminated at any time by the mutual written consent of Service Provider and the Company.

(b) Either Service Provider or the Company (the "Initiating Party") may terminate this Agreement with immediate effect by written notice to the other Party on or at any time after the other Party is in material breach of any of its obligations under this Agreement and has failed to remedy the breach within thirty (30) days of receipt of written notice from the Initiating Party giving particulars of the breach and requiring the other Party to remedy the breach.

(c) Without prejudice to the other rights or remedies Service Provider may have, Service Provider may terminate this Agreement with immediate effect by written notice to the Company if the Company shall have failed to pay any sum due and payable to Service Provider in accordance with Section 1.5 hereof for a period of at least thirty (30) days, unless such amount is being disputed in good faith.

(d) Except as otherwise provided in this Agreement, all rights and obligations of Service Provider and the Company shall cease to have effect immediately upon termination of this Agreement except that termination shall not affect the accrued rights and obligations of Service Provider and the Company at the date of termination or any rights and obligations that expressly survive the termination of this Agreement.

ARTICLE IV

DISPUTE RESOLUTION

4.1 Appointed Representative. Each Party shall appoint a representative who shall be responsible for administering the dispute resolution provisions in Section 4.2 (each, an "Appointed Representative"). Each Appointed Representative shall have the authority to resolve any Agreement Disputes on behalf of the Party appointing such representative.

4.2 Negotiation and Dispute Resolution.

(a) Except as otherwise provided in this Agreement or in the Termination Agreement, in the event of a controversy, dispute or claim arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity, termination or breach of this Agreement or the Termination Agreement or otherwise arising out of, or in any way related to this Agreement or the Termination Agreement or any of the transactions contemplated hereby or thereby (each, an "Agreement Dispute"), the Appointed Representatives shall negotiate in good faith for thirty (30) days to settle any such Agreement Dispute.

(b) Nothing said or disclosed, nor any document produced, in the course of any negotiations, conferences and discussions in connection with efforts to settle an Agreement Dispute that is not otherwise independently discoverable shall be offered or received as evidence or used for impeachment or for any other purpose, but shall be considered as to have been disclosed for settlement purposes.

(c) If a satisfactory resolution of any Agreement Dispute is not achieved by the Appointed Representatives within thirty (30) days, each Party will be entitled to refer the dispute to arbitration in accordance with Section 4.3.

4.3 Arbitration.

(a) If a satisfactory resolution of any Agreement Dispute is not achieved by the Appointed Representatives within thirty (30) days, such Agreement Dispute shall be resolved, at the request of either Party, by arbitration administered by the CPR under its Arbitration Rules (the "CPR Rules"), conducted in New York, New York. There shall be three arbitrators. Each Party shall appoint one arbitrator. The two Party-appointed arbitrators shall agree on a third arbitrator who will chair the arbitral tribunal. Any arbitrator not appointed within a reasonable time shall be appointed in accordance with the CPR Rules. Any controversy concerning whether an Agreement Dispute is an arbitrable Agreement Dispute, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation or enforceability of this Section 4.3 will be determined by the arbitrators. In resolving any Agreement Dispute, the Parties intend that the arbitrators apply the substantive laws of the State of New York, without regard to any choice of law principles thereof that would mandate the application of the laws of another jurisdiction. The Parties intend that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable, and any award rendered by the arbitrators shall be final and binding on the Parties. The Parties agree to comply with any award made in any such arbitration proceedings and agree to enforcement of or entry of judgment upon such award, in any court of competent jurisdiction, including any New York State or federal court. The arbitrators shall be entitled, if appropriate, to award monetary damages and other remedies, subject to the provisions of Section 2.4(a). The Parties will use commercially reasonable efforts to encourage the arbitrators to resolve any arbitration related to any Agreement Dispute as promptly as practicable. Except as required by applicable law, including disclosure or reporting requirements, the arbitrators and the Parties shall maintain the confidentiality of all information, records, reports, or other documents obtained in the course of the arbitration, and of all awards, orders, or other arbitral decisions rendered by the arbitrators.

(b) The arbitrators may consolidate arbitration under this Agreement with any arbitration arising under or relating to the Termination Agreement if the subjects of the Agreement Disputes thereunder arise out of or relate essentially to the same set of facts or transactions. Such consolidated arbitration will be determined by the arbitrators appointed for the arbitration proceeding that was commenced first in time.

(c) Unless otherwise agreed in writing, the Parties will continue to provide service and honor all other commitments under this Agreement and the Termination Agreement during the course of dispute resolution pursuant to the provisions of this ARTICLE IV with respect to all matters not subject to such dispute resolution.

ARTICLE V

MISCELLANEOUS

5.1 Amendments; Waiver. This Agreement may not be amended, altered or otherwise modified, and no provision hereof may be waived, except by written instrument executed by the Company and Service Provider.

5.2 Confidentiality. Each Party shall treat as confidential and shall not make available or disclose any information or material of the other Party that is or has been (a) disclosed by such other Party under or in connection with this Agreement, whether orally, electronically, in writing or otherwise, including copies or (b) learned or acquired by the other Party in connection with this Agreement (collectively, "Confidential Material") to any Person, or make or permit any use of such Confidential Material without the prior written consent of the other Party. (The Party disclosing such information or materials, the "Disclosing Party"; the Party receiving such information or materials, the "Receiving Party"). Notwithstanding the foregoing, Confidential Material may be disclosed on a need to know basis to personnel and third party contractors of the Receiving Party and its affiliates as required for the purpose of fulfilling the Receiving Party's obligations or exercising Receiving Party's rights under this Agreement. The Receiving Party shall take all reasonable steps to ensure that any such Confidential Material disclosed in accordance with this Section 5.2 is treated as confidential by such Person. The provisions of this Section 5.2 shall not apply to any Confidential Material which: (i) is or becomes commonly known within the public domain other than by breach of this Agreement or any other agreement; (ii) is obtained from a third party who is lawfully authorized to disclose such information free from any obligation of confidentiality; or (iii) is independently developed without reference to any Confidential Material. Notwithstanding any other provision of this Agreement, if the Receiving Party or any of its Representatives is (A) compelled in any legal process or proceeding to disclose any Confidential Material of the Disclosing Party or (B) requested or required by any governmental entity to disclose any Confidential Material, the Receiving Party shall, to the extent not prohibited by law or rule, promptly notify the Disclosing Party in writing of such request or requirement so that the Disclosing Party may seek an appropriate protective order and/or waive in writing the Receiving Party's compliance with the provisions of this Section 5.2. If, in the absence of a protective order or the receipt of a waiver hereunder, the Receiving Party is nonetheless compelled to disclose Confidential Material, the Receiving Party, after written notice to the Disclosing Party (to the extent not prohibited by law or rule), may disclose such Confidential Material only to the extent so required by Applicable Law. Each Party shall exercise reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Material so disclosed.

5.3 Force Majeure. Any delay, failure or omission by any Party in the performance of any obligation under this Agreement shall not be deemed a breach of this Agreement or create any liability, if such delay, failure or omission arises from any cause or causes beyond the reasonable control of such party, including, but not limited to, acts of God, fire, storm, flood, earthquake, governmental regulation or direction, war, terrorist acts, insurrection, riot, invasion, strike or lockout; provided, however, that (a) the affected Party shall promptly notify the other Party of the existence of such cause or causes and its anticipated duration, (b) the affected Party shall make commercially reasonable efforts to prevent, limit and remove the effects of any such cause or causes and (c) the affected Party shall resume the performance whenever such causes are removed.

5.4 Notices. Unless expressly provided otherwise in this Agreement, all notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received when delivered against receipt or upon actual receipt of (i) personal delivery, (ii) delivery by reputable overnight courier, (iii) delivery by facsimile transmission against answerback, (iv) delivery by registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

If to Service Provider, at:

FIG LLC
1345 Avenue of the Americas
45th Floor
New York, New York 10105
Attention: Mr. David N. Brooks

If to the Company, at:

Drive Shack Inc.
111 West 19th Street
8th Floor
New York, New York 10011
Attention: Ms. Sarah L. Watterson

Either party may alter the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section 5.4 for the giving of notice.

5.5 Entire Agreement. This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter of this Agreement, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter of this Agreement. The express terms of this Agreement control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms of this Agreement. This Agreement may not be modified or amended other than by an agreement in writing executed by the Parties.

5.6 Binding Nature Of Agreement; Successors And Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns as provided in this Agreement. This Agreement may not be assigned by either of the Parties without the prior written consent of the other Party, except that either Party may assign its rights hereunder to any of its affiliates.

5.7 Controlling Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of New York, notwithstanding any New York or other conflict-of-law provisions to the contrary.

5.8 Indulgences, Not Waivers. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of, or estoppel with respect to, such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

5.9 Titles Not to Affect Interpretation. The titles of paragraphs and subparagraphs contained in this Agreement are for convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation of this Agreement.

5.10 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts of this Agreement, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

5.11 Provisions Separable. The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

5.12 Gender. Words used herein regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first written above.

DRIVE SHACK INC.

By: /s/ Sarah L. Watterson
Name: Sarah L. Watterson
Title: Chief Executive Officer and President

FIG LLC

By: /s/ David N. Brooks
Name: David N. Brooks
Title: Secretary

[Signature Page to Transition Services Agreement]

(Back To Top)

Section 4: EX-10.3 (EXHIBIT 10.3)

Exhibit 10.3

December 12, 2017

Sarah L. Watterson

Dear Sarah:

It is with great pleasure that we extend to you an offer to join Drive Shack Inc., 1345 Avenue of the Americas, 45th Floor, New York, NY 10105, (212) 479-3195 (the "Company"), as set forth below. This letter is referred to herein as the "Letter Agreement."

Title and Start Date: You and the Company acknowledge and agree that this Letter Agreement and your transfer to Drive Shack are subject to the approval of SoftBank Group Corp. ("SoftBank"). Subject to this SoftBank approval, beginning on January 1, 2018 (the "Start Date"), you will devote your full working time to the Company as Chief Executive Officer & President, reporting to the Board of Directors, except that you may take on other work that has been discussed with the Company's Board.

Work Location: Your principal work location will be New York, NY, in addition to travel as required in connection with the performance of your duties.

Compensation: Your base salary will be paid at the rate of $200,000 per annum on a salary basis to compensate you for all hours you work, regardless of whether more or less than 40 in a regularly scheduled workweek. You are an exempt employee. As defined by federal and state regulations, an exempt employee is not eligible for overtime compensation. You will be paid twice a month with a pay date of the 15th and last day of each month. On each pay date, you will be paid for the hours you worked during the prior pay period. Based on your anticipated start date, you will receive your first pay on January 15, 2018. The Company reserves the right to modify its payroll practices and payroll schedule at its sole discretion, consistent with applicable law.

As additional compensation, you may be eligible to participate in a bonus incentive plan. In order to be eligible for any bonus while employed at the Company, you must be an active employee at, and not have given or received notice of termination prior to, the time of the bonus payment. The Company reserves the right, at its sole discretion, to change, rescind, amend, suspend, discontinue, and/or otherwise modify any section of, or the entire plan at any time without advance notification.

(initial here) _____

Work Authorization: Employment with the Company is contingent upon your provision of documentation establishing your identity and unrestricted authorization to work in the United States within the time period specified by law. If you are unsure whether you have unrestricted authorization, please contact Ellen Barrera at 212-497-2955.

Policies and Procedures: You agree to comply fully with all the Company policies and procedures applicable to employees, as amended and implemented from time to time, including, without limitation, tax, regulatory and compliance procedures.

Employment Relationship: This Letter Agreement is not a contract of employment for any specific period of time, and subject to the notice provisions herein, your employment is "at will" and may be terminated by you or by the Company at any time for any reason or no reason whatsoever. In each case where the term "the Company" is used in this Letter Agreement it shall mean, in addition to the Company, any affiliate of the Company by whom you may be employed on a full-time basis at the applicable time.

If you resign from your employment with the Company, you must provide ninety (90) days advance written notice to the Company (the "Notice Period," which Notice Period shall be considered a "Protective Covenant" (as hereinafter defined) for purposes of this Letter Agreement). The Company may, in its sole discretion, direct you to cease performing your duties, refrain from entering the Company's offices and restrict your access to the Company systems, trade secrets and confidential information, in each case during all or part of the Notice Period. During the Notice Period, you shall continue to be an employee of the Company, the Company shall continue to pay you your base salary and benefits, and you shall be entitled to all other benefits and entitlements (subject to clause (iii) below) as an employee until the end of the Notice Period, except that (i) you will not be entitled to receive any bonus not already paid prior to the commencement of the Notice Period; (ii) your base salary, benefits, and entitlements will cease if you breach any of your agreements with or obligations to the Company or its affiliates, including, without limitation, choosing to resign or otherwise stop performing your duties before the end of the Notice Period, or breaching any of those "Protective Covenants" set forth below and incorporated herein; (iii) you will not accrue any further vacation during the Notice Period, and during the Notice Period you will use any and all accrued, unused vacation you may have as of the commencement of the Notice Period; and (iv) such Notice Period shall be disregarded for purposes of the vesting of equity, if any.

(initial here) _____

Benefits: You (and your spouse, registered domestic partner and/or eligible dependents, if any) shall be entitled to participate in the same manner as other similarly situated employees of the Company in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of such employees generally, subject to satisfying the applicable eligibility requirements. Your participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. Notwithstanding the foregoing, the Company may, consistent with applicable law, prospectively modify or terminate any employee benefit plan at any time.

Paid Time Off: You may be eligible for Paid Time Off pursuant to the Company's Paid Time Off (PTO) Policy. Please refer to the PTO Policy for more details. Requests for approval of timing of PTO shall be submitted in accordance with Company policy. The amount of PTO days provided per year may be modified, consistent with applicable law, in the discretion of the Company.

Protective Covenants: You shall not, directly or indirectly, without prior written consent of the Company, at any time during your employment hereunder or for six (6) months thereafter if you resign your employment or are terminated for Cause (which six (6) month period shall be inclusive of the Notice Period (as defined above)), be involved or connected in any manner (including, but not limited to, provide consultative services to, own, manage, operate, join, control, participate in, be engaged in, and/or employed by) any business, individual, partner, firm, corporation, or other entity that competes with (any such action, individually, and in the aggregate, to "compete with"), the Company anywhere in the United States of America, including, but not limited to, any such business, individual, partner, firm, corporation, or other entity engaged in the business of operating amusement or eatertainment venues. Notwithstanding anything else herein, the mere "beneficial ownership" by you, either individually or as a member of a "group" (as such terms are used in Rule 13(d) issued under the United States Securities Exchange Act of 1934, as amended from time to time) of not more than five percent (5%) of the voting stock of any public company shall not be deemed a violation of this Letter Agreement.

(initial here) _____

You further agree that you shall not, directly or indirectly, for your benefit or for the benefit of any other person (including, without limitation, an individual or entity), or knowingly assist any other person to during your employment with the Company and for twelve (12) months thereafter, in any manner:

(a) hire or Solicit (as hereinafter defined) the employment or services of any person who provided services to the Company or any member of the Company Group, as an employee, independent contractor or consultant at the time of termination of your employment with the Company, or within six (6) months prior thereto;

(b) Solicit any person who is an employee of the Company or any member of the Company Group to apply for or accept employment with any enterprise;

(c) accept employment or work, in any capacity (including as an employee, consultant or independent contractor), with any firm, corporation, partnership or other entity that is, directly or indirectly, owned or controlled by any Former Employee of the Company involving the provision of services that are substantially similar to the services that you provided to the Company at any time during the twelve months prior to your termination of employment with the Company;

(d) Solicit or otherwise attempt to establish any business relationship (in connection with any business in competition with the Company with any limited partner, investor, person, firm, corporation or other entity that is, at the time of your termination of employment, or was a Client, Investor or Business Partner of the Company or any member of the Company Group; or

(e) Interfere with or damage (or attempt to interfere with or damage) any relationship between the Company and any member of the Company Group and the respective Clients, Investors, Business Partners, or employees of the foregoing entities.

For purposes of this Letter Agreement, the term “Solicit” means (a) active solicitation of any Client, Investor, or Business Partner or Company employee; (b) the provision of non-public information regarding any Client, Investor, or Business Partner or Company employee to any third party where such information could be useful to such third party in attempting to obtain business from such Client, Investor, or Business Partner or attempting to hire any such Company employee; (c) participation in any meetings, discussions, or other communications with any third party regarding any Client, Investor, or Business Partner or Company employee where the purpose or effect of such meeting, discussion or communication is to obtain business from such Client, Investor, or Business Partner or employ such Company employee; or (d) any other passive use of non-public information about any Client, Investor, or Business Partner, or Company employee which has the purpose or effect of assisting a third party to obtain business from Clients, Investors, or Business Partners, assisting a third party to hire any Company employee or causing harm to the business of the Company.

(initial here) _____

For purposes of this Letter Agreement, the term "Client," "Investor," or "Business Partner" shall mean (A) anyone who is or has been a Client, Investor, or Business Partner of any member of the Company Group during your employment; and (B) any prospective Client, Investor, or Business Partner to whom any member of the Company Group made a new business presentation (or similar offering of services) at any time during the one (1) year period immediately preceding, or two (2) month period immediately following, your employment termination (but only if initial discussions between any member of the Company Group and such prospective Client, Investor, or Business Partner relating to the rendering of services occurred prior to the termination date). Notwithstanding the preceding paragraph, the Protective Covenants shall not apply to Clients who are currently your clients at your current employer.

For purposes of this Letter Agreement, the term "Former Employee" shall mean anyone who was an employee of or exclusive consultant to any member of the Company Group as of, or at any time during the one-year period immediately preceding, the termination of your employment.

Any works of authorship, databases, discoveries, developments, improvements, computer programs, or other intellectual property, etc. ("Works") that you make or conceive, or have made or conceived, solely or jointly, during the period of your employment with the Company, whether or not patentable or registerable under copyright, trademark or similar statutes, which either (i) are related to or useful in the current or anticipated business or activities of any member of the Company Group; (ii) fall within your responsibilities as employed by the Company; or (iii) are otherwise developed by you through the use of the confidential information, equipment, software, or other facilities or resources of any member of the Company Group or at times during which you are or have been an employee constitute "work for hire" under the United States Copyright Act, as amended. If for any reason any portion of the Works shall be deemed not to be a "work for hire," then you hereby assign to the Company all rights, title and interest therein and shall cooperate to establish the Company's ownership rights, including the execution of all documents necessary to establish the Company's exclusive ownership rights.

(initial here) _____

As a condition of employment, you will be required to sign a Confidentiality and Proprietary Rights Agreement, in a form acceptable to the Company, and that agreement shall remain in full force and effect after it is executed and following termination of your employment for any reason with the Company or any of its affiliates. The obligations set forth in such agreement shall be considered "Protective Covenants" for purposes of this Letter Agreement and are incorporated herein by reference.

The provisions set forth above in (or incorporated into) this "Protective Covenants" section, together with the Notice Period above, are collectively referred to in this Letter Agreement as the "Protective Covenants" (and each is a "Protective Covenant").

"Cause" means (i) your misconduct or gross negligence in the performance of your duties to the Company; (ii) your failure to perform your duties to the Company or to follow the lawful directives of the Board of Directors of Drive Shack Inc. (the "Board"); (iii) your commission of, indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony, or any crime involving moral turpitude; (iv) your failure to cooperate in any audit or investigation of the business or financial practices of any member of Drive Shack Inc. or any of its direct or indirect subsidiaries (collectively, the "Company Group"); (v) your performance of any act of theft, embezzlement, fraud, malfeasance, dishonesty or misappropriation of the property of any member of the Company Group; or (vi) your breach of this Letter Agreement or any other agreement with a member of the Company Group, or a violation of the code of conduct or other written policy of any such entity.

This Letter Agreement supersedes any prior representations or agreements, whether written or oral, and, along with the Company's policies and procedures in the employee handbook, sets forth the terms of your employment with the Company. This Letter Agreement may only be modified by a written agreement signed by you and an officer of the Company.

This Letter Agreement shall be construed, interpreted and governed in accordance with the laws of the State of New York without regard to conflict of laws principles. All actions and proceedings relating directly or indirectly to this Letter Agreement shall be litigated in any state court or federal court located in the State of New York, County of New York.

If you agree with the terms of this Letter Agreement and accept this offer of employment, please sign and date this Letter Agreement in the space provided below and return a copy to Ellen Barrera (ebarrera@driveshack.com), to indicate your acceptance. We look forward to you joining the Company.

(initial here) _____

This Letter Agreement may be signed in counterparts, each of which shall be deemed an original, with the same effect as if the signatures were upon the same instrument.

This offer expires on December 21, 2017.

Sincerely,

DRIVE SHACK INC.

By: _____

By signing below, I affirm my understanding of, and agreement to, the terms and conditions set forth above, and hereby accept this offer of employment. I agree that I have been notified of my pay rate, overtime rate (if eligible), allowances, and designated payday at the time of my hire. I have told my employer what my primary language is as shown below:

___ My primary language is English.

___ My primary language is _____.

Legal Name (Printed):_____Signature:_____

Date: / /

(initial here) _____

(Back To Top)

Section 5: EX-10.4 (EXHIBIT 10.4)

Exhibit 10.4

December 12, 2017

Lawrence A. Goodfield, Jr.

Dear Lawrence:

It is with great pleasure that we extend to you an offer to join Drive Shack Inc., 1345 Avenue of the Americas, 45th Floor, New York, NY 10105, (212) 479-3195 (the "Company"), as set forth below. This letter is referred to herein as the "Letter Agreement."

Title and Start Date: You and the Company acknowledge and agree that this Letter Agreement and your transfer to Drive Shack are subject to the approval of SoftBank Group Corp. ("SoftBank"). Subject to this SoftBank approval, beginning on January 1, 2018 (the "Start Date"), you will devote your full working time to the Company as Chief Financial Officer, Chief Accounting Officer & Treasurer, reporting to the Chief Executive Officer & President, except that you may take on other work that has been discussed with the Company's Board.

Work Location: Your principal work location will be New York, NY, in addition to travel as required in connection with the performance of your duties.

Compensation: Your base salary will be paid at the rate of $200,000 per annum on a salary basis to compensate you for all hours you work, regardless of whether more or less than 40 in a regularly scheduled workweek. You are an exempt employee. As defined by

federal and state regulations, an exempt employee is not eligible for overtime compensation. You will be paid twice a month with a pay date of the 15th and last day of each month. On each pay date, you will be paid for the hours you worked during the prior pay period. Based on your anticipated start date, you will receive your first pay on January 15, 2018. The Company reserves the right to modify its payroll practices and payroll schedule at its sole discretion, consistent with applicable law.

(initial here) _____

As additional compensation, you may be eligible to participate in a bonus incentive plan. In order to be eligible for any bonus while employed at the Company, you must be an active employee at, and not have given or received notice of termination prior to, the time of the bonus payment. The Company reserves the right, at its sole discretion, to change, rescind, amend, suspend, discontinue, and/or otherwise modify any section of, or the entire plan at any time without advance notification.

Work Authorization: Employment with the Company is contingent upon your provision of documentation establishing your identity and unrestricted authorization to work in the United States within the time period specified by law. If you are unsure whether you have unrestricted authorization, please contact Ellen Barrera at 212-497-2955.

Policies and Procedures: You agree to comply fully with all the Company policies and procedures applicable to employees, as amended and implemented from time to time, including, without limitation, tax, regulatory and compliance procedures.

Employment Relationship: This Letter Agreement is not a contract of employment for any specific period of time, and subject to the notice provisions herein, your employment is "at will" and may be terminated by you or by the Company at any time for any reason or no reason whatsoever. In each case where the term "the Company" is used in this Letter Agreement it shall mean, in addition to the Company, any affiliate of the Company by whom you may be employed on a full-time basis at the applicable time.

If you resign from your employment with the Company, you must provide ninety (90) days advance written notice to the Company (the "Notice Period," which Notice Period shall be considered a "Protective Covenant" (as hereinafter defined) for purposes of this Letter Agreement). The Company may, in its sole discretion, direct you to cease performing your duties, refrain from entering the Company's offices and restrict your access to the Company systems, trade secrets and confidential information, in each case during all or part of the Notice Period. During the Notice Period, you shall continue to be an employee of the Company, the Company shall continue to pay you your base salary and benefits, and you shall be entitled to all other benefits and entitlements (subject to clause (iii) below) as an employee until the end of the Notice Period, except that (i) you will not be entitled to receive any bonus not already paid prior to the commencement of the Notice Period; (ii) your base salary, benefits, and entitlements will cease if you breach any of your agreements with or obligations to the Company or its affiliates, including, without limitation, choosing to resign or otherwise stop performing your duties before the end of the Notice Period, or breaching any of those "Protective Covenants" set forth below and incorporated herein; (iii) you will not accrue any further vacation during the Notice Period, and during the Notice Period you will use any and all accrued, unused vacation you may have as of the commencement of the Notice Period; and (iv) such Notice Period shall be disregarded for purposes of the vesting of equity, if any.

(initial here) _____

Benefits: You (and your spouse, registered domestic partner and/or eligible dependents, if any) shall be entitled to participate in the same manner as other similarly situated employees of the Company in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of such employees generally, subject to satisfying the applicable eligibility requirements. Your participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. Notwithstanding the foregoing, the Company may, consistent with applicable law, prospectively modify or terminate any employee benefit plan at any time.

Paid Time Off: You may be eligible for Paid Time Off pursuant to the Company's Paid Time Off (PTO) Policy. Please refer to the PTO Policy for more details. Requests for approval of timing of PTO shall be submitted in accordance with Company policy. The amount of PTO days provided per year may be modified, consistent with applicable law, in the discretion of the Company.

Protective Covenants: You shall not, directly or indirectly, without prior written consent of the Company, at any time during your employment hereunder or for six (6) months thereafter if you resign your employment or are terminated for Cause (which six (6) month period shall be inclusive of the Notice Period (as defined above)), be involved or connected in any manner (including, but not limited to, provide consultative services to, own, manage, operate, join, control, participate in, be engaged in, and/or employed by) any business, individual, partner, firm, corporation, or other entity that competes with (any such action, individually, and in the aggregate, to "compete with"), the Company anywhere in the United States of America, including, but not limited to, any such business, individual, partner, firm, corporation, or other entity engaged in the business of operating amusement or eatertainment venues. Notwithstanding anything else herein, the mere "beneficial ownership" by you, either individually or as a member of a "group" (as such terms are used in Rule 13(d) issued under the United States Securities Exchange Act of 1934, as amended from time to time) of not more than five percent (5%) of the voting stock of any public company shall not be deemed a violation of this Letter Agreement.

(initial here) _____

You further agree that you shall not, directly or indirectly, for your benefit or for the benefit of any other person (including, without limitation, an individual or entity), or knowingly assist any other person to during your employment with the Company and for twelve (12) months thereafter, in any manner:

(a) hire or Solicit (as hereinafter defined) the employment or services of any person who provided services to the Company or any member of the Company Group, as an employee, independent contractor or consultant at the time of termination of your employment with the Company, or within six (6) months prior thereto;

(b) Solicit any person who is an employee of the Company or any member of the Company Group to apply for or accept employment with any enterprise;

(c) accept employment or work, in any capacity (including as an employee, consultant or independent contractor), with any firm, corporation, partnership or other entity that is, directly or indirectly, owned or controlled by any Former Employee of the Company involving the provision of services that are substantially similar to the services that you provided to the Company at any time during the twelve months prior to your termination of employment with the Company;

(d) Solicit or otherwise attempt to establish any business relationship (in connection with any business in competition with the Company with any limited partner, investor, person, firm, corporation or other entity that is, at the time of your termination of employment, or was a Client, Investor or Business Partner of the Company or any member of the Company Group; or

(e) Interfere with or damage (or attempt to interfere with or damage) any relationship between the Company and any member of the Company Group and the respective Clients, Investors, Business Partners, or employees of the foregoing entities.

(initial here) _____

For purposes of this Letter Agreement, the term "Solicit" means (a) active solicitation of any Client, Investor, or Business Partner or Company employee; (b) the provision of non-public information regarding any Client, Investor, or Business Partner or Company employee to any third party where such information could be useful to such third party in attempting to obtain business from such Client, Investor, or Business Partner or attempting to hire any such Company employee; (c) participation in any meetings, discussions, or other communications with any third party regarding any Client, Investor, or Business Partner or Company employee where the purpose or effect of such meeting, discussion or communication is to obtain business from such Client, Investor, or Business Partner or employ such Company employee; or (d) any other passive use of non-public information about any Client, Investor, or Business Partner, or Company employee which has the purpose or effect of assisting a third party to obtain business from Clients, Investors, or Business Partners, assisting a third party to hire any Company employee or causing harm to the business of the Company.

For purposes of this Letter Agreement, the term "Client," "Investor," or "Business Partner" shall mean (A) anyone who is or has been a Client, Investor, or Business Partner of any member of the Company Group during your employment; and (B) any prospective Client, Investor, or Business Partner to whom any member of the Company Group made a new business presentation (or similar offering of services) at any time during the one (1) year period immediately preceding, or two (2) month period immediately following, your employment termination (but only if initial discussions between any member of the Company Group and such prospective Client, Investor, or Business Partner relating to the rendering of services occurred prior to the termination date). Notwithstanding the preceding paragraph, the Protective Covenants shall not apply to Clients who are currently your clients at your current employer.

For purposes of this Letter Agreement, the term "Former Employee" shall mean anyone who was an employee of or exclusive consultant to any member of the Company Group as of, or at any time during the one-year period immediately preceding, the termination of your employment.

(initial here) _____

Any works of authorship, databases, discoveries, developments, improvements, computer programs, or other intellectual property, etc. ("Works") that you make or conceive, or have made or conceived, solely or jointly, during the period of your employment with the Company, whether or not patentable or registerable under copyright, trademark or similar statutes, which either (i) are related to or useful in the current or anticipated business or activities of any member of the Company Group; (ii) fall within your responsibilities as employed by the Company; or (iii) are otherwise developed by you through the use of the confidential information, equipment, software, or other facilities or resources of any member of the Company Group or at times during which you are or have been an employee constitute "work for hire" under the United States Copyright Act, as amended. If for any reason any portion of the Works shall be deemed not to be a "work for hire," then you hereby assign to the Company all rights, title and interest therein and shall cooperate to establish the Company's ownership rights, including the execution of all documents necessary to establish the Company's exclusive ownership rights.

As a condition of employment, you will be required to sign a Confidentiality and Proprietary Rights Agreement, in a form acceptable to the Company, and that agreement shall remain in full force and effect after it is executed and following termination of your employment for any reason with the Company or any of its affiliates. The obligations set forth in such agreement shall be considered "Protective Covenants" for purposes of this Letter Agreement and are incorporated herein by reference.

The provisions set forth above in (or incorporated into) this "Protective Covenants" section, together with the Notice Period above, are collectively referred to in this Letter Agreement as the "Protective Covenants" (and each is a "Protective Covenant").

"Cause" means (i) your misconduct or gross negligence in the performance of your duties to the Company; (ii) your failure to perform your duties to the Company or to follow the lawful directives of the Board of Directors of Drive Shack Inc. (the "Board"); (iii) your commission of, indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony, or any crime involving moral turpitude; (iv) your failure to cooperate in any audit or investigation of the business or financial practices of any member of Drive Shack Inc. or any of its direct or indirect subsidiaries (collectively, the "Company Group"); (v) your performance of any act of theft, embezzlement, fraud, malfeasance, dishonesty or misappropriation of the property of any member of the Company Group; or (vi) your breach of this Letter Agreement or any other agreement with a member of the Company Group, or a violation of the code of conduct or other written policy of any such entity.

This Letter Agreement supersedes any prior representations or agreements, whether written or oral, and, along with the Company's policies and procedures in the employee handbook, sets forth the terms of your employment with the Company. This Letter Agreement may only be modified by a written agreement signed by you and an officer of the Company.

(initial here) _____

This Letter Agreement shall be construed, interpreted and governed in accordance with the laws of the State of New York without regard to conflict of laws principles. All actions and proceedings relating directly or indirectly to this Letter Agreement shall be litigated in any state court or federal court located in the State of New York, County of New York.

If you agree with the terms of this Letter Agreement and accept this offer of employment, please sign and date this Letter Agreement in the space provided below and return a copy to Ellen Barrera (ebarrera@driveshack.com), to indicate your acceptance. We look forward to you joining the Company.

This Letter Agreement may be signed in counterparts, each of which shall be deemed an original, with the same effect as if the signatures were upon the same instrument.

This offer expires on December 21, 2017.

Sincerely,

DRIVE SHACK INC.

By: _____

By signing below, I affirm my understanding of, and agreement to, the terms and conditions set forth above, and hereby accept this offer of employment. I agree that I have been notified of my pay rate, overtime rate (if eligible), allowances, and designated payday at the time of my hire. I have told my employer what my primary language is as shown below:

___ My primary language is English.

___ My primary language is _____.

Legal Name (Printed):_____Signature:_____

Date: / /

(initial here) _____

(Back To Top)

Section 6: EX-10.5 (EXHIBIT 10.5)

Exhibit 10.5

December 12, 2017

Sara A. Yakin

Dear Sara:

It is with great pleasure that we extend to you an offer to join Drive Shack Inc., 1345 Avenue of the Americas, 45th Floor, New York, NY 10105, (212) 479-3195 (the "Company"), as set forth below. This letter is referred to herein as the "Letter Agreement."

Title and Start Date: You and the Company acknowledge and agree that this Letter Agreement and your transfer to Drive Shack are subject to the approval of SoftBank Group Corp. ("SoftBank"). Subject to this SoftBank approval, beginning on January 1, 2018 (the "Start Date"), you will devote your full working time to the Company as Chief Operating Officer, reporting to the Chief Executive Officer & President, except that you may take on other work that has been discussed with the Company's Board.

Work Location: Your principal work location will be New York, NY, in addition to travel as required in connection with the performance of

your duties.

Compensation: Your base salary will be paid at the rate of $200,000 per annum on a salary basis to compensate you for all hours you work, regardless of whether more or less than 40 in a regularly scheduled workweek. You are an exempt employee. As defined by federal and state regulations, an exempt employee is not eligible for overtime compensation. You will be paid twice a month with a pay date of the 15th and last day of each month. On each pay date, you will be paid for the hours you worked during the prior pay period. Based on your anticipated start date, you will receive your first pay on January 15, 2018. The Company reserves the right to modify its payroll practices and payroll schedule at its sole discretion, consistent with applicable law.

(initial here) _____

As additional compensation, you may be eligible to participate in a bonus incentive plan. In order to be eligible for any bonus while employed at the Company, you must be an active employee at, and not have given or received notice of termination prior to, the time of the bonus payment. The Company reserves the right, at its sole discretion, to change, rescind, amend, suspend, discontinue, and/or otherwise modify any section of, or the entire plan at any time without advance notification.

Work Authorization: Employment with the Company is contingent upon your provision of documentation establishing your identity and unrestricted authorization to work in the United States within the time period specified by law. If you are unsure whether you have unrestricted authorization, please contact Ellen Barrera at 212-497-2955.

Policies and Procedures : You agree to comply fully with all the Company policies and procedures applicable to employees, as amended and implemented from time to time, including, without limitation, tax, regulatory and compliance procedures.

Employment Relationship: This Letter Agreement is not a contract of employment for any specific period of time, and subject to the notice provisions herein, your employment is "at will" and may be terminated by you or by the Company at any time for any reason or no reason whatsoever. In each case where the term "the Company" is used in this Letter Agreement it shall mean, in addition to the Company, any affiliate of the Company by whom you may be employed on a full-time basis at the applicable time.

If you resign from your employment with the Company, you must provide ninety (90) days advance written notice to the Company (the "Notice Period," which Notice Period shall be considered a "Protective Covenant" (as hereinafter defined) for purposes of this Letter Agreement). The Company may, in its sole discretion, direct you to cease performing your duties, refrain from entering the Company's offices and restrict your access to the Company systems, trade secrets and confidential information, in each case during all or part of the Notice Period. During the Notice Period, you shall continue to be an employee of the Company, the Company shall continue to pay you your base salary and benefits, and you shall be entitled to all other benefits and entitlements (subject to clause (iii) below) as an employee until the end of the Notice Period, except that (i) you will not be entitled to receive any bonus not already paid prior to the commencement of the Notice Period; (ii) your base salary, benefits, and entitlements will cease if you breach any of your agreements with or obligations to the Company or its affiliates, including, without limitation, choosing to resign or otherwise stop performing your duties before the end of the Notice Period, or breaching any of those "Protective Covenants" set forth below and incorporated herein; (iii) you will not accrue any further vacation during the Notice Period, and during the Notice Period you will use any and all accrued, unused vacation you may have as of the commencement of the Notice Period; and (iv) such Notice Period shall be disregarded for purposes of the vesting of equity, if any.

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Benefits: You (and your spouse, registered domestic partner and/or eligible dependents, if any) shall be entitled to participate in the same manner as other similarly situated employees of the Company in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of such employees generally, subject to satisfying the applicable eligibility requirements. Your participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. Notwithstanding the foregoing, the Company may, consistent with applicable law, prospectively modify or terminate any employee benefit plan at any time.

Paid Time Off: You may be eligible for Paid Time Off pursuant to the Company's Paid Time Off (PTO) Policy. Please refer to the PTO Policy for more details. Requests for approval of timing of PTO shall be submitted in accordance with Company policy. The amount of PTO days provided per year may be modified, consistent with applicable law, in the discretion of the Company.

Protective Covenants: You shall not, directly or indirectly, without prior written consent of the Company, at any time during your employment hereunder or for six (6) months thereafter if you resign your employment or are terminated for Cause (which six (6) month period shall be inclusive of the Notice Period (as defined above)), be involved or connected in any manner (including, but not limited to, provide consultative services to, own, manage, operate, join, control, participate in, be engaged in, and/or employed by) any business, individual, partner, firm, corporation, or other entity that competes with (any such action, individually, and in the aggregate, to "compete with"), the Company anywhere in the United States of America, including, but not limited to, any such business, individual, partner, firm, corporation, or other entity engaged in the business of operating amusement or eatertainment venues. Notwithstanding anything else herein, the mere "beneficial ownership" by you, either individually or as a member of a "group" (as such terms are used in Rule 13(d) issued under the United States Securities Exchange Act of 1934, as amended from time to time) of not more than five percent (5%) of the voting stock of any public company shall not be deemed a violation of this Letter Agreement.

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You further agree that you shall not, directly or indirectly, for your benefit or for the benefit of any other person (including, without limitation, an individual or entity), or knowingly assist any other person to during your employment with the Company and for twelve (12) months thereafter, in any manner:

(a) hire or Solicit (as hereinafter defined) the employment or services of any person who provided services to the Company or any member of the Company Group, as an employee, independent contractor or consultant at the time of termination of your employment with the Company, or within six (6) months prior thereto;

(b) Solicit any person who is an employee of the Company or any member of the Company Group to apply for or accept employment with any enterprise;

(c) accept employment or work, in any capacity (including as an employee, consultant or independent contractor), with any firm, corporation, partnership or other entity that is, directly or indirectly, owned or controlled by any Former Employee of the Company involving the provision of services that are substantially similar to the services that you provided to the Company at any time during the twelve months prior to your termination of employment with the Company;

(d) Solicit or otherwise attempt to establish any business relationship (in connection with any business in competition with the Company with any limited partner, investor, person, firm, corporation or other entity that is, at the time of your termination of employment, or was a Client, Investor or Business Partner of the Company or any member of the Company Group; or

(e) Interfere with or damage (or attempt to interfere with or damage) any relationship between the Company and any member of the Company Group and the respective Clients, Investors, Business Partners, or employees of the foregoing entities.

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For purposes of this Letter Agreement, the term "Solicit" means (a) active solicitation of any Client, Investor, or Business Partner or Company employee; (b) the provision of non-public information regarding any Client, Investor, or Business Partner or Company employee to any third party where such information could be useful to such third party in attempting to obtain business from such Client, Investor, or Business Partner or attempting to hire any such Company employee; (c) participation in any meetings, discussions, or other communications with any third party regarding any Client, Investor, or Business Partner or Company employee where the purpose or effect of such meeting, discussion or communication is to obtain business from such Client, Investor, or Business Partner or employ such Company employee; or (d) any other passive use of non-public information about any Client, Investor, or Business Partner, or Company employee which has the purpose or effect of assisting a third party to obtain business from Clients, Investors, or Business Partners, assisting a third party to hire any Company employee or causing harm to the business of the Company.

For purposes of this Letter Agreement, the term "Client," "Investor," or "Business Partner" shall mean (A) anyone who is or has been a Client, Investor, or Business Partner of any member of the Company Group during your employment; and (B) any prospective Client, Investor, or Business Partner to whom any member of the Company Group made a new business presentation (or similar offering of services) at any time during the one (1) year period immediately preceding, or two (2) month period immediately following, your employment termination (but only if initial discussions between any member of the Company Group and such prospective Client, Investor, or Business Partner relating to the rendering of services occurred prior to the termination date). Notwithstanding the preceding paragraph, the Protective Covenants shall not apply to Clients who are currently your clients at your current employer.

For purposes of this Letter Agreement, the term "Former Employee" shall mean anyone who was an employee of or exclusive consultant to any member of the Company Group as of, or at any time during the one-year period immediately preceding, the termination of your employment.

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Any works of authorship, databases, discoveries, developments, improvements, computer programs, or other intellectual property, etc. ("Works") that you make or conceive, or have made or conceived, solely or jointly, during the period of your employment with the Company, whether or not patentable or registerable under copyright, trademark or similar statutes, which either (i) are related to or useful in the current or anticipated business or activities of any member of the Company Group; (ii) fall within your responsibilities as employed by the Company; or (iii) are otherwise developed by you through the use of the confidential information, equipment, software, or other facilities or resources of any member of the Company Group or at times during which you are or have been an employee constitute "work for hire" under the United States Copyright Act, as amended. If for any reason any portion of the Works shall be deemed not to be a "work for hire," then you hereby assign to the Company all rights, title and interest therein and shall cooperate to establish the Company's ownership rights, including the execution of all documents necessary to establish the Company's exclusive ownership rights.

As a condition of employment, you will be required to sign a Confidentiality and Proprietary Rights Agreement, in a form acceptable to the Company, and that agreement shall remain in full force and effect after it is executed and following termination of your employment for any reason with the Company or any of its affiliates. The obligations set forth in such agreement shall be considered "Protective Covenants" for purposes of this Letter Agreement and are incorporated herein by reference.

The provisions set forth above in (or incorporated into) this "Protective Covenants" section, together with the Notice Period above, are collectively referred to in this Letter Agreement as the "Protective Covenants" (and each is a "Protective Covenant").

"Cause" means (i) your misconduct or gross negligence in the performance of your duties to the Company; (ii) your failure to perform your duties to the Company or to follow the lawful directives of the Board of Directors of Drive Shack Inc. (the "Board"); (iii) your commission of, indictment for, conviction of, or pleading of guilty or nolo contendere to, a felony, or any crime involving moral turpitude; (iv) your failure to cooperate in any audit or investigation of the business or financial practices of any member of Drive Shack Inc. or any of its direct or indirect subsidiaries (collectively, the "Company Group"); (v) your performance of any act of theft, embezzlement, fraud, malfeasance, dishonesty or misappropriation of the property of any member of the Company Group; or (vi) your breach of this Letter Agreement or any other agreement with a member of the Company Group, or a violation of the code of conduct or other written policy of any such entity.

This Letter Agreement supersedes any prior representations or agreements, whether written or oral, and, along with the Company's policies and procedures in the employee handbook, sets forth the terms of your employment with the Company. This Letter Agreement may only be modified by a written agreement signed by you and an officer of the Company.

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This Letter Agreement shall be construed, interpreted and governed in accordance with the laws of the State of New York without regard to conflict of laws principles. All actions and proceedings relating directly or indirectly to this Letter Agreement shall be litigated in any state court or federal court located in the State of New York, County of New York.

If you agree with the terms of this Letter Agreement and accept this offer of employment, please sign and date this Letter Agreement in the space provided below and return a copy to Ellen Barrera (ebarrera@driveshack.com), to indicate your acceptance. We look forward to you joining the Company.

This Letter Agreement may be signed in counterparts, each of which shall be deemed an original, with the same effect as if the signatures were upon the same instrument.

This offer expires on December 21, 2017.

Sincerely,

DRIVE SHACK INC.

By: _____

By signing below, I affirm my understanding of, and agreement to, the terms and conditions set forth above, and hereby accept this offer of employment. I agree that I have been notified of my pay rate, overtime rate (if eligible), allowances, and designated payday at the time of my hire. I have told my employer what my primary language is as shown below:

___ My primary language is English.

___ My primary language is _____.

Legal Name (Printed):_____Signature:_____

Date: / /

(initial here) _____

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Section 7: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1

DRIVE SHACK INC. ANNOUNCES AGREEMENT TO INTERNALIZE MANAGEMENT

NEW YORK--(BUSINESS WIRE) -- Drive Shack Inc. (NYSE:DS; the "Company") announced that it has entered into definitive agreements with its external manager, FIG LLC (the "Manager"), an affiliate of Fortress Investment Group LLC, to internalize the Company's management function. In connection with the termination of the existing management agreement, the Company will make a one-time cash payment of $10.7 million to the Manager. The internalization will become effective on January 1, 2018.

The transaction was negotiated and unanimously approved by a special committee (the "Special Committee") comprised entirely of independent and disinterested members of the board of directors of the Company (the "Board"), and the Special Committee was advised by independent counsel.

Sarah L. Watterson, the Company's Chief Executive Officer & President stated, "This is an incredibly exciting event within the Company's overall transformation. While the external management structure has served the Company well for over 15 years, given the Company's tremendous growth plan developing and operating Drive Shack venues and optimizing our American Golf properties, we believe shifting to an internalized management structure today is the right move for our business."

Key Mechanics of the Internalization:

- **The Company's Management Team Will Not Change**. Wesley R. Edens, who is a Principal and Co-Founder of Fortress Investment Group LLC, will remain the Chairman of the Board. Furthermore, members of the executive team, who were previously employed by the Manager,

will become employees of the Company, including (i) Ms. Watterson, (ii) Lawrence A. Goodfield, Jr., Chief Financial Officer, Chief Accounting Officer & Treasurer, and (iii) Sara A. Yakin, Chief Operating Officer. In addition, certain other professionals who previously provided services to the Company on behalf of the Manager will continue to fill similar roles as employees of the Company or its subsidiaries.

- **The Company and the Manager Entered into a Transition Services Agreement**. For a transition period, the Manager has agreed to continue to provide the Company with certain services and personnel related mainly to information technology, legal, compliance, accounting and tax. These services will be provided to the Company at cost.

Key Potential Benefits of the Internalization:

- **Cost Savings Opportunity**. The Company targets savings of more than $2 million per year following the internalization.

- **Potential for Expanded Institutional Investor Base**. Following the internalization, the Company will have a structure that is more comparable to its leisure and entertainment peers.

- **Continued Manager Support and Principal Involvement**. The Company will receive support from the Manager for certain functions throughout the duration of the transition services agreement. Furthermore, Mr. Edens, the Company's largest shareholder, will remain the Chairman of the Board.

Additional details regarding the internalization can be found in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 21, 2017.

ABOUT DRIVE SHACK

Drive Shack Inc. is a leading owner and operator of golf-related leisure and entertainment businesses.

FORWARD-LOOKING STATEMENTS

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the key potential benefits of the Company's internalization of management, including, but not limited to, targeted savings of more than $2 million per year following internalization, potential for expanded institutional investor base and continued Manager support and Principal involvement. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond Drive Shack's control. The Company can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could cause actual results to differ from such forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent Annual Report on Form 10-K and most recent Quarterly Report on Form 10-Q. Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Drive Shack Inc.
Investor Relations
212-479-3195

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