



Special City Council Meeting

6:00 p.m., Tuesday, November 10, 2020

City of Isle of Palms, South Carolina
1207 Palm Boulevard

Virtual Meeting Due to COVID-19 Pandemic

The public may join the virtual meeting by clicking here:

<https://www.youtube.com/user/cityofisleofpalms>

Public Comment:

All citizens who wish to speak during the meeting must email their first and last name, address and topic to rhanna@iop.net no later than **3:00 p.m. the day before the meeting**. Citizens who sign up to speak will receive an email with instructions to join the meeting via Zoom. All verbal comments will have a time limit of three (3) minutes. Speakers must turn on their video and make sure that their actual name shows up as their Zoom identifier, and mute themselves after their comments.

Citizens may also provide public comment here:

<https://www.iop.net/public-comment-form>

Agenda

- 1. Introduction of the meeting** - Call the special meeting to order and acknowledge that the press and the public were duly notified of the meeting in accordance with the Freedom of Information Act.
- 2. Public Comment**
- 3. Purpose**
 - a. Second Reading of Ordinance 2020-12 – An ordinance to enter into a commercial lease with Marker116, LLC
 - b. Second Reading of Ordinance 2020-13 – Fifth amendment to commercial lease agreement with Marina Joint Ventures
 - c. Consideration of Emergency Ordinance 2020-14 to extend the State of Emergency, modify beach parking restrictions and extend other emergency provisions due to COVID-19
- 4. Executive session** – If needed.
- 5. Adjournment**

MARINA RESTAURANT UPDATE



NOVEMBER 03, 2020



Marina Restaurant Lease Timeline

September 2018

City Council votes to pursue the Request for Proposals method to secure a new lease for the Isle of Palms Marina Restaurant

April 2019

City hires Lee & Associates to assist and advise the City through the Request for Proposal process and represent the City in lease negotiations

November 2018

City hires Hill Construction to perform assessment of the restaurant building



Marina Restaurant Lease Timeline

May 2019

Hill Construction presents building
assessment report to Real Property
Committee



May 2019

Hill Construction expenses estimates
presented and recommendations
provided on the following slide



HILL CONSTRUCTION EXPENSE ESTIMATES

A La Carte Renovation Estimate

Repair Structure & Replace Walk-in Refrigerator	\$	120,000
Private Dining converted to Bathrooms/Beer Storage moved to 1st floor. Relocate Office and Liquor Storage to Old Bathroom Location	\$	230,000
2nd Floor Restroom Renovations	\$	115,000
Install New Elevator/Shaft/Pit/ Siding	\$	350,000
Upgrade 2nd floor Kitchen (HVAC, Electrical/Flooring)	\$	90,000
1st Floor Kitchen Upgrades (HVAC/Ansul/Equipment, Finishes	\$	150,000
Install new flex dining space on 1st and 2nd floor	\$	475,000
New Permanent 2nd floor to replace temporary tent bar structure	\$	375,000
New Wrap around Porches on both floors	\$	275,000
Construct new exterior stairs and ramps/lighting	\$	135,000
Remove rear Tent/flooring and reroof	\$	65,000
Demo and Repair loading dock	\$	85,000
Demolish Mansard Roof	\$	135,000
General maintenance, Upgrades Improvements	\$	325,000
Sitework/Paving/Landscaping Repair Allowance	\$	125,000
	\$	3,050,000
	SF	8,651
	\$/SF	\$ 353
Discount if Entire Scope is Completed (Not "a la Carte")	\$	2,592,500
	\$	8,651
	\$	300

Build New Estimate (1)

Demolish Replace with new, similar 8,651 SF restaurant with 2 kitchens, 2 bars, full design, and kitchen/bar equipment. This would have approximately 300 seats and a similar two-story layout as reflected in the attached renovation plans. The require parking spaces would be an issue with this approach. This concept considers keeping Existing Pile and 1st floor framing.		
	SF	8,651
	\$/SF	\$ 498
	Budget	\$ 4,308,198

Build New Estimate (2)

Demolish and Replace with new, similar 4,500 SF restaurant with 2 kitchens, 2 bars (one large and one smaller), full design, and kitchen/bar equipment. This would have approximately 150 seats and a similar tot he first floor layout in renovation plans. The require parking spaces would need minor modifications with this approach. This concept considers keeping Existing Pile and 1st floor framing.		
	SF	4,500
	\$/SF	\$ 552
	Budget	\$ 2,484,000

Marina Restaurant Lease Timeline

June 2019

City advertises Call for Offers to seek proposals for the restaurant and designated dock space

**See next slides for site and marketing plan

September 2019

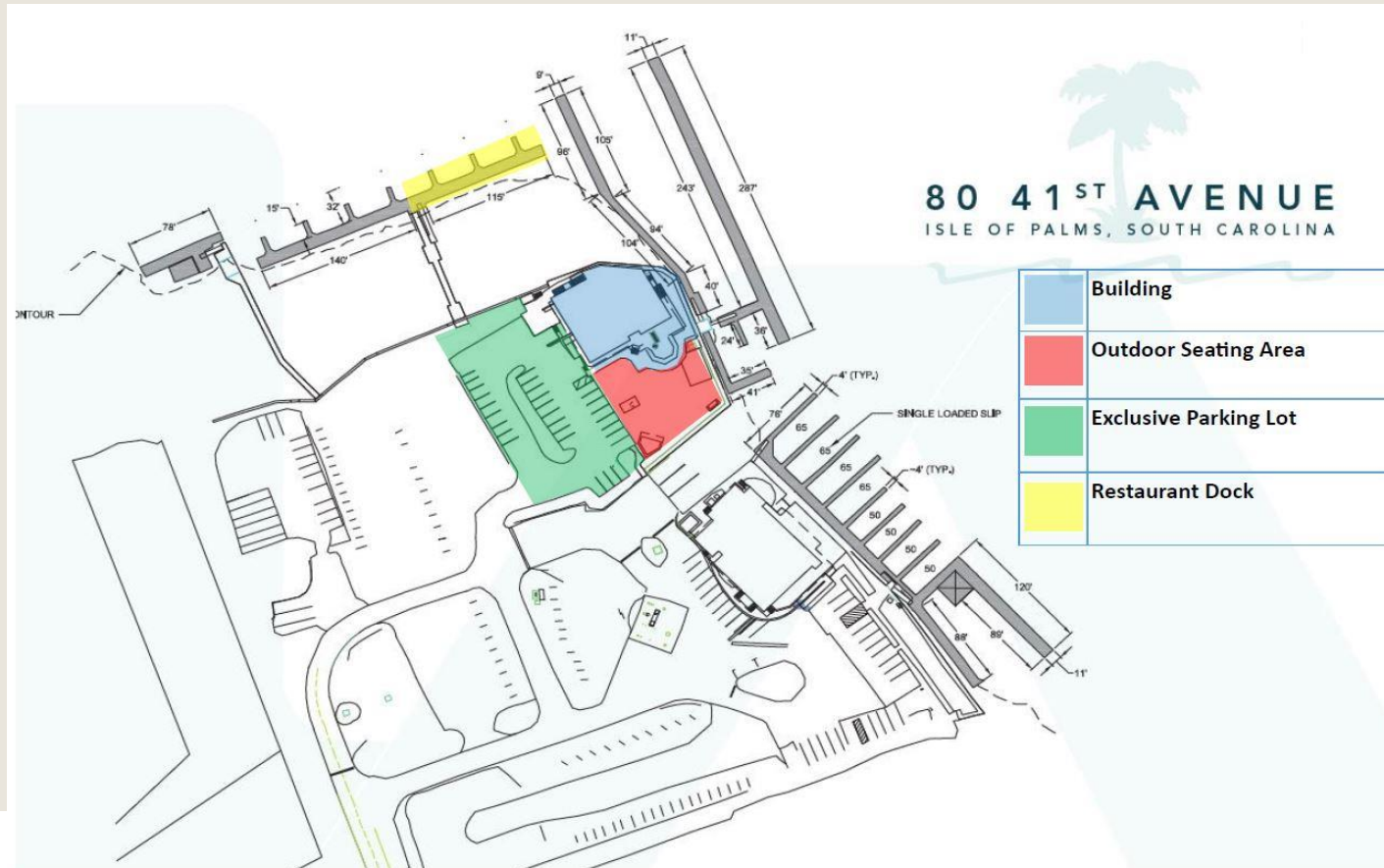
City Council holds a Special Council Meeting for public presentation of the proposals received

August 2019

Deadline to submit proposals. City receives 3 proposals



SITE PLAN



MARKETING PLAN FOR RFP

- Press releases published to media outlets locally and across SC
- Online listings posted – MLS (local) , CoStar & LoopNet (national) and local and national company websites
- Posted to professional organization sites: CTAR, CCIM, SIOR, CREW network
- Specialized email campaigns sent to restauraners nationally
- Direct targeted marketing calls to area restauraners
- Social media marketing campaigns posted (viewed nationally)
- Digital marketing tools utilized to reach national contacts with a focus on restauraners



Marina Restaurant Lease Timeline

December 2019

City enters exclusive negotiations with IOP Families Group and grants a 90-day Due Diligence period

July 2020

City engages Haynsworth Sinkler Boyd as real estate attorneys to develop lease agreement

Spring 2020

As negotiations progress, City grants IOP Families Group's request for 60-day extension to the Due Diligence period



Marina Restaurant Lease Timeline

**August - October
2020**

Ongoing legal review of
lease agreement between
both parties

Summer 2021

Restaurant opens

November 2020

Council considers vote to
ratify agreement



KEY DEAL POINTS

- Tenant accepts the property is “as-is” condition.
- Lease stipulates that the property is to be used as a sit-down family friendly full-service restaurant. A counter service type restaurant is not permitted
- Lease Commencement is immediately upon lease execution. Morgan Creek Grill’s lease was scheduled to expire last Saturday, October 31, 2020.
- Lease end date is January 31, 2045 to coincide with the expiration of the Marina Joint Ventures lease to allow future generations to re-gain control of the entire marina site.
- Rent Commencement August 1, 2021.
- Base Rent is \$100,000 per year thru 12/31/2024 and increases to \$120,000 in 2025 and increases 2% annually thereafter.



KEY DEAL POINTS CONT.

- The City shall collect “percentage rent” over a breakpoint of \$5,000,000 for years 1-12 and then the breakpoint for “percentage rent” drops to \$4,000,000 thereafter.
 - For every dollar of restaurant sales over the breakpoint the city collects an additional 7%
 - i.e., If sales are \$6,000,000 annually then the city collects an additional \$70,000 per year in years 1-12 and an additional \$140,000 in years 13 and beyond.
 - Additional rent is to be collected quarterly by the City



KEY DEAL POINTS CONT.

- This is a true “triple net lease” where Tenant pays for all expenses associated with the property. Including but not limited to structural and regular maintenance, insurance, property taxes, etc.
- The City has rights to approve the improvements
- Anticipated opening date is summer 2021.
- Personal Guarantee from the Tenant until a certificate of occupancy is delivered. Ensures that at a minimum the city will have an improved building and will be in a much better position in 12 months than the building’s current condition.



VARIOUS METHODS TO VALUE A MARKET RATE DEAL

- **(1) Appraisal:** Restaurant site was appraised 1/16/2020 by Integra Realty Resources. The “as is” and “land only” values as of January 1, 2020= \$2,270,000. Land lease is typically 50 or more years and valued annually 10% of land value = \$227,000. Discounted 50% due to shorter lease term of only 25 years = \$113,500/year in annual rent. City annual rent is \$100,000 in the initial years then jumps to \$120,000 in 2025 with increases *plus* an “Additional rent” provision.
- **(2) Rent as a percentage of Gross Sales:** Typically successful restaurants spend between 5-8% of their expenses on rent and occupancy costs. Average occupancy costs are anticipated to be 5.9% in year one and 6.5% over the life of the lease
- **(3) Price per Square Foot:** According to the Commercial MLS the average restaurant lease completed East of the Cooper was \$23.68/sf in the preceding 12 months. According to Co-Star the average restaurant lease completed East of the Cooper was \$24.00/sf over the same period. After initial period of rate at \$16.15/sf, rent in 2025 is \$19.38/sf and increases 2% annually. These rates do not factor in the structural improvements necessary to the property. Factoring the tenant’s cost of funds to repair and upgrade the building the costs per square foot will be \$47.83/sf in 2022. If sales forecasts are correct in 2029, total rent will be nearly \$40/sf NNN.



ALTERNATE METHOD TO VALUING THE PROPOSED LEASE

- Comparing proposed lease to former lease with Morgan Creek Grill:
 - Value of Proposed Lease with \$5,000,000 in sales in 2022, increasing 2% annually= \$6,263,788
 - Value of Morgan Creek Grill Lease with \$5,000,000 in sales in 2022, increasing 2% annually= \$4,976,448
 - Increased value of new lease over former lease= \$1,250,777.
- MCG's sales in the existing building in 2018 were roughly \$4,350,000. Both the City and the proposed Tenant feel that capital improvements to the site and an improved restaurant experience will enable sales to increase substantially.
- Additional rent was collected annually from MCG, creating an annual payment burden to the Tenant. Additional rent shall be collected quarterly in the proposed lease.





FISH CAMP * RAW BAR

(ACTUAL NAME TBD)

Presentation to IOP City Council
November 3, 2020

Executive Summary

Our Vision is to operate a restaurant that is owned and operated by a group of Isle of Palms residents that becomes a flagship gathering spot for the community.

This lease will lead to a dramatic improvement of city owned property using private funding for a property to be used by residents and guests by the late spring/summer of 2021.

- We plan to renovate and reduce the footprint of the existing building.
- We will reposition the main dining room to improve the intracoastal water views and create a new layout in order to capture the sunset views over Goat Island (currently blocked from most of the dining room area)
- We have designs to dramatically improve the layout and quality of the outdoor space and increase the amount of outdoor waterfront seating.

The City will be providing its residents and visitors with the number one requested Marina amenity, a restaurant (based on marina forum 1/31/20), a complete renovation of a dilapidated building and improved marina landscaping with more golf cart parking and bike racks.

Our general timeline is to have a lease in place this week, finalize architectural and engineering plans in December for City review & approval. We will then immediately apply for building permits. We plan to begin construction in late December with hopes to open the outdoor area by late spring and then open the interior of the building in early Summer 2021.

We feel this is a win-win situation that rewards all parties - residents, property owners, visitors, the restaurant operators and the City.

Conceptual Outdoor Area

We plan to make the outdoor 'sand pit' area much more attractive and usable.

Remove some of the sand and broken concrete. We will replace with permeable pavers and landscaping.

The outdoor space would be flexible to allow for more activities, events and waterfront seating areas.



Intracoastal Waterway 1st Floor Outdoor Area (highlighted in red box)

We plan to address the structural issues below the coolers in the kitchen (identified on page 66 of the Hill Report) by removing/demolishing that section of the building.

- We plan to move the kitchen coolers to the middle of the restaurant while demolishing the current cooler location. This would also increase outdoor seating area that faces the sunset.
- This would also remove the office/storage and part of the restrooms from the existing layout.
- The bathrooms will be moved to the front of the restaurant and be ADA compliant.
- Renovate the interior dining room to better capture views of the intracoastal waterway.



Remove 1st floor kitchen cooler/office/storage and replace with waterfront outdoor seating



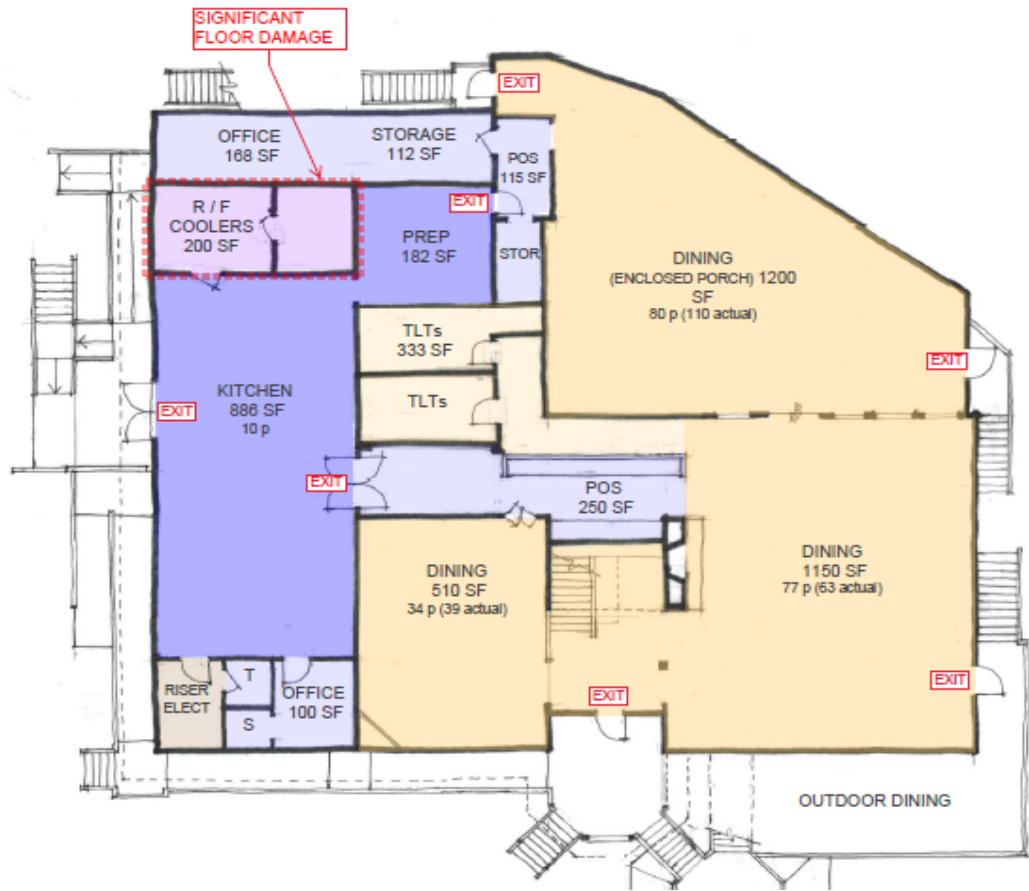
The Conceptual Interior

White Wash * Classic Blue * Vintage Turquoise * Family Friendly



Interior Improvements to Address Existing Issues

Existing Floor Plan



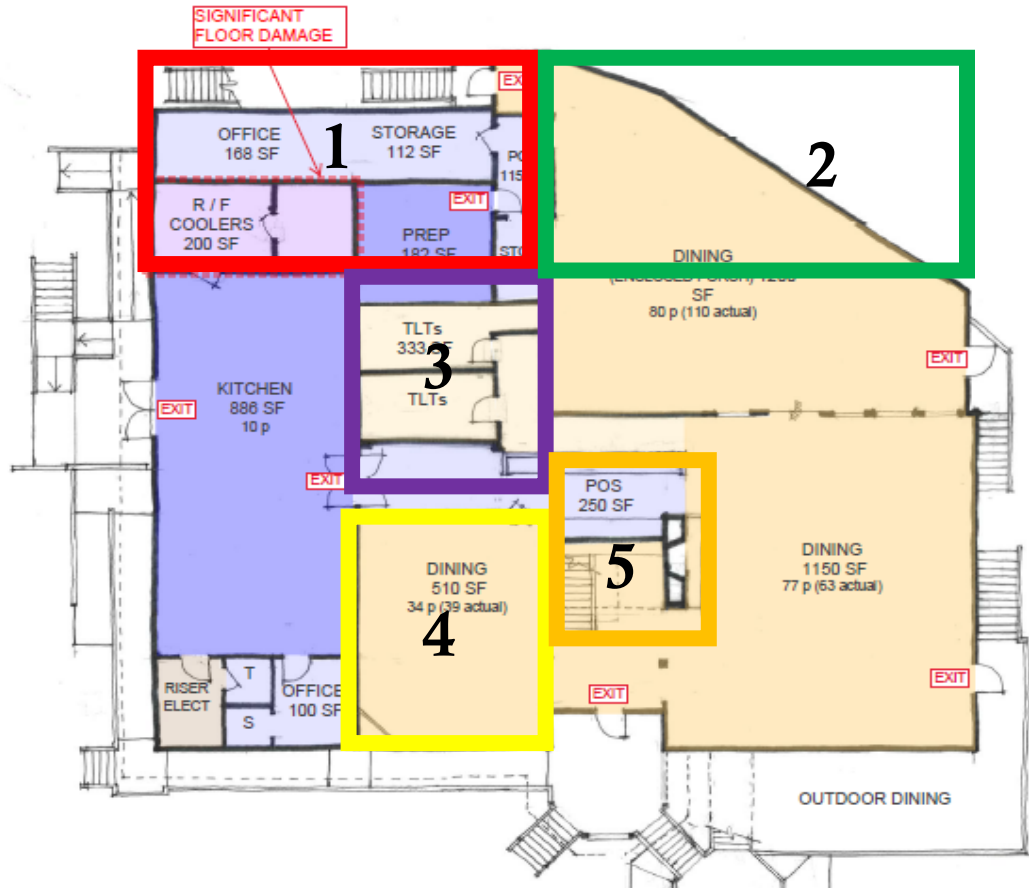
Our conceptual plans address a number of problems identified in the Hill Report:

- Significant structural issues underneath cooler/office/storage area
- Unusable kitchen cooler
- Beer refrigerator in the flood plane underneath the restaurant floor that will be removed
- Bathrooms that are outdated and not ADA compliant
- Stairs and stair landings that do not meet code
- The “temporary” tent roof on second floor will be brought up to code by installing a strapping system from the second floor to the foundation

Interior Improvements to Address Existing Issues

The changes include:

Existing Floor Plan



Red area "1" is the unstable portion of the building with unusable kitchen coolers, that will be demolished and replaced with outdoor seating

Green area "2" will reduce the size of the inside dining room to allow for larger windows facing the sunset and more outdoor waterfront seating

Purple area "3" is where the new kitchen coolers will be located (removing the existing non-compliant bathrooms)

Yellow area "4" will be the new larger ADA compliant bathrooms, closer to the front door.

Orange area "5" will remove the existing interior stairs/fireplace/hostess stand to allow for better view of the Intracoastal Waterway and improved dining room seating layout

The Conceptual Menu

A balance of reasonably prices items and casual dining

Shareable's * Fish Camp * Raw Bar * Steaks * Salads * Brunch



The Conceptual: BAR

Island Drinks * Classic Cocktails * Craft Beer * Wine



IOP Families Proposal Summary

We have both lived on Isle of Palms for 15+ years and raised families here. We have over 25+ years of owning and operating multiple restaurants in Charleston.

This restaurant will be a local gathering spot and iconic restaurant for the Island and surrounding communities.

The Menu will be a balance of reasonable priced items and casual dining.

The IOP Families Group shall absorb the costs to renovate the existing structure and the outdoor seating areas.

We look forward to our partnership with the city and our community for many years to come.

ORDINANCE 2020-12

AN ORDINANCE TO ENTER INTO A COMMERCIAL LEASE WITH MARKER116, LLC

WHEREAS, the City owns the Isle of Palms Marina (“Marina”) facility located at 80 41st Avenue in Isle of Palms, SC.;

WHEREAS, the City sought proposals for the use of the existing restaurant site within the Marina in 2019;

WHEREAS, the City received multiple proposals, and following a due diligence period and negotiations, decided upon Marker116, LLC as the next commercial tenant to renovate the restaurant site for the purpose of opening and operating a successful restaurant for the benefit of residents and visitors of the City;

WHEREAS, following several months of negotiation, the City and Marker116, LLC have come to terms on the lease agreement, which are reflected in the attached Exhibit A;

WHEREAS, the City is authorized and desires to enter into a Commercial Lease Agreement with Marker116, LLC;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Councilmembers of the Municipality of Isle of Palms, in Council assembled, that City of Isle of Palms shall enter into the attached Commercial Lease Agreement;

Council authorizes its City Administrator to execute this Lease, and any and all supporting documents to satisfy this directive.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE _____ DAY OF _____, 2020.

Jimmy Carroll, Mayor

Attest:

Clerk
First Reading: _____
Second Reading: _____
Ratification: _____

RESTAURANT LEASE

between

CITY OF ISLE OF PALMS,

a political subdivision of the State of South Carolina,

as Landlord

and

MARKER116, LLC,

a South Carolina limited liability company,

as Tenant

dated as of

November ___, 2020

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Exhibit B	Site Plan of Premises
Exhibit C	Parking Plan
Exhibit D	Restaurant Rider
Exhibit E	Work Letter
Exhibit F	Form of Guaranty

RESTAURANT LEASE

THIS RESTAURANT LEASE (this “**Lease**”), is made as of the ____ day of November, 2020, by and between CITY OF ISLE OF PALMS, a political subdivision of the State of South Carolina, having an address at c/o City Administrator, 1207 Palm Boulevard, Isle of Palms, SC 29451 (“**Landlord**”), and Marker116, LLC, a South Carolina limited liability company, having an address at [TENANT ADDRESS] (“**Tenant**”). Landlord and Tenant are also sometimes referred to herein collectively as the “**Parties**” or individually as a “**Party**.”

ARTICLE I DEFINITIONS

Section 1.01 Definitions. The terms defined in this Article I shall have the following meanings whenever used in this Lease:

“**Abatement Condition**” shall have the meaning set forth in Section 3.05 hereof.

“**Abatement Period**” shall have the meaning set forth in Section 3.05 hereof.

“**Additional Rent**” shall mean all monetary obligations, other than Base Rent and Percentage Rent, of Tenant to Landlord under the terms of this Lease, whether or not specified as Additional Rent herein.

“**ADA**” shall mean the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 to 12213), as amended by the Americans with Disabilities Act Amendments of 2008 (Pub. L. No. 110-325).

“**Affiliate(s)**” shall mean any partners, members, joint venturers, shareholders, parent company, subsidiary, property managers, directors, officers of a Person or entity, or any entity that directly or indirectly is in Control of, is Controlled by, or is under common Control with such Person or entity.

“**Alteration(s)**” shall mean any change, alteration, addition, or improvement to the Premises or the Building following completion of the initial Tenant’s Improvements.

“**Approved Sale**” shall have the meaning set forth in Section 14.05(d).

“**Assessable Transfer of Interest**” shall mean any conveyance of an interest in all or any portion of the Land or the Marina by Landlord constituting an assessable transfer of interest under the South Carolina Real Property Valuation Reform Act, S.C. Code § 12-37-3110, et. seq., and directly causing a reassessment of the Land or the Marina by the applicable taxing authorities. For the avoidance of doubt, standard, quadrennial reassessments of all or any portion of the Land or the Marina undertaken pursuant to S.C. Code § 12-43-217 shall not constitute an Assessable Transfer of Interest as used in this Lease.

“**Base Rent**” shall have the meaning set forth in Section 3.01 hereof.

“**Binding Extension Notice**” shall have the meaning set forth in Section 27.03(a) hereof.

“Breakpoint” shall have the meaning set forth in Section 3.02(a) hereof.

“Brokers” shall mean, collectively, Landlord’s Broker and Tenant’s Broker.

“Building” shall mean the two-story building comprising part of the Premises as depicted on Exhibit B attached hereto and made a part hereof, including all improvements, fixtures, and appurtenances attached thereto or located thereon, having a street address of 80 41st Avenue, in the City of Isle of Palms, County of Charleston, State of South Carolina, and being located within the Marina.

“Business Day(s)” shall mean all days, excluding the following days: Saturdays, Sundays, and all days observed as legal holidays by the State of South Carolina or the US federal government.

“Certificate of Occupancy” shall mean a certificate of occupancy or similar document or permit (whether conditional, unconditional, or permanent) that must be obtained from the appropriate governmental authority as a condition to Tenant’s lawful occupancy of the Premises, certifying that the Premises have been improved in compliance with all applicable Laws and the Premises are in a condition suitable for occupancy.

“Commencement Date” shall mean November __, 2020.

“Common Areas” shall mean all areas and facilities located outside of the Premises and within the exterior boundary line of the Marina that are provided and designated by Landlord from time to time for the general non-exclusive use of Landlord, Tenant, and other tenants of the Marina, and their respective employees, suppliers, shippers, customers, contractors, and invitees, including, without limitation, the Shared Parking Area, loading and unloading areas, trash areas, lighting facilities, fences and gates, roadways, sidewalks, walkways, parkways, driveways, signs, and landscaped areas.

“Common Area Work” shall have the meaning set forth in Section 2.04 hereof.

“Construction Completion Deliverables” shall have the meaning set forth in Section 2.03(c) hereof.

“Construction Documents” shall have the meaning set forth in Section 2.03(a).

“Control” shall mean ownership of more than seventy-five (75%) of the outstanding voting stock of a corporation or other majority equity and control interest if not a corporation and the possession of power to direct or cause the direction of the management and policy of such corporation or other entity, whether through the ownership of voting securities, by statute, or according to the provisions of a contract.

“Detachable FF&E” shall have the meaning set forth in Section 11.03(c).

“Embargoed Person” shall have the meaning set forth in Section 26.17 hereof.

“Environmental Cure Period” shall have the meaning set forth in Section 8.03 hereof.

“Environmental Hold Harmless” shall have the meaning set forth in Section 8.04 hereof.

“Environmental Laws” shall mean all Laws: (a) relating to the environment, human health, or natural resources; (b) regulating, controlling, or imposing liability or standards of conduct concerning any Hazardous Materials; (c) relating to Remedial Action; and (d) requiring notification or disclosure of releases of Hazardous Materials or of the existence of any environmental conditions on or at the Premises, as any of the foregoing may be amended, supplemented, or supplanted from time to time.

“Event(s) of Default” shall have the meaning set forth in Section 18.01 hereof.

“Exclusive Parking Lot” shall mean the Exclusive Parking Lot identified on Exhibit B attached hereto and made a part hereof, including all improvements, fixtures, and appurtenances attached thereto or located thereon.

“Executive Order” shall have the meaning set forth in Section 26.17 hereof.

“Expiration Date” shall mean January 31, 2045, as same may be renewed pursuant to ARTICLE XXVII hereof, or such earlier date on which the Term shall sooner end pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law.

“Extension Term” shall have the meaning set forth in Section 27.01 hereof.

“Force Majeure” shall mean whenever a period of time is provided in this Lease for either party to do or perform any act or thing, except for the payment of monies by Tenant, the computation of such period of time shall exclude any delays due to strikes, riots, acts of God, shortages of labor, or any cause or causes, whether or not similar to those enumerated, beyond the parties’ reasonable control or the reasonable control of their agents, servants, employees, and any contractor engaged by them to perform work in connection with this Lease.

“GAAP” shall mean US generally accepted accounting principles in effect from time to time.

“Gross Sales” shall mean the total gross proceeds of sales/rentals and withdrawals of inventory for own use (including, without limitation, proceeds from the sale of property sold on consignment, including property sold through a marketplace by a marketplace facilitator, proceeds from the sale of tangible personal property, and the fair market value of tangible personal property previously purchased at wholesale which is withdrawn from the business or stock and used or consumed in connection with the business) required to be reported to the South Carolina Department of Revenue pursuant to the ST-3 State Sales and Use Tax Return, or any replacement thereof. For purposes of determining Gross Sales and the corresponding Breakpoint (as defined herein), Gross Sales shall not include any state sales taxes or state or local hospitality taxes, taxes chargeable as a result of the sale of food or wine and other municipal taxes that may be charged at any time during the Term or any extension thereto or any franchise, occupancy, capital stock, income, or similar tax based on income or profits.

“Guarantor(s)” shall mean, individually and collectively, jointly and severally, as applicable, Dave Lorenz, Chrissy Lorenz, Jon Bushnell, and Bridget Bushnell.

“Hazardous Materials” shall mean any pollutant, contaminant, or hazardous, dangerous, or toxic chemicals, materials, or substances within the meaning of any applicable Environmental Law, relating to or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste substance or material, all as amended or hereafter amended including, without limitation, any material or substance which is: (a) designated as a “hazardous substance” pursuant to Section 311 of the federal Water Pollution Control Act (33 U.S.C. § 1317) or equivalent State Laws; (b) defined as a “hazardous waste” pursuant to § 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.* (42 U.S.C. § 6903) or equivalent State Laws; (c) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.* (42 U.S.C. § 9601) or equivalent State Laws; (d) petroleum; (e) asbestos or asbestos-containing materials; (f) polychlorinated biphenyls (“PCBs”) or substances or compounds containing PCBs; (g) radon; (h) medical waste; and (i) petroleum products.

“HVAC” shall mean heating, ventilating, and air-conditioning systems.

“Initial Extension Notice” shall have the meaning set forth in Section 27.01(a) hereof.

“Initial Tenant Improvements” shall mean the improvements to the Premises performed by or on behalf of Tenant for the initial build-out of the Premises, as more particularly described in the Work Letter.

“Insurance Premiums” shall mean the premiums or other costs of any insurance policies or coverages required to be maintained (subject to reimbursement by Tenant pursuant to Section 15.01) by Landlord pursuant to the terms of this Lease and any deductibles paid by Landlord in the event of a claim under any of such insurance policies.

“Interest Rate” shall mean the Prime Rate plus ten percent (10%) *per annum* but, in no event, in excess of the maximum permissible interest rate then in effect in the State.

“Land” shall mean all that certain plot, piece, or parcel of land on which the Marina is located, in the City of Isle of Palms, County of Charleston, State of South Carolina, and more particularly described on Exhibit A attached hereto and made a part hereof.

“Landlord” shall mean the entity specified in the preamble of this Lease and any successor or assign of such entity, subject to Section 26.10.

“Landlord Parties” shall have the meaning set forth in Section 15.12 hereof.

“Landlord Redevelopment Notice” shall have the meaning set forth in Section 27.01 hereof.

“Landlord’s Broker” shall mean Jon Chalfie, broker in charge of Landmark Enterprises.

“Law(s)” shall mean all laws, statutes, and ordinances (including building codes, zoning ordinances, and regulations), rules, orders, directives, and requirements of all federal, state, county, municipal departments, bureaus, boards, agencies, offices, commissions, and other subdivisions thereof, or of any official thereof, or of any governmental, public or quasi-public authority, whether now or hereafter in force, which may be applicable to the Land, the Marina, the Building, or the Premises, or any part thereof, including, without limitation, the ADA, the Liquor Control Laws, the OSH Act, and any and all Superior Instruments.

“Lease” shall have the meaning set forth in the preamble of this Lease.

“Lease Extension” shall mean have the meaning set forth in Section 27.01 hereof.

“Lease Extension Amendment” shall have the meaning set forth in Section 27.03(c) hereof.

“Lease Year” shall mean: (a) initially, the period that commences on the Rent Commencement Date and that ends on December 31, 2021; and (b) thereafter, each period of twelve (12) calendar months that commences on January 1st and that ends on the next following December 31st.

“Liquor Control Laws” shall mean any and all applicable federal or State laws, regulations, and local ordinances relating to the service of alcohol, all as amended or hereinafter amended.

“Marina” shall mean the Isle of Palms Marina complex located on the Land, including the Premises, all portions of the Land leased to other tenants, and the Common Areas.

“Opening Date” shall mean the date on which Tenant opens for business at the Premises.

“OSH Act” shall mean the Occupational Safety and Health Act (29 U.S.C. §§ 651 to 678), as amended from time to time.

“Outdoor Seating Area” shall mean the Outdoor Seating Area identified on Exhibit B attached hereto and made a part hereof, including all improvements, fixtures, and appurtenances attached thereto or located thereon.

“Party/Parties” shall have the meaning set forth in the preamble of this Lease.

“Patriot Act” shall have the meaning set forth in Section 26.17 hereof.

“Percentage Rent” shall have the meaning set forth in Section 3.02(a) hereof.

“Permitted Transfer” shall have the meaning set forth in Section 14.05 hereof.

“Permitted Transferee” shall have the meaning set forth in Section 14.05 hereof.

“Permitted Use” shall mean the operation of a full table service, full-service restaurant and bar for on-site dining and/or private events, including the sale of beer, wine, spirits and other

alcoholic beverages, with carryout food service, catering, food delivery services, ancillary office use, the sale of other products such as t-shirts, hats, and other “souvenir” merchandise with the logo or other promotional material or images related to the Tenant’s restaurant printed on such merchandise, and for no other purpose. For purposes of this section that defines “Permitted Use,” a “private event” shall include event space at any location within or on the Premises for weddings, corporate events or retreats, and other venue rentals that Tenant shall determine, in its complete and sole discretion, to be a productive use of any rooms, halls, or other spaces within or on the Premises; provided, however, that the principal use shall be for a sit down, full service restaurant, and Tenant shall not have a counter for service of food other than carryout and that any area devoted in whole or in part to carryout services and/or office use shall not be a material portion of the Premises.

“Person(s) or person(s)” shall mean any natural person or persons, a limited liability company, a limited partnership, a partnership, a corporation, and any other form of business or legal association or entity.

“Personal Property” shall mean all tangible personal property now or at any time hereafter located on or at the Premises or used in connection with the Premises, including, without limitation, all trade fixtures, machinery, appliances, furniture, equipment, and inventory.

“Premises” shall mean the Building, the Outdoor Seating Area, the Restaurant Dock, and the Exclusive Parking Lot, all as depicted on Exhibit B attached hereto and made a part hereof, together with all improvements and appurtenances thereto.

“Prevailing Market Rental Rate” shall have the meaning set forth in Section 27.04 hereof.

“Prevailing Party” shall have the meaning set forth in Section 26.16 hereof.

“Primary Lease Term” shall mean the initial term of this Lease beginning on the Commencement Date and ending on January 31, 2045.

“Prime Rate” shall mean the prime rate of U.S. commercial banks as published in *The Wall Street Journal* (or, if more than one such rate is published, the average of such rates). Any interest payable under this Lease with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 360-day year with twelve (12) months of thirty (30) days each.

“Private Parking Agreement” shall mean that certain [**PARKING CONTRACT**] dated November ____, 2020, by and between Tenant and the Private Parking Lot Operator entitling Tenant to use the Private Parking Lot.

“Private Parking Lot” shall mean the Private Parking Lot identified on Exhibit C attached hereto and made a part hereof, including all improvements, fixtures, and appurtenances attached thereto or located thereon.

“Private Parking Lot Operator” shall mean Marina Joint Ventures, Inc., a South Carolina corporation, its successors and assigns, or such other Person who may now or at any time in the future own, lease, license, manage, or operate the Private Parking Lot.

“Prohibited Person” shall have the meaning set forth in Section 26.17 hereof.

“Proportionate Share” shall have the meaning set forth in Section 5.01(a) hereof.

“Qualified Appraiser” shall mean an real estate appraiser that: (a) is duly licensed in the State; (b) has at least ten (10) years’ experience, on a full-time basis, leasing restaurant space in the same general geographic area as that in which the Premises are located, and at least ten (10) years of experience in the commercial leasing industry; and (c) is independent and has no then-pending or past brokerage relationship with any or all of Landlord, Tenant, and any Affiliates of either or both of Landlord and Tenant.

“Quiet Enjoyment” shall have the meaning set forth in ARTICLE XXIV hereof.

“Real Estate Taxes” shall mean any form of real estate tax or assessment, general, special, ordinary, or extraordinary imposed upon the Building or any portion of the Premises by any authority having the direct or indirect power to tax, including any city, state, or federal government, or any school, sanitary, fire, street, drainage, or other improvement district thereof, levied against any legal or equitable interest of Landlord in the Building or any portion of the Premises, including, without limitation, any Solid Waste User Fee imposed upon the Premises by the County of Charleston. The term “Real Estate Taxes” shall also include any tax, fee, levy, assessment, or charge, or any increase therein, imposed by reason of events occurring, or changes in applicable zoning, municipal, county, state, and federal laws, ordinances, and regulations, and any covenants or restrictions of record taking effect, during the Term of this Lease, whether or not contemplated by the parties hereto. Notwithstanding the foregoing, Real Estate Taxes shall specifically exclude the following: (a) any and all taxes on Landlord’s income; (b) franchise taxes or corporate or unincorporated business taxes; (c) estate, gift, succession, or inheritance taxes; (d) any capital gains taxes; and (e) any increase in Real Estate Taxes which, pursuant to Section 5.04 hereof, Tenant shall not be obligated to pay.

“Rejection Notice” shall have the meaning set forth in Section 27.03(a) hereof.

“Remedial Action” shall mean the investigation, response, clean up, remediation, prevention, mitigation, or removal of any Hazardous Materials necessary to comply with any Environmental Laws.

“Rent” shall collectively mean Base Rent, Percentage Rent, and Additional Rent.

“Rent Commencement Date” shall mean August 1, 2021.

“Rent Payment Address” shall mean City of Isle of Palms, c/o City Administrator, 1207 Palm Boulevard, Isle of Palms, SC 29451.

“Restaurant Dock” shall mean the Restaurant Dock identified on Exhibit B attached hereto and made a part hereof, including all improvements, fixtures, and appurtenances attached thereto or located thereon.

“Restaurant Rider” shall mean the rules and regulations governing Tenant’s operation of a restaurant on the Premises, attached hereto as Exhibit D and made a part hereof, as may be amended from time to time.

“Secured Area” shall have the meaning set forth in Section 7.04(c) hereof.

“Shared Parking Lot” shall mean the Shared Parking Lot identified on Exhibit C attached hereto and made a part hereof, including all improvements, fixtures, and appurtenances attached thereto or located thereon.

“Sound Level Limit” shall have the meaning set forth in Section 7.02 hereof.

“State” shall mean the State of South Carolina.

“Structural Alterations” shall mean any Alterations involving the structural, mechanical, electrical, plumbing, fire/life safety, or HVAC systems of the Premises, the Building, and/or the Marina.

“Subtenant” shall have the meaning set forth in Section 3.02(b) hereof.

“Superior Instruments” shall mean any reciprocal easement, covenant, restriction, restriction of easement, association requirements, or other agreement of record affecting the Land, the Building, and/or the Marina as of the date of this Lease or subsequent thereto.

“Tenant” shall mean the entity identified in the preamble of this Lease, including any successor to the original Tenant pursuant to a Transfer in accordance with ARTICLE XIV.

“Tenant Improvements” shall mean Alterations to the Premises performed by or on behalf of Tenant.

“Tenant’s Broker” shall mean Jonathan Bushnell, licensed broker at Harbourtowne Real Estate.

“Tenant’s Contractor” shall have the meaning set forth in Section 2.03 hereof.

“Tenant’s Equipment” shall have the meaning set forth in Section 26.14 hereof.

“Tenant Parties” shall mean Tenant’s officers, agents, employees, partners, successors, and assigns.

“Tenant’s Signage” shall have the meaning set forth in Section 7.03 hereof.

“Term” shall mean the Primary Lease Term and the Extension Term (provided Tenant is entitled to and properly exercises the Lease Extension).

“**Third Party**” shall have the meaning set forth in Section 26.14 hereof.

“**Tourist Season**” shall mean, during any Lease Year, the period of time from Memorial Day weekend until and including Labor Day weekend.

“**Transfer**” shall have the meaning set forth in Section 14.01 hereof.

“**Work Letter**” shall mean the work letter governing the Initial Tenant Improvements, attached hereto as Exhibit E and made a part hereof.

ARTICLE II PREMISES

Section 2.01 Lease of Premises for Lease Term. Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises for the Term, subject to earlier termination pursuant to any of the terms, covenants, or conditions of this Lease or pursuant to Law. Landlord shall deliver the Premises to Tenant on the Commencement Date in broom clean condition and clean and free of debris.

Section 2.02 Acceptance of Premises. Tenant hereby acknowledges that except as expressly set forth in this Lease: (a) Tenant has had the opportunity to inspect the Premises and accepts the Premises in its “**AS IS, WHERE IS**” condition; (b) the Premises are acceptable for Tenant’s intended Permitted Use; (c) neither Landlord, Landlord’s Broker, nor any of Landlord’s agents, has made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease; and (d) TENANT EXPRESSLY WAIVES ANY WARRANTY OF CONDITION OR OF HABITABILITY OR SUITABILITY FOR OCCUPANCY, USE, HABITATION, FITNESS FOR A PARTICULAR PURPOSE, OR MERCHANTABILITY, EXPRESS OR IMPLIED, RELATING TO THE PREMISES.

Section 2.03 Initial Tenant Improvements.

(a) Before performing the Initial Tenant Improvements, Tenant shall (i) obtain Landlord’s written approval of Tenant’s plans and specifications (including, without limitation, Alterations, signs, colors, materials, and lighting for the Premises), site plan, architectural, landscaping and engineering drawings, project budget, and other material construction-related documents prepared in conformance with the Work Letter (collectively, the “**Construction Documents**”); (ii) deposit with Landlord certificates of insurance as required by this Lease (including without limitation, a builder’s risk insurance policy as required under Section 15.08 hereof); and (iii) comply with all other requirements which may be set forth herein or reasonably imposed by Landlord. Landlord shall approve or reject the Construction Documents within thirty (30) days of receipt, such approval not to be unreasonably withheld, conditioned, or delayed. If the Construction Documents are not approved by Landlord, Tenant shall, within fifteen (15) days after receipt of notice Landlord’s disapproval, cause such Construction Documents to be revised to the extent necessary to obtain Landlord’s approval and resubmitted for Landlord’s approval. Landlord acknowledges that the project budget submitted as part of the Construction Documents are estimates, and, so long as the Tenant completes the work

outlined in the Tenant's Plans and Specifications, the final project costs may be higher or lower than what was originally submitted as part of Tenant's compliance with this Section 2.03. Should the Parties be unable to agree on all or any of the Construction Documents for the Initial Tenant Improvements within ninety (90) days of the Commencement Date, then either Party shall have the option, in its complete and sole discretion, to terminate this Lease upon written notice to the other Party, and upon such termination the Tenant and all Guarantors shall be released and discharged from all obligations and any monies submitted by Tenant upon the execution of this Lease shall be refunded to Tenant.

(b) Tenant shall commence the Initial Tenant Improvements within thirty (30) days after receipt of Landlord's approval of the Construction Documents and diligently proceed with construction so as to complete the work contemplated thereby, install all store and trade fixtures, equipment, stock in trade, merchandise, and inventory, and open for business in the Premises no later than the Rent Commencement Date. All Initial Tenant Improvements must be in conformance with the building codes of the State, other applicable governmental authorities and all other Laws. Tenant's contractor must be licensed (as required by the State or municipality), and registered, bonded, and insured in the State ("**Tenant's Contractor**"). At all times during construction of the Initial Tenant Improvements, Landlord shall be entitled to oversee the construction process, to conduct on-site inspections of the Premises to ensure compliance of the Initial Tenant Improvements with the Construction Documents, and to designate third party representatives or agents in furtherance thereof.

(c) Within thirty (30) days after the Opening Date, Tenant shall deliver to Landlord the following (collectively, "**Construction Completion Deliverables**");

(i) Tenant's affidavit stating that the Initial Tenant Improvements to be performed by Tenant pursuant to the terms of this Lease has been completed in substantial compliance with the Work Letter and the Construction Documents approved by Landlord, and that no security interest under the Uniform Commercial Code or chattel mortgages are outstanding or have been filed, it being intended that any such affidavit may be relied upon by Landlord and that any deliberate misstatement by Tenant shall constitute an Event of Default hereunder;

(ii) An affidavit of Tenant's Contractor for the Initial Tenant Improvements stating that all subcontractors, laborers, and materialmen who have performed work on or furnished materials to the Premises (whose names and addresses shall be recited in the affidavit) have been paid in full and that all liens therefor that have or might be filed have been discharged of record or waived;

(iii) A complete release and waiver of lien with respect to the Premises from Tenant's Contractor for the Initial Tenant Improvements, or in lieu thereof, an attorney's certification that the lien period for the work performed on Tenant's behalf in the Premises has expired and that no liens in connection therewith have been filed;

(iv) All certificates and approvals with respect to the work performed by Tenant or on Tenant's behalf that may be required by any governmental authorities as a condition for the issuance of the Certificate of Occupancy; and

(v) A copy of the Certificate(s) of Occupancy for the Premises.

Section 2.04 Common Areas. All Common Areas provided by Landlord for the general use in common by all tenants in the Marina shall be at all times subject to the exclusive control and management of Landlord, save, excepting and subject to any specific use provided by Landlord to Tenant as provided herein, if any. Landlord hereby grants to Tenant for the benefit of Tenant and its employees, suppliers, shippers, customers, contractors, and invitees, during the Term of this Lease, the nonexclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Landlord under the terms hereof and Superior Instruments governing the use of the Marina. Under no circumstances shall the right granted herein be deemed to include the temporary or permanent right to store any property in the Common Areas. Provided such actions of Landlord do not cause a material adverse effect on Tenant's rights under this Lease or Tenant's use and operation of the Premises for the Permitted Use, the Landlord shall have the right, from time to time, to: (a) establish, modify, amend, and enforce reasonable rules and regulations regarding the Common Areas; (b) hire, appoint, designate or authorize third parties to direct the management, operation, maintenance and repair of the Common Areas; (c) make changes to the Common Areas, including, without limitation, changes in the location, size, shape, and number of driveways, entrances, ingress, egress, direction of traffic, loading and unloading areas, landscaped areas, and walkways, so long as reasonable access to the Premises remains available; (d) close temporarily any of the Common Areas for maintenance purposes, so long as reasonable access to the Premises remains available; (e) add additional buildings and improvements to the Common Areas; and (f) do and perform such other acts and make such other changes in, to, or with respect to the Common Areas as Landlord may, in the exercise of sound business judgment, deem to be appropriate (collectively, "**Common Area Work**"). Notwithstanding the foregoing, in the event Tenant is prevented from effectively conducting its business in the ordinary course as such business existed prior to the commencement of any Common Area Work and does not conduct its business in the Premises as a result of any failure by Landlord to provide access to the Premises or due to any Common Area Work which continues for more than thirty (30) consecutive days, then Base Rent and Additional Rent shall be proportionately abated until such interference is eliminated.

Section 2.05 Outdoor Seating Area. Landlord agrees that the Outdoor Seating Area is and shall be part of the Premises leased to Tenant, subject to the terms and conditions of this Lease. Prior to utilizing the Outdoor Seating Area, Tenant shall, at its sole cost and expense, diligently pursue and obtain any and all local governmental permits, licenses, or variances necessary to open and operate the Outdoor Seating Area for the Permitted Use in compliance with all applicable Laws. Landlord shall not be responsible for obtaining any of said governmental permits or approvals. Landlord shall however, at no cost to Landlord, cooperate with and provide assistance to Tenant as reasonably necessary to obtain all governmental permits including, but not limited to, signing applications and other documents that require Landlord's signature within thirty (30) days after a request from Tenant. Obtaining the necessary approvals to operate the Outdoor Seating Area shall not be a condition precedent to Tenant's obligations

under this Lease but shall be required before Tenant is permitted to use and operate the Outdoor Seating Area for the Permitted Use. Landlord and Tenant acknowledge and agree that live music shall be permitted within the Outdoor Seating Area, provided such live music is at all times in compliance with the Sound Level Limit.

Section 2.06 Exclusive Parking Lot. Landlord agrees that the Exclusive Parking Lot is and shall be part of the Premises leased to Tenant, subject to the terms and conditions of this Lease. Tenant shall be entitled to exclusive use of the Exclusive Parking for use as a parking lot by Tenant's patrons, employees, agents, customers, contractors, licensees and invitees and any other parties that Tenant determines are necessary for the operation of Tenant's business in Tenant's complete and sole discretion.

Section 2.07 Restaurant Dock. Landlord agrees that the Restaurant Dock is and shall be part of the Premises leased to Tenant, subject to the terms and conditions of this Lease. Tenant shall be entitled to exclusive use of the Restaurant Dock for the purpose of temporary, daily docking of boats and other watercraft by Tenant's patrons, employees, agents, customers, contractors, licensees, and invitees. Under no circumstance shall more than one (1) boat or other watercraft be permitted to dock overnight on or along the Restaurant Dock without the prior, written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. However, Tenant shall be expressly authorized to permit one (1) boat to dock overnight without obtaining the Landlord's permission pursuant to this Section 2.07, provided no boat docked overnight at the Restaurant Dock may extend waterward beyond the mooring piles into the one hundred twenty-five foot (125') channel offset. Patrons, licensees and invitees of Tenant using the Restaurant Dock in accordance with this Lease shall be entitled to use all floating docks or elevated walkways connecting the Restaurant Dock to the land as may be necessary for pedestrian access, ingress and egress to and from the Restaurant Dock. Landlord covenants and agrees to replace all damaged or missing dock bumpers and boat fenders from the Restaurant Dock prior to the Rent Commencement Date.

ARTICLE III

PAYMENT OF BASE RENT, PERCENTAGE RENT, AND ADDITIONAL RENT

Section 3.01 Base Rent. Tenant covenants and agrees to pay base rent ("**Base Rent**") to Landlord throughout the Primary Lease Term of this Lease as follows:

(a) For the period commencing on the Rent Commencement Date and ending on December 31, 2021, an amount equal to \$40,000.00 *per annum*, payable in (5) equal monthly installments of \$8,000.00 per month;

(b) For the period commencing on January 1, 2022, and ending on the December 31, 2024, an amount equal to \$100,000.00 *per annum*, payable in equal monthly installments of \$8,333.33 per month;

(c) For the period commencing on January 1, 2025, and ending on the December 31, 2025, an amount equal to \$120,000.00 *per annum*, payable in equal monthly installments of \$10,000.00 per month; and

(d) For the period commencing on January 1, 2026, and ending on the Expiration Date or the Primary Lease Term, an amount equal to one hundred two percent (102%) of the Base Rent payable for the immediately preceding Lease Year *per annum*, payable in equal monthly installments per month.

Section 3.02 Percentage Rent.

(a) In addition to Base Rent, Tenant covenants and agrees to pay percentage rent (“**Percentage Rent**”) to Landlord throughout the Term of this Lease an amount equal to seven percent (7%) of Gross Sales for each Lease Year or partial Lease Year in excess of the Break Point. Percentage Rent shall be due and payable in each Lease Year on the first day of each quarter immediately following the quarter during which Gross Sales exceeds the Breakpoint for such Lease Year and shall be paid quarterly thereafter on all additional Gross Sales made during the remainder of such Lease Year, such payments to be made concurrently with the submission by Tenant to Landlord of the written statement of monthly Gross Sales as provided in Section 3.02(d) hereof. Quarterly payments shall be made on April 1, July 1, October 1, and January 2 during the term of this Lease. For the first Lease Year until and including the twelfth Lease Year expiring on December 31, 2032, the “**Breakpoint**” shall be \$5,000,000.00. For each Lease Year or partial Lease Year thereafter, the “**Breakpoint**” shall be \$4,000,000.00. For purposes of clarity, all Gross Sales up to, but not exceeding the Breakpoint shall be exempt from the Percentage Rent calculation, and Percentage Rent shall only be calculated on the Gross Sales that exceed the Breakpoint as outlined herein.

(b) If for the purpose of making sales or rentals of goods or provision of services, Tenant subleases, licenses, or in any manner allows use of space in the Premises (to the extent permitted hereunder) to another (each a “**Subtenant**”), Tenant is responsible for ensuring that Subtenant’s books and records conform to the requirements in this Lease. Tenant shall include in its monthly report of Gross Sales, but separately noted, the Gross Sales of Subtenant, if any. In addition, Tenant shall report as additional Gross Sales all rentals, commissions, revenue, income, or other compensation received by Tenant from Subtenant as payment for use of the Premises, or part of the Premises. The failure of any Subtenant to maintain its books and records of account as required in this subsection, or to report correctly Gross Sales, shall be deemed a failure on the part of Tenant to conform to the requirements of this Lease.

(c) No later than the twenty-five (25) days after the end of each month during the Term, Tenant shall provide Landlord a copy of the ST-3 State Sales and Use Tax Return filed with the South Carolina Department of Revenue evidencing Tenant’s Gross Sales at the Premises for the preceding month and shall pay to Landlord the amount due as Percentage Rent for such preceding month. Within sixty (60) days after the end of each Lease Year or partial Lease Year, Tenant shall provide Landlord a statement showing the Gross Sales for each such Lease Year. If such statement shows an amount owing by Tenant that is less than the Percentage Rent paid by Tenant for the Lease Year, the excess shall be held by Landlord and credited against the next payment of Percentage Rent; however, if the Term has ended and Tenant was not in default at its end, Landlord shall refund the excess to Tenant. If such statement shows an amount owing by Tenant that is

more than the Percentage Rent previously paid by Tenant for such Lease Year, Tenant shall pay the deficiency to Landlord within thirty (30) days after the delivery of such statement. Each statement of Gross Sales furnished by Tenant shall be certified as correct by a certified public accountant licensed in the State (and shall show the computations of Gross Sales for Tenant and each of its Subtenants separately). Any intentional or deliberate misrepresentation by Tenant of its Gross Sales in any ST-3 State Sales and Use Tax Return, statement of Gross Sales, or other document or material provided to Landlord shall constitute an Event of Default hereunder.

(d) Tenant and any Subtenant, as a condition of their subtenancy, agree to keep records of Gross Sales for at least two (2) years after the expiration of the respective Lease Year (including after the end of the Term); such records shall be kept in accordance with GAAP. Landlord and/or its agents may at reasonable times, and upon ten (10) days prior written notice to Tenant or Subtenant, inspect and audit such records at the Premises or such other location as Tenant or Subtenant may maintain such records within two (2) years after the period in question. If an audit or examination by Landlord or its representative discloses that Tenant or Subtenant has failed to report all Gross Sales accurately and that the total amount of the underreported Gross Sales exceeds five percent (5%) of the Gross Sales previously reported by Tenant or Subtenant for any period examined, or the total amount of the underreported Gross Sales results in Tenant owing additional Percentage Rent in excess of five percent (5%), Tenant shall reimburse Landlord for all reasonable and documented expenses incurred by Landlord in performing the examination, in addition to all additional Percentage Rent found to be owed by Tenant or Subtenant under this Section.

(e) Notwithstanding the payment of Percentage Rent, it is expressly agreed that Landlord is not to be construed as a partner of Tenant in the conduct of Tenant's business. The relationship between the Parties to this Lease is and shall at all times remain that of landlord and tenant.

Section 3.03 Time and Manner of Base Rent and Additional Rent Payments.

(a) Tenant shall pay Base Rent to Landlord in equal monthly installments, in advance, on the first day of each month commencing on the Rent Commencement Date and thereafter for the remainder of the Term, without notice or demand.

(b) Base Rent due for any period of less than twelve (12) months (or any monthly installment of Base Rent due for any period of less than a full month) shall be appropriately apportioned based upon a 360-day year (or based upon the number of days in such month).

(c) Tenant shall pay to Landlord all Additional Rent that is payable to Landlord pursuant to the terms and conditions of this Lease within thirty (30) days after written demand therefor from Landlord, unless a different time period is specified in this Lease.

(d) All Rent shall be paid, without notice or demand, except as otherwise specifically provided in this Lease:

(i) by good check drawn on an account at a bank in currency that at the time of payment is legal tender for public and private debts in the United States of America, made payable to Landlord at Landlord's Rent Payment Address or to such other parties and at such other addresses as Landlord shall direct by written notice to Tenant from time to time;

(ii) at Landlord's or Tenant's option (at any time upon not less than ten (10) days prior written notice), by wire transfer of immediately available funds to an account at a bank designated by Landlord in writing; or

(iii) by any other method reasonably requested by Landlord.

Section 3.04 Late Payment.

(a) If any payment of Rent or any other charge or expense payable under this Lease is not received by Landlord within ten (10) days after its due date, such payment shall be subject to a late payment fee of five percent (5%) of the unpaid amount, or such lesser amount as may be the maximum amount permitted by Law, in order to compensate Landlord for its administrative expenses and not as a penalty, until such payment is received by Landlord.

(b) If any payment of Rent or any other charge or expense payable under this Lease is not received by Landlord within ten (10) days of the applicable due date, Tenant shall pay to Landlord, as Additional Rent, in addition to the late charge described above, interest on the overdue amount to Landlord at the Interest Rate or the maximum rate permitted under the laws of the State, whichever is lower. Such overdue payment shall bear interest from the applicable due date, without regard to any grace period, until the date such payment is received by Landlord. Such payment shall be in addition to, and not in lieu of, any other remedy Landlord may have.

(c) Tenant acknowledges that late payment by Tenant to Landlord of Rent or any other charge or expense payable under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult to fix. The parties agree that the late charge and default interest represent a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment of Rent or any other charge or expense payable under this Lease by Tenant. Acceptance of any late charge or default interest shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

Section 3.05 Abatement of Base Rent. Notwithstanding anything in this Lease to the contrary, in the event of a mandate, order or requisition by federal, state or local governmental authority, for any reason, requiring Tenant to not be open for business for more than thirty (30) total days (the "**Abatement Condition**") in any twelve-month period in which the first day on which an Abatement Condition occurs shall be the first day of such twelve-month period (the

“**Abatement Period**”), the Base Rent payable by Tenant shall abate at all times following the 30th day during which the Abatement Condition exists, but in no event shall Base Rent abate for more than ninety (90) days in such Abatement Period (with such first thirty (30) days during which the Abatement Condition exists not being calculated in determining the maximum of ninety (90) days in which Base Rent may abate in any Abatement Period). In addition, all rent abated in accordance with this Section 3.05 shall be discharged and shall not be construed to be deferred or added to any Base Rent or Additional Rent at any later point in the Term of this Lease, or any extension thereto, nor should such rent abatement be construed as a default by Tenant pursuant to this Lease. Notwithstanding anything in this Section 3.05 to the contrary, if Tenant has insurance covering its obligations to pay any portion of the Base Rent due during any period of abatement, Base Rent shall not abate for that portion of the Base Rent covered by such insurance.

ARTICLE IV NET LEASE

This Lease constitutes what is commonly known as a “net-net-net” or “triple net lease.” It is the purpose and intention of the parties to this Lease that the Rent due hereunder shall be absolutely net to Landlord and that this Lease shall yield, net to Landlord, the Base Rent provided in this Lease. Notwithstanding the foregoing, Tenant shall not be responsible for costs not directly related to the operation of the Premises or incurred by Landlord solely as a result of its ownership of the Premises, including but not limited to, management fees, attorneys’ fees (except as otherwise set forth herein), salaries, bonuses or payments of any other kind to employees, officers, financial advisors, accountants, and executives of Landlord, the cost of any repairs, alterations, additions, changes, replacements and other items which are made in order to prepare for a new tenant’s occupancy, interest on debt or amortization payments on any mortgage, all leasing expenses, including any real estate brokerage commissions or other costs (including concessions) incurred in procuring tenants, or any income, inheritance, or excise taxes assessed or levied upon Landlord.

ARTICLE V TAXES

Section 5.01 Real Estate Taxes. Beginning on the issuance of a Certificate of Occupancy for the Building following completion of the Initial Tenant Improvements and at all times during the Term thereafter, Tenant shall pay all Real Estate taxes in accordance with the following terms and conditions whenever all or any portion of the Premises or the interest of Landlord and/or Tenant therein shall be subject to Real Estate Taxes:

- (a) For all Real Estate Taxes for which Landlord is billed by the applicable taxing authority as the fee simple owner of the entire Marina, Tenant shall pay directly to the applicable taxing authority or otherwise discharge its Proportionate Share of such Real Estate Taxes prior to delinquency. For purposes of this Section 5.01(a), Tenant’s “**Proportionate Share**” of such Real Estate Taxes shall be the number, expressed as a percentage, that is derived by dividing the estimated market value of the Premises (inclusive of the Building, the Outdoor Seating Area, the Restaurant Dock, and the

Exclusive Parking Lot, as applicable) by the estimated market value of the entire Marina. Landlord shall establish Tenant's Proportionate Share for all such Real Estate Taxes in its good faith, commercially reasonable discretion based upon the allocation of the estimated market value of the entire Marina between the Premises and the property, buildings and other improvements on the Land located outside of the Premises, as determined by the applicable taxing authority in the tax bills issued for such Real Estate Taxes. For the avoidance of doubt, under no circumstance shall Tenant be responsible for the payment of any Real Estate Taxes pursuant to this Section 5.01(a) that are attributable to any increase in the estimated market value of property, buildings and other improvements on the Land located outside of the Premises.

(b) For all Real Estate Taxes for which Tenant is billed directly by the applicable taxing authority as the owner of a leasehold interest in all or any portion of the Premises, Tenant shall pay directly to the applicable taxing authority or otherwise discharge all such Real Estate Taxes prior to delinquency.

(c) Tenant shall submit evidence of the payment or discharge of all Real Estate Taxes required to be paid by Tenant to Landlord promptly following such payment or discharge. Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord) and hold Landlord and the Premises harmless from and against all liability, cost and expense for non-payment of any Real Estate Taxes payable by Tenant hereunder, and all such interest or other penalties, and from any sale or other proceeding to enforce payment of such items, and shall reimburse Landlord for all attorneys' fees and all costs and expenses reasonably incurred by Landlord in defending or otherwise protecting against the same. In the event Tenant fails to pay any Real Estate Taxes required to be paid by Tenant hereunder when due, Landlord shall have the right to pay such Real Estate Taxes, and Tenant shall pay to Landlord such amounts, plus interest at the Interest Rate, upon demand from Landlord. Landlord shall deliver within ten (10) days of receipt thereof all invoices, bills, statements, notices and other instruments relating to the payment of Real Estate Taxes assessed with respect to the Premises that Landlord may receive from any taxing authority. Landlord shall reimburse Tenant a prorated amount for all Real Estate Taxes actually paid by Tenant for any period prior to the issuance of a Certificate of Occupancy for the Building following completion of the Initial Tenant Improvements.

(d) Notwithstanding anything in this Section 5.01 to the contrary, Landlord may, in its sole and absolute discretion, elect to pay all or certain of the Real Estate Taxes itself, in which event Tenant shall reimburse Landlord for such Real Estate Taxes paid by Landlord within thirty (30) days after receipt of written request therefor.

Section 5.02 Personal Property Taxes. Tenant shall pay, prior to delinquency, all taxes charged against Tenant's Personal Property. Tenant shall use all reasonable efforts to have Tenant's Personal Property taxed separately from the Premises or the Marina. If any of Tenant's Personal Property is taxed with the Building or the Marina, Tenant shall pay within ten (10) days after written notice from Landlord the taxes attributable to Tenant's Personal Property to Landlord as Additional Rent.

Section 5.03 Landlord's Right to Contest Real Estate Taxes. Landlord may, but is not obligated to, contest the amount or validity, in whole or in part, of any Real Estate Taxes. If Real Estate Taxes are reduced (or if a proposed increase is avoided or reduced) because Real Estate Taxes are contested, the reasonable costs and expenses incurred in connection with such contest, including without limitation reasonable attorneys' fees, up to the amount of any Real Estate Tax reduction obtained in connection with the contest or any Real Estate Tax increase avoided or reduced in connection with the contest, as the case may be, shall be payable by Tenant as Additional Rent within ten (10) days after written notice from Landlord. Tenant may not contest Real Estate Taxes except as set forth below. Tenant shall be credited with its equitable share of any refund of Real Estate Taxes, to the extent of the Real Estate Taxes actually paid by Tenant and, if applicable, such refund shall be made to Tenant within thirty (30) days after Landlord's receipt thereof. Landlord shall provide Tenant with a copy of any reappraisal of the Building or the Marina within thirty (30) days after Landlord's receipt of said reappraisal. If any reappraisal of the Building or the Marina reveals that Landlord has a basis to contest an increase of the Real Estate Taxes, and Landlord has elected not to contest the Real Estate Taxes, then Tenant shall have the right to contest the Real Estate Taxes on behalf of Landlord; provided, however, that such contest shall be at Tenant's sole cost and expense.

Section 5.04 Increase in Real Estate Taxes from Sale. Notwithstanding anything in this Lease to the contrary, Tenant shall not be responsible for the payment of any increase in Real Estate Taxes directly caused by an Assessable Transfer of Interest of all or any portion of the Land or the Marina. Upon the occurrence of an Assessable Transfer of Interest of all or any portion of the Land or the Marina, any increase in Real Estate Taxes directly caused by such Assessable Transfer of Interest shall be borne by Landlord. Landlord hereby covenants and agrees to pay to the applicable taxing authority, as and when due, the amount of any increase in Real Estate Taxes directly caused by an Assessable Transfer of Interest for each Lease Year from and after the occurrence of such Assessable Transfer of Interest; provided that Tenant shall remain responsible for the payment of any increase in Real Estate Taxes resultant from any standard, quadrennial reassessment of all or any portion of the Land or the Marina undertaken pursuant to S.C. Code § 12-43-217.

ARTICLE VI GUARANTY OF LEASE

Contemporaneously with the execution of this Lease, Tenant shall cause each of the Guarantors to execute and deliver to Landlord a personal guaranty in the form attached hereto as Exhibit F guaranteeing the payment and performance by Tenant of all of the obligations under this Lease.

ARTICLE VII USE

Section 7.01 Permitted Use. Tenant shall use the Premises only for the Permitted Use and shall not use the Premises for any other purposes. Tenant shall obtain and pay for all permits, including a Certificate of Occupancy and liquor licenses, required for Tenant's occupancy of the Premises and shall promptly take and pay for all substantial and non-substantial actions

necessary to comply with all Laws regulating the use by Tenant of the Premises, including, without limitation, the OSH Act, the ADA, and the Liquor Control Laws. Tenant shall use commercially reasonable efforts to obtain, and shall diligently pursue immediately upon execution of this Lease, any approvals or licenses from any governmental entity necessary for the Permitted Use and to serve beer, wine, and spirits on the Premises in accordance with all Laws. If Tenant sells or serves alcohol in or from the Premises, Tenant shall obtain at its expense all liquor licenses and any other licenses and permits required by Law or otherwise necessary for serving and selling alcoholic beverages at the Premises. Tenant shall also maintain said licenses and permits in full force and effect for as long as Tenant serves alcoholic beverages at the Premises, and Tenant shall operate the Premises in accordance with the requirements of said licenses and permits. Tenant acknowledges and agrees that the specific permitted use and purpose of the Premises set forth herein are a critical element of the bargain of the Parties hereto and that actual and substantial detriment will result to Landlord and the other tenants and occupants of the Marina in the event a change and/or deviation in such use and purpose shall occur or be permitted without the express written consent of Landlord, which consent of Landlord shall not be unreasonably withheld, conditioned, or delayed. Landlord shall cooperate with and provide assistance to Tenant as is reasonably necessary to obtain the foregoing operating and liquor licenses and permits including, but not limited to, signing applications and other documents that require Landlord's signature within thirty (30) days after request from Tenant.

Section 7.02 Uses Prohibited. Tenant shall not do or permit anything to be done in or about the Premises nor bring or keep anything in or on the Premises that is not within the Permitted Use of the Premises or which will in any way materially increase the existing rate on or affect any fire or other insurance upon the Building or the Marina or any of its contents, or cause a cancellation of any insurance policy or policies covering the Building or the Marina or any part thereof or any of its contents; provided, however, that the operation of Tenant's business for the Permitted Use shall not be an Event of Default under this Lease. Tenant shall not conduct or permit any auctions or sheriff's sales at the Premises. Tenant shall not in any manner deface or injure the Building or the Marina or any part thereof, or overload the floors of the Premises. Tenant shall not use or permit the Premises to be used in violation of any Law. Tenant shall not do anything or permit anything to be done in or upon the Premises in any way that creates a nuisance, or unreasonably disturbs any other tenant in the Marina and/or the occupants of neighboring property. Tenant shall refrain from and shall disallow any activity that injures or may reasonably cause injury to the reputation of the Marina; provided, however, that the foregoing restrictions outlined in this Section 7.02 shall not apply to any intrusion of live music and restaurant noise into the Marina at or below the limit as may be established under any applicable Laws or Superior Instruments ("**Sound Level Limit**").

Section 7.03 Signs. Except as otherwise provided in this Section 7.03, Tenant shall not place any signs on the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, Tenant shall have the right to install the following signage ("**Tenant's Signage**"): (a) multiple identification signs on each side of the exterior of the Building and on any monument signage associated with the Building or the Marina that is used for tenant identification; (b) directional signage to the Premises from the Exclusive Parking Lot; (c) Tenant's name on any directory in the Marina that identifies tenants; (d) a fixed sign to be located at the entrance of the Marina, the

size, design and location of which shall be subject to Landlord's consent, which consent shall not be unreasonably withheld, conditioned, or delayed and (e) identification signs on the docks that may be used to access the Tenant's restaurant.

Section 7.04 Landlord's Access.

(a) Landlord or its agents may enter the Premises at all reasonable times upon reasonable prior written notice to Tenant (a minimum of twenty-four (24) hours except in the case of an emergency) and, at Tenant's option, accompanied by a representative of Tenant (provided Tenant makes such representative available), to inspect the Premises or to show the Premises to potential purchasers, investors, tenants (but for tenants only during the last six (6) months of the Term or at any time while a continuing and uncured Event of Default occurs after the expiration of applicable notice and cure periods contained in this Lease), or other parties, or for any other purpose Landlord deems commercially reasonable necessary. Landlord shall at all times have and retain a key with which to unlock all the standard entrances and exit doors in, upon, and about the Premises, excluding Tenant's vaults, safes, and files. Landlord may place customary "For Sale" or "For Lease" signs on or about the Premises; however, Tenant has the right to provide input as to the location of any "For Sale" or "For Lease" signs during the Term and any extensions thereto so as not to diminish any other signage or so that such signs do not detract from the ambiance and character of the Tenant's operation of the Premises for the Permitted Use.

(b) Landlord shall exercise all reasonable efforts so that any entry into the Premises is reasonably designed to minimize interference with the operation of Tenant's business in the Premises.

(c) Notwithstanding any provision in this Lease to the contrary, Tenant may, at its own expense, provide its own locks to certain areas within the Premises (each, a "**Secured Area**"). Tenant need not furnish Landlord with a key to any such Secured Area, but upon the expiration or earlier termination of this Lease, Tenant shall surrender all such keys to Landlord. If Landlord must gain access to a Secured Area in a non-emergency situation, Landlord shall provide Tenant with not less than twenty-four (24) hours' notice and Landlord and Tenant shall arrange a mutually agreed upon time for Landlord to do so. Landlord shall comply with all reasonable security measures pertaining to the Secured Area. If Landlord determines in its reasonable discretion that an emergency in the Premises, the Building, or the Marina, including, without limitation, a suspected fire or flood or a threatened weather event, requires Landlord to gain access to a Secured Area, Landlord shall give Tenant prior notice of such emergency entry to the extent such prior notice may be reasonable under the circumstances, and if prior notice is not possible because of an emergency, Landlord shall provide notice to Tenant as soon as is practicable thereafter.

Section 7.05 Building Security. Notwithstanding the foregoing, Landlord is not responsible for the security of persons or property in, on, or about the Premises, the Building, and/or the Marina. Landlord is not and shall not be liable in any way whatsoever for any criminal activity or any breach of security in, on, or about the Premises, the Building, and/or the Marina.

Tenant shall be responsible for obtaining and maintaining all security with respect to the interior of the Premises, whether by the use of devices, security guard personnel, or otherwise. Tenant acknowledges and agrees that Landlord shall have no liability to Tenant and/or any Tenant Parties for the implementation or exercise of, or for the failure to implement or exercise, any security measures with respect to the interior of the Premises, the Building, or the Marina.

Section 7.06 Continuous Operations. Except for events of Force Majeure and a commercially reasonable period not to exceed thirty (30) days in any Lease Year for purposes of renovating the Premises or periodic cleaning of the Premises, Tenant shall diligently and continuously operate its business on the Premises year-round throughout the Term at a minimum during the following periods: (a) at all times, for dinner service at least six (6) days per week; and (b) during the Tourist Season, for lunch and dinner service at least seven (7) days per week. Subject to the requirements of this Section 7.06, Tenant shall have the authority to set commercially reasonable hours of operation and to temporarily suspend restaurant service within portions of the Building or the Outdoor Seating Area if Tenant determines in its commercially reasonable discretion that it would be financially beneficial to do so.

ARTICLE VIII HAZARDOUS MATERIALS

Section 8.01 Tenant Operations. Tenant shall not cause in, on, or under the Premises, or suffer or permit to occur in, on, or under, the Premises any generation, use, manufacturing, refining, transportation, emission, release, treatment, storage, disposal, presence, or handling of Hazardous Materials, except that limited quantities of Hazardous Materials may be used, handled, or stored on the Premises, provided such limited quantities of Hazardous Materials are incident to and reasonably necessary for the maintenance of the Premises or Tenant's operations for its Permitted Use and are in compliance with all Environmental Laws. Should a release of any Hazardous Material occur at the Premises, the Building, and/or the Marina as a result of the acts or omissions of Tenant, or its employees, agents, suppliers, shippers, customers, contractors, or invitees, Tenant shall immediately contain, remove from the Premises, the Building, or the Marina, and/or properly dispose of such Hazardous Materials and any material contaminated by such release, and remedy and mitigate all threats to human health or the environment relating to such release, all in accordance with Environmental Laws.

Section 8.02 Permits and Documents. Tenant, in a timely manner, shall, to the extent required due to Tenant's use of the Premises or arising out of Tenant's actions at the Premises, the Building, or the Marina, obtain and maintain in full force and effect all permits, licenses, and approvals, and shall make and file all notifications and registrations as required by any Environmental Laws. Tenant shall at all times comply with the terms and conditions of any such permits, licenses, approvals, notifications, and registrations. Tenant shall provide copies of the following pertaining to the Premises or Tenant's use thereof, promptly after each shall have been submitted, prepared, or received by Tenant: (a) all notifications and associated materials submitted to any governmental agency relating to any Environmental Law; (b) all notifications, registrations, reports, and other documents and supporting information prepared, submitted, or maintained in connection with any Environmental Law or otherwise relating to environmental conditions; (c) all permits, licenses, and approvals, including any modifications thereof, obtained pursuant to any Environmental Law; and (d) any correspondence, notice of violation, summons,

order, complaint, or other documents received by Tenant pertaining to compliance with or liability under any Environmental Law.

Section 8.03 Inspection and Environmental Reports. Upon not less than twenty-four (24) hours' prior written notice (except in the case of an emergency in which event Landlord shall provide written notice as soon as is practicable under the circumstances), Tenant agrees to permit Landlord and its authorized representatives to enter, inspect, and assess the Premises at reasonable times for the purpose of determining Tenant's compliance with the provisions of this Article VIII. Such inspections and assessments may include obtaining samples and performing tests of soil, surface water, ground water, or other media. Landlord may, at Landlord's sole option, now or in the future, obtain a report from an environmental consultant of Landlord's choice as to whether Tenant has been or is currently using any part of the Premises for the improper use, handling, storage, transportation, or disposal of Hazardous Materials. If any such report indicates such improper use, handling, storage, transportation, or disposal of Hazardous Materials on the part of Tenant (or on behalf of Tenant), Tenant agrees to reimburse Landlord within thirty (30) days after receipt of an invoice and supporting documentation from Landlord for the cost of obtaining the environmental report, and, in addition, Landlord shall require that all violations of Environmental Law with respect to the Hazardous Materials be corrected and/or that Tenant obtain all necessary environmental permits and approvals. If Tenant fails to correct any such violation(s) of Environmental Law and/or fails to obtain such necessary permits within a reasonable time after written demand from Landlord, but provided that Tenant has commenced the correction of such violations and is diligently pursuing said cure, Tenant shall have an additional time period of one hundred (180) days to cure the same (the "**Environmental Cure Period**"). If Tenant is able to provide Landlord evidence that the cure has been undertaken but that the applicable governmental body or agency has informed Tenant that final resolution shall take longer than the initial Environmental Cure Period, then the Environmental Cure Period shall be extended to such reasonable time period as may be required to fully and finally cure the violation, not to exceed one hundred eighty (180) additional days. If Tenant fails to cure the foregoing, then upon prior written notice to Tenant, Landlord may declare this Lease in default and/or may cause the Premises and any surrounding areas to be freed from the Hazardous Materials at Tenant's sole cost and expense, which Tenant agrees to pay thirty (30) days after receipt of an invoice and supporting documentation from Landlord as Additional Rent.

Section 8.04 Environmental Indemnification. Tenant hereby agrees to indemnify, defend, save, and keep Landlord, and Landlord's officers, principals, shareholders, partners, employees, successors, and assigns, harmless from and against any and all liabilities, obligations, charges, losses, damages, penalties, claims, actions, and expenses, including without limitation, engineers' and professional fees, soil tests, and chemical analysis, court costs, legal fees, and expenses through all trial, appellate, and administrative levels, imposed on, incurred by, or asserted against Landlord, in any way relating to, arising out of, or in connection with the use, handling, storage, transportation, or disposal of Hazardous Materials by Tenant or its agents, employees, representatives, tenants, or contractors in, on, under, or about the Premises, the Building, and/or the Marina. The foregoing indemnification shall survive any assignment or termination of this Lease.

To the extent permitted by State law, Landlord hereby agrees to hold Tenant and Tenant's officers, principals, shareholders, partners, employees, successors, and assigns harmless from any and all liability, obligations, charges, loss, fines, cleanup costs, damages, penalties, claims, actions and expenses resulting from or related to or arising out of the existence of any Hazardous Materials in, on, under, or about the Premises, the Building or the Marina, whether known or unknown, that (i) existed prior to the Tenant's occupancy hereunder or (ii) in which the release of Hazardous Materials was not caused by the Tenant's actions that would require indemnification pursuant to this Section 8.04 (the "**Environmental Hold Harmless**"). Landlord hereby agrees to accept and cover all costs and fees associated with the existence of Hazardous Materials, (including cleanup costs), damages, or governmental fines resulting therefrom, and exempt Tenant, unless the Hazardous Materials are a direct cause of any act by the Tenant, its agents, employees, representatives, tenants, or contractors.

ARTICLE IX PARKING

Section 9.01 Exclusive Parking Lot. The Exclusive Parking Lot shall be part of the Premises leased to Tenant, and Tenant shall be entitled to exclusive use of the Exclusive Parking Lot in accordance with Section 2.06 of this Lease.

Section 9.02 Shared Parking Lot. The Shared Parking Lot shall be a Common Area and may be used by Tenant, other tenants of the Marina, and the patrons, employees, agents, customers, contractors, licensees and invitees of Tenant and the other tenants of the Marina in accordance with this Lease. All parking spaces in the Shared Parking Lot shall be used and operated on an unreserved, self-park basis. All parking spaces in the Shared Parking Lot shall be free of charge to Tenant and Tenant's patrons, employees, agents, customers, contractors, licensees and invitees after 8:00 PM, seven (7) days a week, and under no circumstances shall Tenant or Tenant's patrons, employees, agents, customers, contractors, licensees or invitees be required to remit payment through any type of metering or payment service or system during such time periods. Landlord shall maintain the Shared Parking Lot in accordance with Section 11.02(b) of this Lease. All signage in the Shared Parking Lot shall be subject to the mutual approval of such signage by Tenant and all other tenants of the Marina entitled to use the Shared Parking Lot; provided, however, that the design, construction and installation of such signage shall be at the sole cost and expense of Tenant and the other tenants of the Marina entitled to use the Shared Parking Lot.

Section 9.03 Private Parking Lot.

(a) Landlord and Tenant acknowledge and agree that Tenant is entitled to the exclusive use of certain parking spaces in the Private Parking Lot for parking by its patrons, employees, agents, customers, contractors, licensees and invitees pursuant to the terms and conditions of the Private Parking Agreement. On or before the Opening Date, Landlord shall, at its sole cost and expense, re-grade and re-stripe the Private Parking Lot (the "**Private Parking Lot Construction**") to a quality and condition and by a contractor or construction firm that are mutually agreeable to Landlord and Tenant, with such Private Parking Lot Construction having the objective of preparing the parking surface for the use Tenant and its patrons, employees, agents, customers, contractors, licensees

and invitees and maximizing the parking surface area therein. Under no circumstance shall the aggregate costs and expenses incurred by Landlord for the Private Parking Lot Construction exceed \$50,000.00. While undertaking the Private Parking Lot Construction prior to the Opening Date, Tenant acknowledges and agrees that Landlord may use portions of the Private Parking Lot for a staging area and laydown yard for equipment and materials being used in Landlord's renovation of certain docks and other facilities located at the Marina. At all times from and after the Opening Date, all maintenance and repair of the Private Parking Lot shall be governed by the Private Parking Agreement, and Landlord shall have no obligation for the maintenance or repair of the Private Parking Lot. Provided that (a) no Event of Default shall have occurred and be continuing and (b) Tenant shall have provided such documentation evidencing payments made to the Private Parking Lot Operator under the Private Parking Agreement as may be reasonably requested by Landlord, Landlord covenants and agrees to reimburse Tenant for certain payments made by Tenant to the Private Parking Lot Operator pursuant to the Private Parking Agreement in accordance with this Section 9.03(a). Within thirty (30) days after the end of each Lease Year, Landlord shall reimburse Tenant for an amount equal to the lesser of (i) one-half (1/2) of all payments actually made by Tenant to the Private Parking Lot Operator pursuant to the Private Parking Agreement during such Lease Year, net of any rebates or reimbursements paid to Tenant under the Private Parking Agreement or any fees, rentals or payments paid to Tenant by any third parties for the use of parking spaces in the Private Parking Agreement during such Lease Year, or (ii) \$13,682.00. Tenant, upon request of Landlord, shall deliver to Landlord copies of the Private Parking Agreement and all amendments thereto and paid bills and other documentation evidencing all payments actually made by Tenant to the Private Parking Lot Operator pursuant to the Private Parking Agreement during any Lease Year. Rather than issuing a check directly to the Tenant for the payments required of Landlord hereunder, all amounts owed by Landlord shall be deducted from Base Rent on a monthly basis. Under no circumstance shall Landlord constitute a guarantor of Tenant's performance under the Private Parking Agreement. The entirety of this Section 9.03(a) shall be subject to Section 9.03(b) below.

(b) Notwithstanding anything in Section 9.03(a) above to the contrary, in the event the Private Parking Agreement is terminated for any reason prior to January 31, 2045, the right of Tenant, as a tenant of the Marina, to use the Private Parking Lot for parking by its patrons, employees, agents, customers, contractors, licensees and invitees shall be governed by the terms and conditions of that certain Commercial Lease by and between Landlord and Private Parking Lot Operator dated September 10, 2009, as amended by that certain Amendment to Commercial Lease Agreement dated June 2, 2010, as further amended by the certain Second Amendment to Commercial Lease Agreement dated April 25, 2012, as further amended by the certain Third Amendment to Commercial Lease Agreement dated July 24, 2012, as further amended by the certain Fourth Amendment to Commercial Lease Agreement dated February 26, 2015, and as further amended by the certain Fifth Amendment to Commercial Lease Agreement dated November ____, 2020.

ARTICLE X SERVICES AND UTILITIES

Section 10.01 Payment by Tenant for Services and Utilities. Tenant shall pay, directly to the appropriate supplier, the cost of all natural gas, heat, light, power, sewer service, telephone, water, refuse disposal, and other services and utilities supplied to the Premises.

Section 10.02 Availability of Services and Utilities. Landlord represents and warrants to Tenant that sewer, water, electric, telephone, and gas lines are available directly at the Premises.

ARTICLE XI MAINTENANCE, REPAIRS, AND ALTERATIONS

Section 11.01 Maintenance by Tenant. Except as otherwise set forth in this Lease, Tenant shall assume and perform all maintenance and management functions with respect to the Premises, including the obligations specifically set forth in this Section 11.01. Tenant shall at all times put, keep and maintain the Premises (including, without limitation, all or any portion of the Building, the Outdoor Seating Area, the Restaurant Dock (but excluding the seawall, which shall be maintained by Landlord), and the Exclusive Parking Lot; the HVAC system serving the Building; the roof and roof membrane of the Building; all bollards, dividers, safety barriers, paving and lining within the Exclusive Parking Lot; all seating, tables, bars, stages, and other improvements and fixtures in the Outdoor Seating Area; all landscaping within the Premises; walls (interior and exterior), footings and foundations of the Building and all other improvements within the Premises; and all structural and non-structural components of the Premises) in first-class repair and appearance, and shall promptly make all repairs and replacements of every kind and nature, whether foreseen or unforeseen, which may be required to be made upon or in connection with any of the Premises in order to keep and maintain the Premises in first class repair and appearance. Tenant shall do or cause others to do all that is necessary to plow or otherwise remove any accumulated snow from the Premises and keep it in safe condition. Tenant shall do or cause others to do all shoring of the Premises or of foundations and walls of the improvements and every other act necessary or appropriate for preservation and safety thereof, by reason of or in connection with any excavation or other building operation upon any of the Premises. Tenant shall from time to time replace with other similar operational equipment or parts any of the mechanical systems or other equipment included in any of the Premises or any Tenant Improvements which shall have become worn out, obsolete or unusable for the purpose for which it is intended, been taken by a condemnation, or been lost, stolen, damaged or destroyed. Tenant shall maintain, repair and replace the above-ground plumbing, utility, and/or sewer lines and mains which service all or any portion of the Premises, save and accepting that it shall be the Landlord's exclusive and sole responsibility to maintain, repair, or replace, or to coordinate such maintenance, repairs and replacements with the applicable utility or municipal service providers, any (i) underground sewer or water mains or (ii) underground or overhead electrical power lines leading up to the hookup location to the Building, and to make available those portions of the Marina as may be reasonably necessary for any such maintenance, repairs or replacements. Except as expressly required under this Lease, Landlord shall not be required to make any repair, whether foreseen or unforeseen, or to maintain any of the Premises in any way, and Tenant hereby expressly waives the right to make repairs at the expense of the

Landlord, which right may otherwise be provided for in any law now or hereafter in effect. Tenant shall, in all events, make all repairs for which it is responsible hereunder promptly, and shall commence such repair and diligently pursue completion of the same within thirty (30) days after a repair or replacement becomes prudent, and all repairs shall be done in a good, proper and workmanlike manner, and diligently pursued to completion. If Tenant fails to maintain or repair the Premises as required hereunder to the reasonable satisfaction of Landlord, then within thirty (30) days after written demand from Landlord, Landlord shall have the option, but not the obligation, to make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's inventory, fixtures, or property, or to Tenant's business thereon, and upon completion thereof, Tenant shall pay Landlord's reasonable and documented costs for making such repairs upon presentation of a bill therefor, as Additional Rent. Tenant shall contract with a service company approved by Landlord for the maintenance of the HVAC equipment servicing the Premises, with a copy of the service contract to be furnished to Landlord within thirty (30) days after the Rent Commencement Date. A copy of any subsequent contracts shall be furnished promptly to Landlord during the Term of this Lease. If Tenant fails to furnish a copy of said maintenance contract for the HVAC equipment, Landlord may contract for such maintenance and shall bill Tenant for the cost, and Tenant agrees to reimburse Landlord for the cost within thirty (30) days of Landlord's billing, as Additional Rent.

Section 11.02 Maintenance by Landlord. Notwithstanding anything in this Lease to the contrary, Landlord, at its sole cost and expense, shall be responsible for the following:

- (a) All capital repairs, improvements and replacements required for or relating to the Restaurant Dock required under Phase 3 of the City of Isle of Palms Marina Dock Rehabilitation Program, upon and subject to approval of the Isle of Palms City Council;
- (b) All maintenance, repair, and replacement of the Shared Parking Lot including any paving and lining thereof; and
- (c) All maintenance, repair and replacement of the seawall that borders the Premises and the intracoastal waterway and all connecting creeks, marshes and waterways.

Section 11.03 Alterations, Additions, and Improvements.

- (a) Tenant shall not make any Alterations, additions, or improvements to the Premises without Landlord's prior written consent, which consent shall specify whether the specific Alterations must be removed by Tenant upon the expiration or earlier termination of the Lease and shall not be unreasonably withheld, conditioned, or delayed, and Landlord must respond within thirty (30) days of receipt of a written request from Tenant; provided, however, Landlord's consent shall not be required for non-structural Alterations made by Tenant which do not exceed \$50,000.00 in cost cumulatively over each calendar year. Landlord may require Tenant to provide demolition and/or lien and completion bonds in form and amount satisfactory to Landlord if the cost of Alterations exceeds \$50,000.00. All Alterations, additions, and improvements shall be accomplished in a good and workmanlike manner, in conformity with all applicable Laws, and by a contractor (licensed as necessary by the State or municipality) and who is registered,

bonded, insured, and approved by Landlord, the approval of which shall not be unreasonably withheld, conditioned or delayed. Upon completion of any such work, Tenant shall provide Landlord with “as built” plans, copies of all construction contracts, and proof of payment for all labor and materials. Tenant agrees that Tenant shall pay all liens of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and shall indemnify Landlord against all expenses, costs, and charges, including bond premiums for release of liens and attorneys’ fees and costs reasonably incurred in and about the defense of any suit in discharging the Premises or any part thereof from any liens, judgments, or encumbrances caused or suffered by Tenant. In the event any such lien shall be made or filed, Tenant shall bond against or discharge the same within thirty (30) days after the same has been made or filed. It is understood and agreed between the parties to this Lease that the expenses, costs, and charges above referred to shall be considered as Additional Rent immediately due and shall be included in any lien for Rent. Landlord agrees to review and approve or provide specific comments to Tenant for any necessary revisions to plans that Tenant is required to provide to Landlord within thirty (30) days after receipt thereof or the same shall be deemed to be automatically approved.

(b) Anything herein to the contrary notwithstanding, Tenant shall provide Landlord prior written notice but shall not be required to obtain Landlord’s consent with respect to any painting, decorating, or installation of carpeting within the Premises, installation or relocation of any electrical outlets within the Premises, the removal, reconfiguration, or installation of furniture including any power supply connected thereto, and/or the installation or relocation of low voltage wiring associated with any furniture, fixtures, or equipment installed within the Premises and which are not visible from the outside of the Building. In no event shall Tenant be required to provide Landlord notice in connection with any cosmetic Alterations. Landlord shall receive no fee for profit, overhead, general conditions, or supervision on any Alterations. Landlord acknowledges and agrees that Tenant shall have the right to self-manage the Alterations, or hire a third party of its choosing.

(c) All Alterations, additions, or improvements placed on or made to the Premises by Tenant, excluding the Detachable FF&E which Tenant elects to remove in accordance with this Section 11.03(c) and all Personal Property, furniture, trade fixtures, and other movable property not attached to the Building, shall at once become the property of Landlord. All furniture, fixtures, equipment or other machinery that is attached to the Building or Premises but can be detached (generally, for purposes of this Section 11.03(c), the “**Detachable FF&E**”) and which Tenant elects to remove and keep as Tenant’s property shall be removed at Tenant’s expense prior to the expiration or termination of this Lease and the costs to repair any damage caused by such removal of such Detachable FF&E shall be borne by Tenant. All Personal Property or other moveable trade fixtures, shelves, bins, equipment, and machinery installed by Tenant shall be removed by Tenant prior to the expiration or termination of this Lease and all damage to the Premises or the Building caused by the installation or removal of such items shall be repaired at Tenant’s expense, prior to the expiration or termination of this Lease. Notwithstanding the foregoing, (i) Tenant shall not be required to remove any Alteration for which Landlord’s consent shall not have been required hereunder; (ii) if

any Alteration required Landlord's consent hereunder, but Landlord failed to specify in its written consent to Tenant that such Alteration must be removed by Tenant upon the expiration or termination of this Lease, then Tenant shall not be required to remove such Alteration upon the expiration or termination of this Lease; and/or (iii) under no circumstance shall any commercial kitchen hood be removed from the Premises upon the expiration or earlier termination of this Lease, whether or not installed by Tenant, and any such commercial kitchen hood shall at once become the property of Landlord.

ARTICLE XII COVENANT AGAINST LIENS

Nothing contained in this Lease shall authorize or empower Tenant to do any act which shall in any way violate any Superior Instruments, or encumber Landlord's title to the Marina, the Building, or the Premises, nor in any way subject Landlord's title to any claims by way of lien or encumbrance whether claimed by operation of Law or by virtue of any expressed or implied contract of Tenant, and any claim to a lien upon the Marina, the Building, or the Premises arising from any act or omission of Tenant shall attach only against Tenant's interest and shall in all respects be subordinate to Landlord's title to the Marina, the Building, and the Premises. If Tenant has not removed or bonded over any such lien or encumbrance within thirty (30) days after written notice to Tenant by Landlord, Landlord may, but shall not be obligated to, pay the amount necessary to remove such lien or encumbrance, without being responsible for making any investigation as to the validity or accuracy thereof, and the amount so paid, together with all costs and expenses (including attorneys' fees) incurred by Landlord in connection therewith, shall be deemed Additional Rent reserved under this Lease and due and payable within ten (10) days after Tenant's receipt of notice of such payment by Landlord and supporting documentation. Nothing contained in this Article XII shall prevent Tenant, in its complete and sole discretion, from pledging any Personal Property, furniture, trade fixtures, equipment and other movable property not attached to the Building as collateral in the course of borrowing or obtaining any loan to finance the acquisition of the same, and Landlord hereby agrees that it will use reasonable efforts to comply with any request of Tenant should any lender of the Tenant require Landlord's consent to file any security instrument to secure lender's interest in such collateral. However, the Landlord shall not have any obligation to consent, nor shall Tenant be allowed, to pledge or mortgage Landlord's fee interest in the Premises.

ARTICLE XIII RESTAURANT RIDER

Tenant agrees that in its use of the Premises, the Building, and/or the Marina, Tenant and its employees, invitees, customers, and contractors shall comply with the Restaurant Rider attached hereto as Exhibit D.

ARTICLE XIV ASSIGNMENT AND SUBLEASING

Section 14.01 Landlord's Consent Required. Other than a Permitted Transfer as defined in Section 14.05 below, Tenant shall not, directly or indirectly, voluntarily or by

operation of Law, sell, assign, encumber, mortgage, pledge, or otherwise transfer or hypothecate all or any part of the Premises, or Tenant's leasehold estate hereunder, or sublet all or any portion of the Premises or permit the Premises to be occupied by anyone other than Tenant (each such act herein referred to as a "**Transfer**"), without Landlord's prior written consent in each instance, which consent may be given or withheld in Landlord's sole discretion. Except for a Permitted Transfer, any attempted Transfer without Landlord's prior written consent shall be void and shall constitute an Event of Default under this Lease. If any proposed Transfer is an assignment of this Lease, Landlord shall have the right to terminate this Lease as of the effective date of such proposed assignment and enter into a direct lease with the proposed assignee. If Tenant is a partnership or a limited liability company, any cumulative transfer of more than twenty-five percent (25%) of the partnership or the limited liability company membership interests, as applicable, shall constitute a Transfer and shall require Landlord's consent, except for any Transfer of partnership or limited liability company membership interests between existing partners or members of Tenant which shall be a Permitted Transfer as defined in Section 14.05 below. Without limiting the foregoing, it shall constitute a Transfer and shall require Landlord's consent if: (a) Tenant is a limited partnership, and there is a transfer of a general partner interest; (b) Tenant is a limited liability company, and there is a transfer of any manager or managing member's interest; or (c) Tenant is a corporation, any change in a controlling interest of the voting stock of the corporation.

Section 14.02 No Release of Tenant. Except as otherwise provided in this Section 14.02, no Transfer permitted under this Lease, whether with or without Landlord's consent, shall release Tenant or change Tenant's primary liability to pay the Rent and to perform all other obligations of Tenant under this Lease. Landlord's acceptance of Rent from any other person is not a waiver of any provision of this Lease. Consent by Landlord to one Transfer is not consent to any subsequent Transfer. If Tenant's transferee defaults under this Lease, Landlord may proceed directly against Tenant without pursuing remedies against the transferee. Landlord may consent to subsequent Transfers of this Lease by Tenant's transferee, without notifying Tenant or obtaining its consent. Such action shall not relieve Tenant's liability under this Lease. If Tenant transfers Tenant's interest hereunder, then Landlord shall receive, as Additional Rent, fifty percent (50%) of the excess, if any, between the rent (or other consideration) paid in connection with such Transfer and the Base Rent payable by Tenant hereunder. However, for any Approved Sale, upon the completion of the transaction by and between Tenant and the transferee or assignee under such Approved Sale, then Tenant and any guarantors to this Lease shall be completely discharged from all liability under this Lease arising from and after such Approved Sale, and Landlord shall only have the ability to look to such transferee or assignee and any replacement guarantors for any remedies for such liabilities.

Section 14.03 Details of Proposed Transfer. Tenant's request for consent to any Transfer shall be accompanied by a written statement setting forth the details of the proposed Transfer, including the name, business, and financial condition of the prospective transferee, the financial details of the proposed Transfer (such as the term of the sublease and the amount of rent and security deposit payable under any assignment or sublease), and any other information Landlord deems relevant. Tenant shall provide to Tenant signed copies of all instruments and other documents evidencing any Transfer permitted under this Lease.

Section 14.04 No Merger. No merger shall result from Tenant's sublease of the Premises, Tenant's surrender of this Lease, or the termination of this Lease in any other manner. In any event, Landlord may terminate any or all subtenancies or succeed to the interest of Tenant as sublandlord thereunder.

Section 14.05 Permitted Transfers. Notwithstanding the foregoing and provided that no Event of Default shall have occurred and be continuing, Tenant may, with Landlord's prior written consent, which consent shall not be unreasonably, withheld, conditioned or delayed, make any of the following Transfers (each such Transfer a "**Permitted Transfer**" and each such transferee a "**Permitted Transferee**");

(a) An assignment of this Lease to any Affiliate of Tenant which shall (i) Control, (ii) be under the Control of, or (iii) be under common Control with Tenant;

(b) A sublease of all or any portion of the Premises to be used exclusively for the Permitted Use to any Person with creditworthiness and net worth equal to or greater than that of Tenant at the time of the assignment;

(c) An assignment, pledge, or leasehold mortgage on Tenant's interest in this Lease to any bank or banks or other lending institutions for the purpose of securing indebtedness;

(d) An assignment of this Lease in connection with the sale of all or substantially all of the assets of Tenant occurring more than five (5) years after the Opening Date (an "**Approved Sale**"), provided that the transferee or surviving entity in such transaction and any replacement guarantor(s) as may be required by Landlord have a creditworthiness and net worth equal acceptable to Landlord in its commercially reasonable discretion; or

(e) If Tenant is a partnership or limited liability company, a transfer or assignment of partnership or limited liability company membership interest, as applicable, between the existing partners or members of Tenant as of the Commencement Date, provided the same does not result in the transfer or assignment of a general partner interest or manager or managing member's interest.

Section 14.06 Percentage Rent for Subleases. In accordance with Section 3.02 of this Lease, if any Transfer is a sublease of all or any portion of the Premises, the Subtenant thereunder shall (a) pay Percentage Rent to Landlord based on such Subtenant's Gross Sales, and (b) provide to Landlord books and records evidencing such Subtenant's Gross Sales.

ARTICLE XV INSURANCE AND INDEMNIFICATION

Section 15.01 Payment of Premiums. Beginning January 1, 2021, and at all times during the Term thereafter, Tenant shall reimburse Landlord, as Additional Rent, for the cost of all Insurance Premiums. Insurance Premiums for policy periods commencing before January 1, 2021, or ending after the expiration or earlier termination of this Lease shall be prorated.

Landlord shall pay all Insurance Premiums when they become due and payable, and Tenant shall reimburse Landlord for such Insurance Premiums within thirty (30) days of Landlord's demand therefore. Landlord, upon request of Tenant, will deliver to Tenant a copy of all paid bills for Insurance Premiums. In addition, Tenant shall pay for any increase in the Insurance Premiums if said increase is caused by Tenant's acts, omissions, use, or occupancy of the Premises.

Section 15.02 Liability Insurance. Tenant shall, at Tenant's sole cost and expense, obtain and keep in force during the Term of this Lease a policy of combined single limit, bodily injury and property damage insurance insuring Landlord and Tenant, and any lender(s) whose names have been provided to Tenant in writing (as additional insureds), against any liability arising out of the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be provided through a combined single limit policy in an amount not less than \$1,000,000.00 per occurrence, with \$2,000,000.00 of aggregate coverage. The policy shall insure performance by Tenant of the indemnity provision of this Article XV. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. All insurance to be carried by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, whose insurance shall be considered excess insurance only. In addition, Tenant shall maintain workers' compensation insurance as is required by the Laws of the State.

Section 15.03 Property Insurance.

(a) Landlord shall obtain and keep in force during the Term of this Lease a policy or policies of insurance covering loss or damage to the Building in the amount of the full replacement value thereof, as the same may exist from time to time, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, flood, windstorm coverage, and special extended perils ("all risk" as such term is used in the insurance industry). Said insurance shall provide for a payment of loss thereunder to Landlord.

(b) Tenant shall obtain and maintain insurance coverage for full replacement cost on all of Tenant's Personal Property, trade fixtures, and Tenant Improvements in, on, or about the Premises. Such insurance shall be full replacement cost with a deductible not to exceed \$10,000.00 per occurrence. Landlord shall not insure Tenant's Improvements or any of its trade fixtures, equipment, or Alterations.

Section 15.04 Rental Insurance. Tenant shall obtain and keep in force during the Term of this Lease a policy of rental value insurance covering Rent for a period of one year, with loss payable to Landlord. Tenant shall pay the cost of such insurance directly to the insurer and shall provide Landlord proof of such insurance and payment of the premiums therefor.

Section 15.05 Liquor Liability Insurance. Tenant, at its sole cost and expense, shall purchase and keep in full force and effect during the Term of this Lease, liquor liability insurance for all periods of time that Tenant uses, sells, gifts, or otherwise permits the consumption of alcoholic beverages on or from the Premises. Such liquor liability insurance policy shall name Landlord as an additional insured. Tenant shall deliver to Landlord a policy of liquor liability insurance in form, substance, and with insurers satisfactory to Tenant, with total

limits of liability for bodily injury, death, loss of means of support, and property damage because of each occurrence of not less than \$1,000,000.00, or such greater amounts as Landlord may designate, against any and all liability by virtue of the Liquor Control Laws, any amendments or supplements thereto, or any kindred legislation concerning the use, sale, or giving away of alcoholic liquors. If at any time the required liquor liability insurance is for any reason not in force, then, during all and any such times no sale, merchandising, transfer, giving away, or exchange of alcoholic beverages shall be made by Tenant or any other person in, upon, or from any part of the Premises.

Section 15.06 Automobile Insurance. Tenant, at its sole cost and expense, shall purchase and keep in full force and effect, automobile liability insurance with a combined single limit of not less than \$1,000,000.00 for any vehicles used by Tenant in direct conjunction with Tenant's business operations at the Premises.

Section 15.07 Business Interruption Insurance. Tenant, at its sole cost and expense, shall purchase and keep in full force and effect business interruption insurance (including extra expense coverage) in an amount sufficient to cover lost profits and overhead, including Rent, for twelve (12) months.

Section 15.08 Builder's Risk. To the extent of the Initial Tenant Improvements or any Alterations, Tenant, at its sole cost and expense, shall purchase and keep in full force and effect, or cause its general contractor to purchase and keep in full force and effect, builder's risk insurance for the full replacement cost of the Building and in a form acceptable to Landlord.

Section 15.09 Other Insurance. Tenant, at its sole cost and expense, shall purchase and keep in full force and effect any other insurance as may be required by Landlord in its commercially reasonable discretion, including, without limitation, such marine insurance policies as may be reasonably required by Landlord affording property and liability coverage for any ownership or operation of a boat providing ferry service to and from the Restaurant Dock.

Section 15.10 Insurance Policies. Insurance required hereunder shall be issued by companies authorized to do business in the State and holding a "General Policyholders Rating" of not less than "A" as set forth in the most current issue of "Best Insurance Guide," or any successor thereto (or if there be none, an organization having a national reputation). No policy carried by Tenant shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days' prior written notice to Landlord. Not less than thirty (30) days prior to the expiration of such policies, Tenant shall furnish Landlord with renewals or "binders" thereof, or Landlord may order such insurance and charge the cost thereof to Tenant, which amount shall be payable by Tenant upon demand. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies carried by Landlord. Executed copies of policies of insurance or certificates thereof shall be delivered to Landlord within thirty (30) days after the Commencement Date (and with respect to any insurance required for Tenant Improvements, prior to the commencement of such Tenant Improvements). All insurance obtained by Tenant shall be primary. Except as otherwise approved in writing by Landlord, all insurance obtained by Tenant shall name Landlord and the holder of any first mortgage or deed of trust encumbering all or any portion of the Premises as additional insured parties, as their interests may appear.

Section 15.11 Waiver of Subrogation. Tenant and Landlord each hereby release and relieve the other, and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against under this Article XV, which perils occur in, on, or about the Premises, whether due to the negligence of Landlord, any Landlord Parties, Tenant, or any Tenant Parties, or Tenant's contractors or invitees. Tenant and Landlord shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

Section 15.12 Indemnity. Except for the negligence and intentional misconduct of Landlord and/or any Landlord Parties, Tenant shall indemnify and hold harmless Landlord and Landlord's officers, agents, employees, partners, successors, and assigns (collectively, "**Landlord Parties**") from and against any and all claims arising from Tenant's use of the Premises, or from the conduct of Tenant's business or from any activity, work, or things done, permitted, or suffered by Tenant in, on, or about the Premises or elsewhere, and shall further indemnify and hold harmless Landlord and all Landlord Parties from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any negligence of Tenant, or any of Tenant's agents, contractors, or employees, and from and against all costs, attorneys' fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding shall be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damages to property or injury to persons, in, on, or about the Premises arising from any cause, and Tenant hereby waives all claims in respect thereof against any Landlord Parties, except for claims resulting from the gross negligence and intentional misconduct of Landlord and/or any Landlord Parties.

To the extent allowed by State law, Landlord hereby agrees to hold Tenant and Tenant's officers, principals, shareholders, partners, employees, successors, and assigns harmless from any and all liability, damages, obligations, charges or loss, resulting from or related to or arising out of the gross negligence or intentional misconduct of Landlord Parties.

ARTICLE XVI DAMAGE AND DESTRUCTION

Section 16.01 Damage or Destruction to Premises. Tenant shall notify Landlord in writing promptly upon the occurrence of any damage or destruction to the Premises by fire or other casualty. Subject to Section 16.02 below, if all or any portion of the Premises is damaged by fire or other casualty, Landlord shall repair or rebuild the Premises or such damaged or destroyed portion thereof as soon as is reasonably possible; provided, however, that Landlord shall not be required to make repairs or replacements of any damage to Tenant's Improvements or to any other fixtures, equipment, Personal Property, or leasehold improvements of Tenant. Tenant may terminate this Lease by giving written notice to Landlord if Landlord has not commenced the required repairs within one hundred twenty (120) days from the date of such damage or destruction or has not restored and/or rebuilt the Premises as herein provided within two (2) years from the date of such damage or destruction. Landlord shall not be obligated to expend in such repair or rebuilding any sums greater than the proceeds of any insurance policy

required to be carried by Landlord under this Lease or for Landlord's benefit plus the amount of any deductible under such policy. Tenant shall pay Landlord the deductible amount (if any) under any insurance policies carried by Landlord or for Landlord's benefit affording coverage for such damage or destruction required to be repaired by Landlord pursuant to this Section 16.01.

Section 16.02 Option to Terminate. Notwithstanding anything in this Lease to the contrary, both Landlord and Tenant shall have the right to terminate this Lease upon thirty (30) days prior written notice in the event that twenty-five (25%) or more of the Premises is destroyed at any time during the last two (2) Lease Years of the Term (as the same may be extended or renewed).

Section 16.03 Temporary Reduction of Rent. If the Premises are destroyed or damaged and Landlord repairs or restores the Premises pursuant to the provisions of this Lease, any Base Rent and Additional Rent payable during the period of such damage, repair, and/or restoration shall be reduced according to the degree, if any, to which Tenant's use of the Premises is impaired. However, the reduction shall not exceed the proceeds received by Landlord from Tenant's loss of income insurance coverage. Except for such possible reduction in Base Rent and Additional Rent, Tenant shall not be entitled to any compensation, reduction, or reimbursement from Landlord as a result of any damage, destruction, repair, or restoration of or to the Premises.

ARTICLE XVII EMINENT DOMAIN

Should the Premises or the Building be taken, appropriated, or condemned for public purposes, or voluntarily transferred in lieu of condemnation, in whole or in such substantial part as to render the Building or the Premises unsuitable for Landlord's purposes or Tenant's purposes, the Term of this Lease shall, at the option of Landlord in the first instance and at the option of Tenant in the second instance, terminate when Tenant's right to possession is terminated. If neither party exercises their respective option to terminate within sixty (60) days after the date of such taking, or if the portion of the Premises or the Building that is taken, appropriated, condemned, or voluntarily transferred in lieu of condemnation does not render the Building or the Premises unsuitable for Landlord's purposes or Tenant's purposes, then this Lease shall terminate only as to the part taken or conveyed on the date Tenant shall yield possession, and Landlord shall make such repairs and alterations as may be necessary to make the part not taken usable, and the Rent payable hereunder shall be reduced in proportion to the part of the Premises taken. All compensation awarded for such taking of the fee and leasehold shall belong to and be the property of Landlord without any deduction therefrom for any present or future estate of Tenant and Tenant hereby assigns to Landlord all its right, title, and interest to any such award. However, Tenant shall have the right to recover from the condemning authority, but not from Landlord, such compensation as may be awarded to Tenant on account of the interruption of Tenant's business, for moving and relocation expenses, for depreciation to and removal of Tenant's goods and trade fixtures, for its interest in this Lease and the Premises, and for the value of any Alterations made by Tenant.

ARTICLE XVIII DEFAULTS AND REMEDIES

Section 18.01 Events of Default. Tenant shall be in material default under this Lease if any one or more of the following events (herein sometimes referred to individually as an “**Event of Default**” and collectively as “**Events of Default**”) shall occur and shall not be timely remedied as herein provided:

(a) Except as otherwise provided in Section 18.01(b), if Tenant fails to make any payment of Rent due under this Lease or any part thereof within ten (10) days of the date the same shall become due and payable.

(b) If Tenant fails to make any payment of any sum or charge payable under this Lease other than Base Rent, Percentage Rent, or Additional Rent, or any part thereof, when and as the same shall become due and payable and such default continues for a period of ten (10) days after receipt by Tenant of notice from Landlord specifying the default.

(c) If Tenant fails to observe or perform any of the other covenants, agreements, or conditions of this Lease on the part of Tenant to be kept and performed, including abiding by the Restaurant Rider, and such default continues for a period of thirty (30) days after written notice thereof from Landlord to Tenant, provided, however, that with respect to any default (other than a default which can be cured by the payment of money) that cannot be reasonably cured within said thirty (30) day period, Tenant shall have the greater of (i) any additional cure period that is specified in this lease, or (ii) where no such additional cure period is accounted for, an additional period of ninety (90) days to cure such default, provided Tenant commences to cure within said thirty (30) days and actually cures the default within ninety (90) days after Landlord’s notice.

(d) If Tenant or any Guarantor files a petition in bankruptcy, is adjudicated as bankrupt, or files any petition or answer seeking any reorganization, rearrangement, recomposition, readjustment, liquidation, dissolution, or similar relief for itself under any present or future Law, or makes an assignment for the benefit of creditors, or if any trustee, receiver, or liquidator of Tenant, any Guarantor, or of all or any substantial part of its properties or of the Premises shall be appointed in any action, suit, or proceeding by or against Tenant or any Guarantor and such proceeding or action shall not have been dismissed within sixty (60) days after such filing or appointment.

(e) If Tenant vacates, abandons, or fails to use the Premises for the Permitted Use for a period in excess of thirty (30) days, except that Tenant shall not be deemed to have abandoned or vacated the Premises (i) when and to the extent that the Premises are untenable by reason of damage by fire, other casualty or condemnation, (ii) to the extent that the Premises are closed in accordance with Section 7.06 hereof for purposes of renovations or periodic cleaning, or (iii) as a result of any events of Force Majeure.

Section 18.02 Remedies. In the event of any Event of Default, Landlord may, at its option, exercise any and all of the remedies listed below. No such remedy herein or otherwise

conferred upon or reserved to Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at Law or in equity, and every power and remedy given by the Lease to Landlord may be exercised from time to time and as often as the occasion may rise or may be deemed expedient.

(a) Landlord may, without terminating this Lease, enter upon the Premises, without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, in which event Tenant shall reimburse Landlord on demand for any expenses which Landlord may incur in complying with Tenant's obligations under this Lease, and Landlord shall not be liable for any damages resulting to Tenant from such action, unless caused by the gross negligence of Landlord.

(b) Landlord may, if it elects to do so, bring suit for the collection of rents and/or any damages resulting from Tenant's default without entering into possession of the Premises or voiding this Lease.

(c) Landlord may terminate this Lease after ten (10) days' written notice to Tenant and this Lease shall terminate on the date specified in such notice. Tenant shall quit and surrender the Premises by said date, failing which, Landlord may enter upon the Premises immediately or at any subsequent time without additional notice or demand (which additional notice or demand is hereby expressly waived by Tenant) without being liable for prosecution of any claim for damages therefor, and expel Tenant and those claiming under Tenant and remove their effects without being guilty of any manner of trespass. Tenant agrees that if Landlord shall cause Tenant's goods or effects to be removed from the Premises pursuant to the terms hereof or of any court order, Landlord's act of so removing such goods or effects shall be deemed to be the act of and for the account of Tenant.

(d) In the event of such termination: (i) Landlord may accelerate and declare the entire remaining unpaid Rent and any and all other monies payable under this Lease for the balance of the Term hereof to be immediately due and payable; or (ii) Landlord may collect from Tenant, as liquidated damages: (A) all past due Rent and other amounts due Landlord up to the date of expiration or termination; plus (B) the difference between Rent provided for herein and the proceeds from any re-letting of the Premises, payable in monthly installments over the period that would otherwise have constituted the remaining term of this Lease; plus (C) all expenses in connection with such re-letting including, without limitation, all costs, fees, and expenses of repossession, brokers, advertising, attorneys, courts, repairing, cleaning, repainting, and remodeling of the Premises for re-letting. In the event of default by Tenant, Landlord shall use commercially reasonable efforts (i) to re-let the Premises to a replacement tenant and (ii) to mitigate the damages incurred by Tenant as a result of such default.

(e) Without waiving its rights to terminate as provided above, Landlord may retake possession of the Premises in the same manner as provided in Section 18.02(a) above. It is agreed that any such retaking or the commencement and prosecution of any

action by Landlord in forcible entry and detainer, ejectment, or otherwise, or any execution of any judgment or decree obtained in any action to recover possession of the Premises shall not be construed as an election to terminate this Lease unless Landlord expressly exercises its option hereinbefore provided to declare the Term hereof ended, whether or not such entry or reentry be had or taken under summary proceedings or otherwise, and shall not be deemed to have absolved or discharged Tenant from any of its obligations and liabilities for the remainder of the current Term of this Lease; rather, this Lease shall continue in effect for the remainder of the then current Term, and Tenant shall remain liable and obligated under all of the covenants and conditions hereof during the said period and shall pay as and when due the Rent and other amounts payable hereunder as if Tenant had not defaulted. In the event Landlord elects to exercise any remedies under this Section 18.02(e) following the occurrence of an Event of Default, Landlord shall provide at least ten (10) days' advance written notice to Tenant stating the nature of Tenant's default and Landlord's intention to recover possession of the Premises. Landlord, as part of its obligations to mitigate the damages of the Tenant's default in accordance with Section 18.02(d), may re-lease the Premises for the account of Tenant, crediting the rent received on such re-leasing first to the costs of such re-leasing and then to any other amounts owing by Tenant hereunder. Tenant hereby constitutes and appoints Landlord as its attorney-in-fact to take any and all actions necessary or incidental to such re-leasing and this power shall be irrevocable during the Term of this Lease. Such continuance of this Lease shall not constitute any waiver or consent by Landlord of or to said default or any subsequent default.

Section 18.03 Landlord's Damages. In addition to the foregoing remedies and regardless of which remedies Landlord pursues, Tenant covenants that it will indemnify Landlord from and against any loss and damage directly or indirectly sustained by reason of any termination resulting from any Event of Default as provided above or the enforcement or declaration of any rights and remedies of Landlord or obligations of Tenant, whether arising under this Lease or granted, permitted, or imposed by Law or otherwise. Landlord's damages hereunder shall include, but shall not be limited to, any loss of Rent prior to or after re-leasing the Premises, broker's or salesperson's commissions, advertising costs, costs of repairing and remodeling the Premises for re-leasing, moving, and storage charges incurred by Landlord in moving Tenant's property and effects, and legal costs and reasonable attorneys' fees incurred by Landlord in any proceedings resulting from Tenant's default, collecting any damages hereunder, obtaining possession of the Premises by summary process or otherwise or re-leasing the Premises, or the enforcement or declaration of any of the rights or remedies of Landlord or obligations of Tenant, whether arising under this Lease or granted, permitted, or imposed by Law or otherwise. In the event that any court or governmental authority shall limit any amount which Landlord may be entitled to recover under this paragraph, Landlord shall be entitled to recover the maximum amount permitted under Law. Nothing in this paragraph shall be deemed to limit Landlord's recovery from Tenant of the maximum amount permitted under Law or of any other sums or damages which Landlord may be entitled to so recover in addition to the damages set forth herein.

Section 18.04 Non-Waiver of Defaults. No delay or omission of Landlord to execute any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein. No waiver of any

breach of any of the covenants of this Lease shall be construed, taken, or held to be a waiver of any other breach, waiver, or acquiescence in, or consent to, any further or succeeding breach of the same covenant. Receipt by Landlord of less than the full amount due from Tenant shall not be construed to be other than a payment on account of the amounts then due, nor shall any statement on Tenant's check or any letter accompanying Tenant's payment be deemed an accord and satisfaction, and Landlord may accept such payment as a partial payment only. The rights herein given to receive, collect, sue, or distrain for any rent or rents, monies, or payments, or to enforce the terms, provisions, and conditions of this Lease, or to prevent the breach or nonobservance thereof, or the exercise of any such right (or of any other right or remedy hereunder), or otherwise granted or arising, shall not in any way affect or impair or take away the right or power of Landlord to declare the Term hereby granted ended and to terminate this Lease as herein provided because of any default in or breach of any of the covenants, provisions, or conditions of this Lease.

ARTICLE XIX PROTECTION OF LENDERS

Section 19.01 Subordination. This Lease and Tenant's rights hereunder are and shall be subordinate and inferior to any ground lease, deed of trust, or mortgage encumbering all or any portion of the Premises or the Marina, any advances made on the security thereof and any renewals, modifications, consolidations, replacements, or extensions thereof, whenever made or recorded. If any ground lessor, beneficiary, or mortgagee elects to have this Lease rank prior to the lien of its ground lease or mortgage, and gives written notice thereof to Tenant, this Lease shall be deemed prior to such ground lease mortgage whether this Lease is dated prior or subsequent to the date of said ground lease, deed of trust, or mortgage or the date of recording thereof. Notwithstanding anything to the contrary contained herein, Landlord shall use best efforts to obtain a standard, executed subordination, non-disturbance, and attornment agreement with such ground lessor, beneficiary, or mortgagee, on terms reasonably acceptable to Tenant. The provisions of this Section 19.01 shall be self-operative and no further instrument shall be required to cause the provisions of this Section 19.01 to be effective.

Section 19.02 Attornment and Non-Disturbance. If Landlord's interest in the Premises or the Marina is acquired by any ground lessor, beneficiary under a deed of trust, mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Premises or the Marina and shall recognize such transferee or successor as Landlord under this Lease, so long as any such transferee agrees to assume all obligations under this Lease. Tenant waives the protection of any statute or rule of Law which gives or purports to give Tenant any right to terminate this Lease or surrender possession of the Premises upon the transfer of Landlord's interest.

Section 19.03 Signing of Documents. Tenant shall sign and deliver any instrument or document reasonably necessary or appropriate to evidence any such attornment or subordination or agreement to do so. Such subordination and attornment documents may contain such provisions as are customarily required by any ground lessor under a ground lease, mortgagee, or beneficiary under a deed of trust. If Tenant fails to do so within fifteen (15) days after written request, Tenant shall be in default under this Lease.

Section 19.04 Estoppel Certificates. Upon Landlord's written request, Tenant shall execute, acknowledge, and deliver to Landlord a written statement certifying: (i) that none of the terms or provisions of this Lease have been changed (or if they have been changed, stating how they have been changed); (ii) that this Lease has not been cancelled or terminated; (iii) the last date of payment of Base Rent, Percentage Rent, Additional Rent, and any other charges and the time period covered by such payment; (iv) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating why); and (v) such other matters as may be reasonably required by Landlord or the holder of a mortgage or lien to which the Premises are or become subject. Tenant shall deliver such statement to Landlord within fifteen (15) days after Landlord's request or Tenant shall be in default under this Lease. Any such statement by Tenant may be given by Landlord to any prospective purchaser or encumbrancer of the Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as being true and correct. Unless Landlord has received a written statement to the contrary within such 15-day period, Landlord, and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (A) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (B) that this Lease has not been cancelled or terminated except as otherwise represented by Landlord; (C) unless provided otherwise, that not more than one month's Base Rent, Additional Rent, or other charges have been paid in advance; and (D) that Landlord is not in default under this Lease. In such event, Tenant shall be estopped from denying the truth of such facts.

Section 19.05 Tenant's Financial Condition. Tenant shall deliver to Landlord, from time to time upon request of Landlord, such financial statements as are reasonably required by Landlord to verify the net worth of Tenant and any Subtenant or assignee of Tenant. In addition, until such time as Landlord has delivered all of the Construction Completion Deliverables in accordance with Section 2.03(c), Tenant shall deliver to Landlord upon request therefor such financial statements as are reasonably required by Landlord to verify the net worth of each of the Guarantors. All financial statements provided to Landlord shall be confidential and shall be used only for the purposes set forth herein.

ARTICLE XX WAIVER OF CLAIMS

Tenant agrees that, to the extent not expressly prohibited by Law, Landlord, its lenders and the Landlord Parties shall not be liable for (nor shall Rent abate as a result of) any direct or consequential damage (including damage claimed for actual or constructive eviction) either to person or property sustained by Tenant, any Tenant Parties, any Subtenants, contractors, service providers invitees, or guests of Tenant due to the Premises, the Marina, or any part thereof or any appurtenances thereto becoming out of repair, or due to the happening of any accident in or about the Premises or the Marina, or due to any act or neglect of any tenant or occupant of the Premises or the Marina or of any other person. This provision shall apply particularly (but not exclusively) to damage caused by water, snow, frost, steam, sewage, gas, electricity, sewer gas, or odors or by the bursting, leaking, or dripping of pipes, faucets, and plumbing fixtures, and shall apply without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the causes specifically enumerated above or to some other cause of an entirely different kind. Tenant further agrees that all of Tenant's

Improvements, trade fixtures, equipment, and all other Personal Property in the Premises, the Building, or the Marina shall be at the risk of Tenant only, and that Landlord shall not be liable for any loss or damage thereto or theft thereof. Notwithstanding the foregoing, Landlord shall not hereby be exculpated from any liability arising from Landlord's or Landlord Parties' gross negligence or intentional misconduct and in no way shall this Article XX be construed to limit the remedies of Tenant for seeking damages against Landlord for a default of any provision of this Lease.

ARTICLE XXI WAIVER OF NOTICE

Except as otherwise provided in this Lease, Tenant hereby expressly waives the service of: (a) any notice of intention to terminate this Lease or to reenter the Premises; (b) any demand for payment of Rent or for possession of the Premises; and (c) any other notice or demand prescribed by any Law.

ARTICLE XXII NOTICES

Unless specifically stated otherwise in this Lease, all notices, waivers, and demands required or permitted hereunder shall be in writing and delivered to the addresses of Landlord and Tenant set forth in the Preamble to this Lease, by one of the following methods: (a) hand delivery, whereby delivery is deemed to have occurred at the time of delivery; (b) a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the Business Day following deposit with the courier; (c) registered United States mail, signature required, and postage-prepaid, whereby delivery is deemed to have occurred on the third Business Day following deposit with the United States Postal Service; or (d) electronic transmission by email provided that the transmission is completed no later than 5:00 p.m. Eastern Time on a Business Day and the original also is sent via overnight courier or United States Mail, whereby delivery is deemed to have occurred at the end of the Business Day on which electronic transmission is completed. Any Party shall change its address for purposes of this Lease by giving written notice as provided in this Article XXII and notices shall only be valid if served in the manner provided. All notices and demands delivered by a party's attorney on a Party's behalf shall be deemed to have been delivered by said Party. For purposes hereof, Landlord's address for electronic transmission is desireef@iop.net and Tenant's address for electronic transmission is dave@mex1can.com and jbushnell55@yahoo.com.

ARTICLE XXIII BROKERS

Section 23.01 Broker's Fee. Upon the execution and delivery of this Lease by both Landlord and Tenant, Landlord shall pay the real estate commission owing to Landlord's Broker to Lee & Associates as provided in a separate written agreement between Landlord and Lee & Associates. Landlord's Broker shall cause an appropriate portion of its commission to be paid to Tenant's Broker as provided in an agreement between Landlord's Broker and Tenant's Broker.

Nothing contained in this Lease shall impose any obligation on Landlord to pay a commission or fee to any party other than Landlord's Broker.

Section 23.02 No Other Brokers. Tenant and Landlord each represent and warrant to the other that Landlord's Broker and Tenant's Broker are the only brokers, agents, finders, or other parties with whom either party has dealt who are or may be entitled to any commission or fee with respect to this Lease or the Premises. Landlord and Tenant each agree to indemnify and hold the other and the other's officers, directors, persons, agents, and representatives harmless from and against any and all liabilities, damages, claims, costs, fees, and expenses whatsoever (including, without limitation, reasonable attorneys' fees and costs at all trial and appellate levels) resulting from any other broker, agent, or other person (other than the Brokers) claiming a commission or other form of compensation by virtue of having dealt with the indemnifying party with regard to this leasing transaction. The provisions of this Section 23.02 shall survive the expiration or other termination of this Lease.

ARTICLE XXIV QUIET ENJOYMENT

Landlord agrees that Tenant shall, upon paying the Rent and other payments herein reserved and upon keeping, observing, and performing all of the other terms, covenants, conditions, provisions, and agreements contained in this Lease on the part of Tenant to be kept, observed, and performed during the Term of this Lease and so long as no Event of Default exists that would permit Landlord to terminate this Lease, peaceably and quietly have, hold, and enjoy the Premises subject to the terms, covenants, conditions, provisions, and agreements hereof, free from hindrance by Landlord or any other person claiming by, through, or under Landlord ("Quiet Enjoyment").

ARTICLE XXV END OF TERM

Section 25.01 Surrender of the Premises. Upon the expiration or other termination of this Lease, Tenant shall quit and surrender the Premises vacant, broom clean, and in good order and condition, ordinary wear and tear and damage by casualty or condemnation excepted, failing which Landlord may restore the Premises, equipment, and fixtures to such condition and Tenant shall pay the cost thereof upon demand as Additional Rent. All of Tenant's Personal Property, furniture, trade fixtures, shelves, bins, inventory, equipment, and machinery not removed from the Premises when Tenant leaves the Premises upon the expiration or other termination of this Lease shall thereupon be conclusively presumed to have been abandoned by Tenant and immediately become Landlord's property; provided, however, that Landlord may require Tenant to remove such Personal Property, furniture, trade fixtures, shelves, bins, inventory, equipment, and machinery or may have such property removed at Tenant's expense. Prior to Tenant's vacating the Premises, Tenant shall pay to Landlord an amount reasonably estimated by Landlord as necessary to put the Premises including, without limitation, all HVAC systems and equipment therein, in good condition and repair, but in no case shall Tenant be required to pay any costs to put the Premises in a better condition or repair than that required under this Section 25.01 upon the expiration or other termination of this Lease. Notwithstanding any provision to

the contrary in this Lease, Tenant shall have the right to enter the Premises immediately after the end of the Term of this Lease for five (5) consecutive Business Days to repair and restore the Premises as required by the terms of this Lease, and Tenant shall not be deemed to be holding over during such period of time, and Landlord shall provide Tenant with written notice of any restoration required to the Premises along with a reasonable opportunity to access and restore the Premises as required by the terms of this Lease before Landlord proceeds to complete such restoration work on its own and charge Tenant for the costs thereof Tenant. If Landlord fails to do so, Tenant shall have no obligation to reimburse Landlord for any costs Landlord incurs in connection with Landlord's restoration of the Premises. The provisions of this Section 25.01 shall survive the expiration or earlier termination of this Lease.

Section 25.02 Holding Over. Any holding over by Tenant after the expiration or termination of this Lease, by lapse of time or otherwise, shall not operate to extend or renew this Lease except by the express mutual written agreement between Landlord and Tenant, and in the absence of such agreement, Tenant shall continue in possession as a month-to-month tenant only, except that the monthly Rent shall be increased to an amount equal to one hundred fifty percent (150%) of the monthly installment of Base Rent, Percentage Rent, and Additional Rent paid in the month immediately preceding the expiration or termination of this Lease. Either party may thereafter terminate such occupancy at the end of any calendar month by first giving to the other party no less than thirty (30) days' prior written notice.

ARTICLE XXVI MISCELLANEOUS PROVISIONS

Section 26.01 Governing Law; Venue. The Laws of the State shall govern the validity, performance, and enforcement of this Lease. Tenant consents to personal jurisdiction and venue in the state and judicial district in which the Marina is located. The courts of the state where the Marina is located shall have exclusive jurisdiction, and Tenant hereby agrees to such exclusive jurisdiction.

Section 26.02 Entire Agreement; Waivers. This Lease forms the entire agreement between Landlord and Tenant and no provision hereof shall be altered, waived, amended, or extended, except in a writing signed by both parties. Tenant affirms that, except as expressly set forth herein, neither Landlord nor any of its agents has made, nor has Tenant relied upon, any representation, warranty, or promise with respect to the Premises or any part thereof. Landlord shall not be considered to have waived any of the rights, covenants, or conditions of this Lease unless evidenced by its written waiver and the waiver of one default or right shall not constitute the waiver of any other. The acceptance of rent shall not be construed to be a waiver of any breach or condition of this Lease. No extrinsic evidence whatsoever may be introduced in any judicial proceeding involving this Lease. The language in all parts of this Lease shall in all cases be construed as a whole and in accordance with its fair meaning and not construed for or against any party by reason of such party having drafted such language.

Section 26.03 Successors and Assigns. The provisions of this Lease shall be binding upon and inure to the benefit of Landlord and Tenant, respectively, and their respective successors, assigns, heirs, executors, and administrators. Tenant agrees to become the tenant of Landlord's successor in interest under the same terms and conditions of its tenancy hereunder.

Section 26.04 Partial Invalidity. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws, the remainder of this Lease shall not be affected thereby and there shall be added as part of this Lease a replacement clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

Section 26.05 Relationship of the Parties. Landlord and Tenant agree that the relationship between them is that of landlord and tenant and that Landlord is leasing space to Tenant. It is not the intention of the parties, nor shall anything herein be constructed to constitute Landlord as a partner or joint venturer with Tenant, or as a “warehouseman” or a “bailee.”

Section 26.06 Headings. The headings as to the contents of particular paragraphs herein are intended only for convenience and are in no way to be constructed as a part of this Lease or as a limitation of the scope of the particular paragraphs to which they refer.

Section 26.07 Survival of Obligations. All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of the Term of this Lease shall survive the expiration or earlier termination of the Term hereof.

Section 26.08 Independent Covenants. Subject to the other terms and provisions of this Lease, Tenant’s covenants to pay Rent and other sums due hereunder are independent of Landlord’s covenants hereunder and Tenant shall have no right to withhold any such payments on account of any alleged failure by Landlord to perform or comply with any of Landlord’s covenants.

Section 26.09 Additional Rights of Landlord. In addition to other rights conferred by this Lease or by Law, and as long as it does not render the Premises untenable, Landlord reserves the right, to be exercised in Landlord’s sole discretion, to: (a) change the name of the Marina; (b) install and maintain a sign or signs on or about the Marina, so long as such signs do not materially block or interfere with the visibility of any of the Tenant’s signs; (c) change the street address of the Building or the Marina, in which Landlord shall provide prompt notice to Tenant of the address change so that Tenant can make the appropriate changes to its website and other marketing material; (d) designate all sources furnishing signs, sign painting, and lettering that are not connected to the Premises; (e) take all measures as may be reasonably necessary or desirable for the safety and protection of the Marina; (f) have pass keys to the Building; (g) construct, alter, add to, improve, or build additional stories on any buildings or improvements on any portion of the Marina other than the Premises, so long as any such construction projects do not materially impede access to the Premises or related parking lots by any employees, managers, officers, customers or other invitees; (h) renovate, refurbish, relocate, or modify the Common Areas so long as any such modifications do not materially impede access to the Premises or related parking lots by any employees, managers, officers, customers or other invitees; and (i) carry on any work, repairs, Alterations, or improvements in, on, or about any portion of the Marina other than the Building, so long as any such work or repairs do not materially impede access to the Premises or related parking lots by any employees, managers, officers, customers or other invitees. This Section 26.09 shall not be construed to alter or create any obligations of Landlord or Tenant with respect to repairs or improvements or other obligations provided herein. Notwithstanding the foregoing, to the extent that Landlord’s actions

in exercising any of its rights contained in this Section 26.09 interfere substantially with the normal use of the Premises, the Building, and/or the Marina, appurtenant parking and/or other Common Areas by Tenant and/or Tenant Parties as allowed herein or create disruptive sounds, vibrations, dust, or debris which continues for a period of more than ten (10) consecutive days, then the Base Rent and Additional Rent shall be proportionately abated until such interference or disturbance is eliminated or the Premises, the Building, and/or the Marina are otherwise rendered tenantable again.

Section 26.10 Limitation of Liability. Anything in this Lease to the contrary notwithstanding, any judgment obtained against Landlord in connection with this Lease or the subject matter hereof shall be limited solely to Landlord's interest in the Premises and the Marina and shall be absolutely nonrecourse with respect to Landlord personally and all other assets of Landlord. For purposes of this Section 26.10, the term "Landlord" shall be limited to mean and include only the then owner of the Premises or the Marina and not any predecessor owner or tenant.

Section 26.11 Authority. Tenant makes the following representations to Landlord, on which Landlord is entitled to rely in executing this Lease: (i) Tenant is a limited liability company duly organized and existing under the laws of the State of South Carolina and is qualified to do business in the State of South Carolina, has the power to enter into this Lease and the transactions contemplated hereby and to perform its obligations hereunder; (ii) by proper resolution the signatory hereto has been duly authorized to execute and deliver this Lease; and (iii) the execution, delivery, and performance of this Lease and the consummation of the transactions herein contemplated shall not conflict with or result in a violation, breach of, or default under Tenant's articles of organization and operating agreement, as amended, or any indenture, deed of trust, mortgage, note, security agreement, or other agreement or instrument to which Tenant is a party or by which it is bound or to which any of its properties is subject.

Landlord makes the following representations to Tenant, on which Tenant is entitled to rely in executing this Lease: (i) Landlord is an incorporated municipality and has the power to enter into this Lease and the transactions contemplated hereby and to perform its obligations hereunder; (ii) by proper authorization by the City of the Isle of Palms, the signatory hereto has been duly authorized to execute and deliver this Lease in accordance with all governing rules and regulations; and (iii) the execution, delivery, and performance of this Lease and the consummation of the transactions herein contemplated shall not conflict with or result in a violation, breach of, or default of any existing leases, management contracts, contracts, indenture, deed of trust, mortgage, note, security agreement, or other agreement or instrument to which Landlord is a party or by which it is bound or to which any of its properties is subject.

Section 26.12 Compliance with Laws. Subject to the other terms and provisions of this Lease, Tenant shall comply at its cost and expense with all Laws, and with any direction or recommendation of any public officer or officers, pursuant to Law, or any reasonable request of any insurance company carrying any insurance on the Premises, and any insurance inspection or rating bureau which shall impose any duty upon Landlord or Tenant with respect to the Premises or the Tenant's use or occupation of the Premises, and shall bear all costs of any kind or nature whatsoever occasioned by or necessary for compliance with the same. If, during the Term of this Lease any Law mandates that an alteration, repair, addition, or other change be made to all or

any portion of the Premises, including, without limitation, any Structural Alterations to the Premises, such work shall be performed at Tenant's expense.

Section 26.13 Waiver of Jury Trial. LANDLORD AND TENANT KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY AGAINST THE OTHER IN ANY MATTER ARISING OUT OF THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE.

Section 26.14 Landlord's Lien Waiver. It is contemplated that certain Personal Property now or hereafter installed by Tenant in the Premises is or may be either leased by Tenant or purchased by Tenant from a lessor or a conditional seller, or otherwise hypothecated to a "**Third Party**." All of Tenant's Personal Property, now or hereafter located upon the Premises and owned by Tenant or any Third Party, and regardless of the method in which such Personal Property is attached or affixed to the Premises, shall not be deemed a fixture of the real estate and shall be and remain the Personal Property of Tenant or such Third Party. All such Personal Property of Tenant or any Third Party is herein referred to collectively as "**Tenant's Equipment**." Tenant or any Third Party shall have the right to remove Tenant's Equipment from the Premises from time to time; provided, however, that if such removal shall injure or damage the Premises, Tenant shall repair the damage and place the Premises in the same condition as it would have been if such equipment had not been installed. Landlord hereby waives its rights, statutory or otherwise, to any lien on Tenant's Equipment. Landlord shall, upon request of Tenant or any Third Party, execute, or cause to be executed, a commercially reasonable waiver of Landlord's lien and Landlord's mortgagee's lien on any of Tenant's Equipment.

Section 26.15 Counterparts. This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original for all purposes, and all such counterparts shall together constitute but one and the same instrument.

Section 26.16 Prevailing Party. If any Party brings an action or proceeding involving the Premises to enforce the Terms hereof or to declare rights hereunder, then the Prevailing Party in any such proceeding, action, or appeal thereon shall be entitled to reasonable attorneys' fees. The term, "**Prevailing Party**" shall include, without limitation, a Party that substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, the Prevailing Party shall be entitled to attorneys' fees, costs, and expenses incurred in the preparation and service of notices of default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default.

Section 26.17 Patriot Act. Tenant hereby represents and warrants to Landlord that Tenant: (i) is in compliance with the Office of Foreign Assets Control sanctions and regulations promulgated under the authority granted by the Trading with the Enemy Act, 12 U.S.C. § 95(a) *et seq.*, and the International Emergency Economic Powers Act, 50 U.S.C. § 1701 *et seq.*, as the same apply to it or its activities; (ii) is in compliance with the Uniting and Strengthening

America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time (the “**Patriot Act**”) and all rules and regulations promulgated under the Patriot Act applicable to Tenant; and (iii) (A) is not now, nor has Tenant ever been, under investigation by any governmental authority for, nor has Tenant been charged with or convicted of a crime under, 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder; (B) has never been assessed a civil penalty under any anti-money laundering laws or predicate offenses thereunder; (C) has not had any of its funds seized, frozen, or forfeited in any action relating to any anti-money laundering laws or predicate offenses thereunder; (D) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating, or otherwise furthering, intentionally or unintentionally, the transfer, deposit, or withdrawal of criminally derived property, money, or monetary instruments which are (or which Tenant suspects or has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and (E) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all Laws and regulations applicable to its business for the prevention of money laundering and with anti-terrorism Laws and regulations, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the Patriot Act, to the extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the Patriot Act. Neither Tenant nor any other person owning a direct or indirect, legal, or beneficial interest in Tenant is in violation of the Executive Order or the Patriot Act. Neither Tenant nor any of its respective constituents, investors (direct or indirect and whether or not holding a legal or beneficial interest), or affiliates, acting or benefiting, directly or indirectly, in any capacity in connection with Landlord and/or the Marina or this Agreement or any of the transactions contemplated hereby or thereby, is: (1) listed in the Annex to, or otherwise subject to the provisions of, that certain Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (the “**Executive Order**”); (2) named as a “specifically designated national (SDN)” on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website (<http://www.treas.gov/ofac/t11sdn.pdf>) or at any replacement website or other replacement official publication of such list or that is named on any other Governmental Authority list issued post 9/11/01; (3) acting, directly or indirectly for terrorist organizations or narcotics traffickers, including those persons that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Financial Action Task Force on Money Laundering, U.S. Office of Foreign Assets Control, U.S. Securities and Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, all as may be amended or superseded from time to time; or (4) owned or controlled by, or acting for or on behalf of, any person described in clauses (1), (2), or (3) above (a “**Prohibited Person**”). None of the funds or other assets of the Tenant constitute property of, or are beneficially owned, directly or indirectly, by any person, entity, or government subject to trade restrictions under U.S. Law, including but not limited to: (x) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq.*; (y) The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*; and (z) any Executive Orders or regulations promulgated thereunder, with the result that a sale by Tenant or other Persons (whether directly or indirectly), is prohibited by law (an “**Embargoed Person**”). No Embargoed Person has any

interest of any nature whatsoever in Tenant (whether directly or indirectly); and none of the funds of Tenant have been derived from any unlawful activity with the result that an investment in Tenant (whether directly or indirectly) or a sale by Tenant that is prohibited by Law, or that execution, delivery, and performance of this Lease or any of the transactions or other documents contemplated hereby or thereby is in violation of Law.

ARTICLE XXVII EXTENSION TERM

Section 27.01 Extension Term. Not more than twenty-four (24) months and not less than twelve (12) months prior to the expiration of the Primary Lease Term, Landlord shall provide written notice to Tenant indicating whether Landlord intends to redevelop the Premises or use the Premises for any purpose other than the Permitted Use following the expiration of the Primary Lease Term (“**Landlord Redevelopment Notice**”). If the Landlord Redevelopment Notice indicates that Landlord does not plan to redevelop the Premises or to use the Premises for a purpose other than the Permitted Use following the expiration of the Primary Lease Term, Tenant shall have the right to extend the Term of this Lease (the “**Lease Extension**”) for an additional term (“**Extension Term**”) commencing on the day following the expiration of the Primary Lease Term, provided that each of the following occurs:

- (a) Landlord receives initial notice of the exercise of the Lease Extension (“**Initial Extension Notice**”) not more than twelve (12) months and not less than one hundred eighty (180) days prior to the Expiration Date of the Primary Lease Term;
- (b) No Event of Default exists at the time Tenant delivers its Initial Extension Notice, at the time Tenant delivers its Binding Extension Notice, or at the commencement of the Extension Term;
- (c) This Lease has not been assigned by Tenant prior to the commencement of the Extension Term; and
- (d) Landlord and Tenant have agreed upon the length of the Extension Term.

Section 27.02 Rent Payable During the Extension Term.

- (a) The Base Rent payable during the Extension Term shall equal the greater of: (i) the annual Base Rent payable immediately prior to the commencement of the Extension Term; or (ii) the then Prevailing Market Rental Rate for the Premises.
- (b) Tenant shall pay Percentage Rent to Landlord during the Extension Term as provided in this Lease.
- (c) Tenant shall pay Additional Rent during the Extension Term as provided in this Lease.

Section 27.03 Binding Extension Notice/Rejection Notice.

(a) Within thirty (30) days after receipt of the Initial Extension Notice, Landlord shall advise Tenant of its initial determination of the Prevailing Market Rental Rate payable as Base Rent for the Extension Term. Tenant shall, within ten (10) days after the date on which Landlord advises Tenant of its initial determination of the Prevailing Market Rental Rate payable as Base Rent for the Extension Term, either: (i) give Landlord final binding written notice (“**Binding Extension Notice**”) of its election to exercise the Lease Extension; or (ii) if Tenant disagrees with Landlord’s determination of the applicable Base Rent for the Extension Term, provide Landlord with written notice of rejection (“**Rejection Notice**”). If Tenant fails to provide Landlord with either a Binding Extension Notice or a Rejection Notice within such 10-day period, Tenant’s Initial Extension Notice shall be null and void and of no further force and effect.

(b) If Tenant provides Landlord with a Binding Extension Notice, Landlord and Tenant shall enter into a Lease Extension Amendment prepared by Landlord upon the terms and conditions set forth herein. If Tenant provides Landlord with a Rejection Notice, Landlord and Tenant shall work together in good faith to agree upon the Prevailing Market Rental Rate payable as Base Rent during the Extension Term. Upon agreement upon such Prevailing Market Rental Rate payable as Base Rent during the Extension Term, Tenant shall provide Landlord with a Binding Extension Notice and Landlord and Tenant shall enter into the Lease Extension Amendment in accordance with the terms and conditions hereof. Notwithstanding the foregoing, if Landlord and Tenant are unable to agree upon the Prevailing Market Rental Rate payable as Base Rent during the Extension Term within thirty (30) days after the date on which Tenant provides Landlord with a Rejection Notice, Landlord and Tenant agree to obtain an appraisal to determine the Prevailing Market Rental Rate in accordance with the terms and conditions contained in Section 27.03(c) below.

(c) If Landlord and Tenant are unable to agree upon the Prevailing Market Rental Rate within thirty (30) days after the date on which Tenant provides Landlord with a Rejection Notice, Landlord and Tenant each shall, within ten (10) Business Days following Landlord’s receipt of the Rejection Notice, select a Qualified Appraiser. Landlord’s Qualified Appraiser and Tenant’s Qualified Appraiser shall then, within ten (10) Business Days following their appointment, designate a third Qualified Appraiser. If Landlord’s Qualified Appraiser and Tenant’s Qualified Appraiser cannot agree on the third Qualified Appraiser within the 10-Business Day period, Landlord and Tenant shall promptly make application to a court of competent jurisdiction seated in the county in which the Premises is located, to name the third Qualified Appraiser. The three (3) Qualified Appraisers shall determine the Prevailing Market Rental Rate payable as Base Rent during the Extension Term and notify Landlord and Tenant of their determination within thirty (30) days following the appointment of the third Qualified Appraiser. The decision of a majority of the three Qualified Appraiser, acting as experts and not as arbitrators, shall be binding and conclusive on the parties. Landlord and Tenant shall each be responsible for the costs of expenses of their own Qualified Appraiser and shall each be responsible for one-half (1/2) of the costs and expenses incurred by the third Qualified Appraiser.

(d) If Tenant is entitled to and properly elected to exercise the Lease Extension, Landlord shall prepare an amendment (“**Lease Extension Amendment**”) to reflect the changes in the Base Rent, the Expiration Date, and other appropriate terms subject to Tenant’s reasonable approval. At Landlord’s election, the valid election by Tenant to exercise the Lease Extension shall be fully effective whether or not the Lease Extension Amendment is executed. The renewal rights of Tenant hereunder shall not be severable from this Lease and are personal to the tenant originally named in this Lease.

Section 27.04 Prevailing Market Rental Rate. For purposes hereof, “**Prevailing Market Rental Rate**” shall mean the arm’s-length fair market annual rental rate under renewal leases entered into on or about the date on which the Prevailing Market Rental Rate is being determined hereunder for space comparable to the Premises in the Marina and in buildings comparable to the Building. The determination of the Prevailing Market Rental Rate shall take into account any material economic differences between the terms of this Lease and any comparison lease, such as rent abatements, construction costs, other concessions, and the manner, if any, in which the landlord under any such lease is reimbursed for operating expenses and taxes. The determination of the Prevailing Market Rental Rate shall also take into consideration any reasonably anticipated changes in the Prevailing Market Rental Rate from the time such Prevailing Market Rental Rate is being determined and the time such Prevailing Market Rental Rate will become effective under this Lease.

*******Remainder of Page Intentionally Left Blank*******

[Signatures on Following Page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the Commencement Date.

LANDLORD:

CITY OF ISLE OF PALMS,
a political subdivision of the State
of South Carolina

Witness

By: _____
Name: _____
Title: _____

TENANT:

MARKER116, LLC
a South Carolina limited liability company

Witness

By: _____
Name: Dave Lorenz
Title: Authorized Member

EXHIBIT A

Legal Description of the Land

ALL that certain piece, parcel or tract of land, with the buildings and improvements thereon, situate, lying and being in the City of Isle of Palms, Charleston County, South Carolina, being shown and designated as "Tract 1", containing 5.55 acres, on a plat made by E. M. Seabrook, Jr., Inc., Civil Engineer and Land Surveyor, dated January 5, 1977, and duly recorded at the Charleston County R.M.C. Office on April 27, 1977, in Plat Book AH, at Page 100; said property having such actual size, shape, dimensions, buttings and boundings, more or less, as appear on said plat, reference to which is hereby craved for a more full and complete description thereof.

SUBJECT to all applicable easements and restrictions of record.

BEING the same property conveyed to the Grantor herein by deed of The Beach Co., a South Carolina Corporation, dated April 11, 1988, and recorded at the Charleston County R.M.C. Office on April 11, 1988, in Book V173, at Page 248.

T.M.S. Nos. 571-08-00-007 and 571-08-00-167

EXHIBIT B
Site Plan of Premises

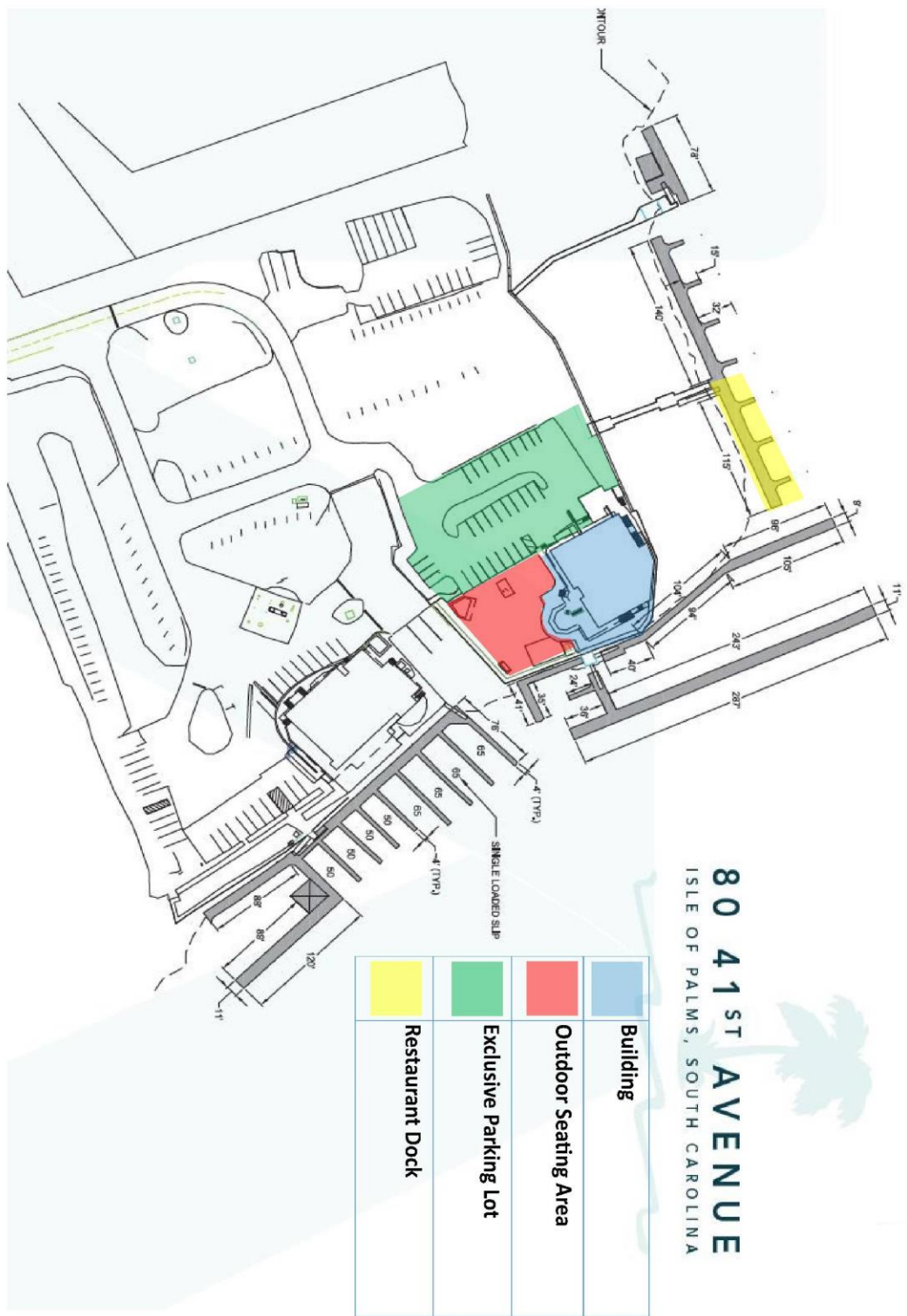


EXHIBIT C
Parking Plan

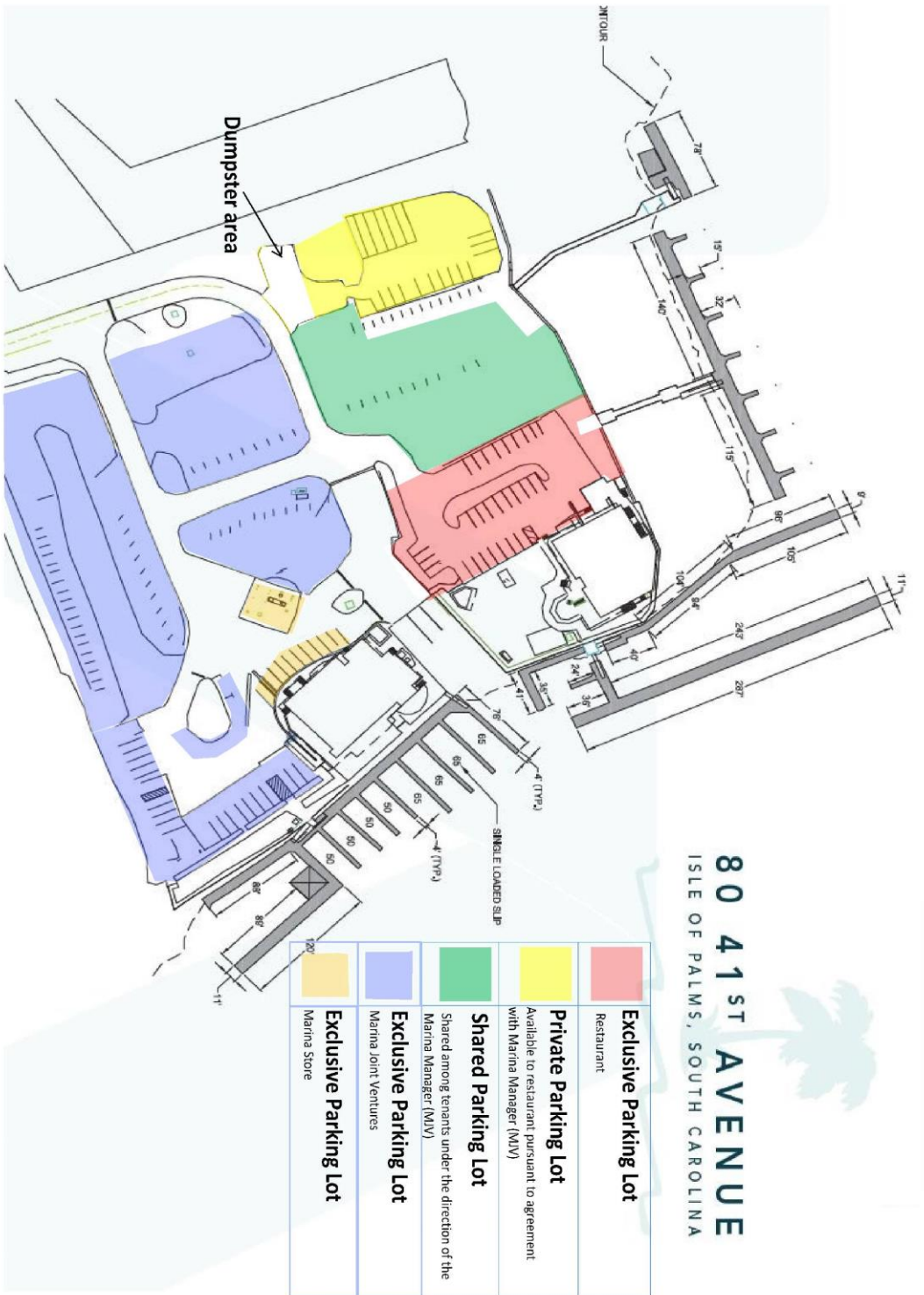


EXHIBIT D
Restaurant Rider

THIS RESTAURANT RIDER IS ATTACHED TO AND FORMS A PART OF THAT CERTAIN RESTAURANT LEASE DATED November ____, 2020 (THE "LEASE"), BY AND BETWEEN **CITY OF ISLE OF PALMS**, A POLITICAL SUBDIVISION OF THE STATE OF SOUTH CAROLINA ("LANDLORD") AND **MARKER116, LLC**, a South Carolina limited liability company ("TENANT"), LEASING THAT CERTAIN PREMISES, AS MORE PARTICULARLY DESCRIBED THEREIN. IF THERE ARE ANY INCONSISTENCIES BETWEEN THE TERMS AND PROVISIONS OF THE RESTAURANT LEASE AND THIS RESTAURANT RIDER, THE TERMS AND PROVISIONS OF THIS RESTAURANT RIDER SHALL PREVAIL.

1. **Food and Beverage Preparation Permitted.** Tenant shall be permitted to prepare and sell all food, alcoholic beverages, including beer, wine and liquor, and other items as may be permitted in the Lease.

2. **Exhaust Systems; Cleaning and Degreasing.** Tenant shall, at its sole cost and expense, prior to opening for business in the Premises and at all times thereafter during the Term, provide the necessary exhaust fans and systems, ductwork, and venting to ensure that all smoke, odors, vapors, and steam are properly exhausted from the Building. Such systems shall be installed so as to prevent the discharge of smoke, odors, vapors, and steam into the Building or into spaces leased to others and to avoid the likelihood that such smoke, odors, vapors, and steam will be retained in the Building or in spaces leased by others. Tenant's exhaust or venting systems shall include fire prevention and/or extinguishment facilities or systems as may be reasonably required from time to time in view of Tenant's methods and volume of cooking and other food and beverage preparation. This shall be in addition to any sprinkler or other fire protection facilities installed in the Premises.

No exhaust vents, flues, pipes, or other outlets shall be installed through the walls, floor, or ceiling of the Building (including but not limited to the exterior walls or the roof of the Building) without the written consent of Landlord as to the location, construction, and appearance thereof. Landlord may require that Tenant's exhaust system(s) be connected to pipes, stacks, flues, vents, or other facilities located outside the Premises and intended for use by Tenant and other food preparation facilities in the Building. In such event, Tenant shall provide the necessary pipes, vents, ductwork, and other facilities to connect Tenant's exhaust system thereto. Landlord shall not, by its approval of the location, construction, or appearance of any of Tenant's exhaust system or facilities in the Building, be deemed to have represented that such systems are adequate or that the same comply with any applicable law, ordinance, or regulation, nor shall such approval be deemed a waiver by Landlord of the right to require that Tenant modify such systems or facilities or add other or additional such systems or facilities in order to prevent the discharge of smoke, odors, vapors, and steam into the Building or into spaces leased to others or to avoid such smoke, odors, vapors, and steam being retained in the Building or in spaces leased to others. Tenant shall regularly and adequately clean or provide for the cleaning of all exhaust and venting systems serving the Premises. This cleaning shall include degreasing of all hoods, fans, vents, pipes, flues, grease traps and other areas of such systems subject to grease

buildup. Tenant shall provide to Landlord, upon demand, reasonable proof that Tenant is doing such cleaning and degreasing or causing it to be done. In the event that Tenant shall refuse or fail to clean and degrease such systems or not arrange for the cleaning and degreasing of such systems, then Landlord may arrange for the cleaning and degreasing thereof (provided Tenant shall have had thirty (30) days' prior written notice to cure same), and Tenant shall pay the cost thereof plus an administrative charge equal to ten percent (10%) of the cost thereof upon demand as Additional Rent.

3. **Exterminating.** Tenant shall, at its sole cost and expense, engage professional exterminators to service the Premises, including but not limited to all food preparation and food storage areas, at such frequency and to the extent necessary to keep the Premises and the Marina free of insects, rodents, vermin, and other pests. Tenant shall provide to Landlord, upon demand, reasonable proof that Tenant is causing such exterminating to be regularly performed. In the event that Tenant shall refuse or fail to have such exterminating regularly performed, then Landlord may arrange for such work to be done (provided Tenant shall have had thirty (30) days' prior written notice to cure same), and Tenant shall pay the entire cost thereof plus an administrative charge equal to ten percent (10%) of the cost thereof.

4. **Sewers and Catch Basins.** Tenant shall, at its sole cost and expense, prior to opening for business in the Premises and at all times thereafter during the Term, provide the necessary piping and connections to the existing grease trap located within the Building, catch basins, and other facilities for the removal of all waste liquids from the Premises in compliance with all applicable codes and ordinances of the City of Isle of Palms and all other governmental authorities having jurisdiction. Such facilities shall be connected to the sewers and mains provided by Landlord, and shall be constructed so as to prevent the backing up or discharge of any such waste liquids into the Building, into spaces leased to others, or into any other portion of the Marina.

No pipes, connections, grease traps, catch basins, or other facilities shall be installed through the walls, floor, or ceiling of the Building (including but not limited to the exterior walls or the foundation of the Building) without the written consent of Landlord as to the location and construction thereof, the consent of which shall not be unreasonably withheld, conditioned or delayed. Landlord may require that Tenant's facilities be connected to pipes, risers, catch basins, or other facilities located outside the Premises. In such event, Tenant shall provide the necessary pipes, connections, and other facilities to connect Tenant's facilities thereto. Landlord shall not, by its approval of the location or construction of any of Tenant's waste liquid disposal facilities, be deemed to have represented that such facilities are adequate or that the same comply with any applicable Law, ordinance, or regulation, nor shall such approval be deemed a waiver by Landlord of the right to require that Tenant modify such facilities or add other or additional facilities to provide adequate waste liquid removal capacity for Tenant's use of the Premises or in order to prevent the discharge of such waste liquids or odors therefrom into the Building, into spaces leased to others, or into any other portion of the Marina.

Tenant shall not dispose of waste grease, oil, or other materials which tend to cause clogging or blockage of pipes and drains (hereinafter collectively referred to as "grease") by pouring or permitting the same to flow into any drains or pipes. In the event that Tenant shall do so, Tenant shall reimburse Landlord for the entire cost of cleaning of all drains, pipes, sewers, or other waste liquid disposal facilities damaged thereby plus an administrative charge equal to ten percent (10%) of the cost thereof upon demand as Additional Rent (provided Tenant shall have

thirty (30) days' prior written notice to cure same). For this purpose, the term "cleaning" shall be deemed to include the replacement of all or any portion of the waste liquid disposal facilities necessitated by Tenant's improper disposal of grease.

Tenant shall regularly and adequately clean or provide for the cleaning of all grease traps, catch basins, and similar facilities serving the Premises. Tenant shall not use any chemicals or other cleaning methods which could damage the drainpipes or other portions of the drainage and/or sewer system in the Premises, the Building, or the Marina. Tenant shall provide to Landlord, upon demand, reasonable proof that Tenant is regularly doing such cleaning or causing it to be done. In the event that Tenant shall refuse or fail to regularly clean or arrange for the regular cleaning of such facilities, then Landlord may arrange for the cleaning thereof (provided Tenant shall have had thirty (30) days' prior written notice to cure same), and Tenant shall pay the entire cost thereof plus an administrative charge equal to ten percent (10%) of the cost thereof upon demand as Additional Rent. Landlord shall not be liable to Tenant for any loss or damage that may accrue to Tenant's stock in trade or business by reason thereof, including but not limited to any loss of revenues resulting from any required limitation or cessation of Tenant's business while such cleaning is performed or as a result thereof. Landlord's performance of such cleaning work shall not release Tenant from Tenant's obligations hereunder nor shall the same be deemed to be a waiver by Landlord of Tenant's default for the failure to perform such cleaning.

5. **Equipment.** All equipment installed or used by Tenant in the Premises shall be properly installed and, where necessary, with adequate electrical wiring in conformity with the recommendations of the manufacturers thereof and with all applicable codes and ordinances. All electrical equipment shall have been tested and approved by the Underwriter's Laboratory or similar safety testing organization licensed in the State. No equipment shall be used by Tenant in the Premises unless and until such equipment and the installation thereof has been inspected and approved by the departments or bureaus of the City of Isle of Palms and other governmental authorities having jurisdiction and unless, until and only for so long as all necessary permits and authorizations for the use and/or operation thereof have been obtained by Tenant from such authorities at Tenant's sole cost and expense.

6. **Serving of Liquor.** If Tenant's Permitted Use of the Premises includes the serving of alcoholic beverages, Tenant agrees that:

- a. No person shall be served or continue to be served any alcoholic beverages who, in the reasonable judgment of Tenant or its employees, appears to be intoxicated;
- b. It will not serve alcoholic beverages for off-premises consumption and will use its best efforts to ensure that its customers do not carry such beverages outside of the Premises or the Outdoor Seating Area;
- c. It will comply with all applicable codes and ordinances from time to time in effect regarding the serving of alcoholic beverages, including but not limited to restrictions as to the serving of alcoholic beverage to minors, the age of persons serving alcoholic beverages, and the hours and days during which such beverages may be served (for purposes of this Section 6, the "Alcoholic Beverage Service"), and Tenant shall not be unreasonably restricted or limited from engaging in Alcoholic Beverage Service that is not equally applied to other businesses located on the Isle of Palms;

- d. It will at all times, at Tenant's sole cost and expense, obtain and keep in full force and effect all necessary licenses, permits, authorizations, and approvals from all governmental authorities having jurisdiction in respect to the serving of alcoholic beverages;
- e. It will hold Landlord, Landlord's beneficiaries, and their respective agents harmless from and indemnify them against any and all liability, loss, cost, damage and/or expense (including reasonable attorneys' fees and expenses) of any kind or nature whatsoever, including but not limited to that resulting from any injury to or death of any persons or damage to or loss of property, by reason of or in any way relating to Tenant's serving of alcoholic beverages in the Premises, including but not limited to liability under any Liquor Control Laws, host liquor laws, or similar laws, statutes, or ordinances, whether now in effect or hereafter adopted by the State of South Carolina, County of Charleston, the City of Isle of Palms or any other governmental authority having jurisdiction.

7. **Cleaning and Maintenance.** Tenant shall clean and maintain all space within the Premises every day it operates business at the Premises. Tenant agrees to clean and maintain the Premises in accordance with the reasonable standards maintained by Landlord in public areas of the Marina. Tenant shall clean the interior and exterior window and door glass surfaces of the Premises. Tenant shall also replace lamps and ballasts in the lighting fixtures within the Premises.

8. **Deliveries.** Tenant agrees that:

- a. Tenant, in Tenant's complete and sole discretion, shall be expressly authorized to allow vendors to drop off deliveries at certain times of the day and during which times that Tenant's employees may not be on site. This is generally done by having "key drop" locations in which these authorized vendors can access the specific parts of the Building in which the deliveries need to be made;
- b. It will not permit any goods or merchandise to remain in, on, or near any doorways, loading docks, receiving areas, or other portions of the Marina; any goods or merchandise remaining in such areas shall be deemed to be trash and may be disposed of by Landlord in such manner as Landlord may deem advisable and without liability to Tenant therefor;
- c. It will require that all purveyors with whom Tenant does business adequately and securely package all goods and merchandise to prevent any leaking, spilling, spoilage, odors, or infestation;
- d. If any leaking or spilling shall occur or if any goods and/or merchandise shall fall out of any containers or packages, Tenant shall be responsible for and shall immediately cause the same to be cleaned and removed and tenant shall restore any damage to the Common Areas that may result therefrom; and
- e. It will immediately transfer all goods and merchandise received to the Premises and properly store the same in the Premises to retard any spoilage thereof, to prevent any odors emanating therefrom, and to prevent the infestation thereof.

9. **Trash Removal.** Tenant agrees that Tenant shall store all trash and other waste within in the Premises in odor and vermin proof containers, such containers to be kept in

temperature-controlled areas of the Premises not visible to members of the public. Tenant shall, at Tenant's expense, attend to the frequent disposal of such trash and other waste in commercial trash receptacles to be placed in such area along 41st Avenue within or in reasonable proximity to the Marina as may be designated by Landlord. Tenant understands and agrees that because trash removal must be done using the corridors and other areas of the Building or the Marina which are open to the public, trash removal must be done by Tenant using containers approved by Landlord at such times and in such manner as Landlord may direct. Tenant further understands and agrees that because of the unique nature of Tenant's business the rules and regulations may be different than those which apply to trash removal by other tenants in the Marina.

10. **Intentionally Omitted.**

11. **Provision of Special Areas Within the Premises.** Tenant agrees to provide within the Premises adequate customer waiting areas, washrooms, employee changing areas, locker facilities, and other special areas necessary for the proper conduct of Tenant's business. In no event shall Tenant permit its employees to use any portion of the Common Areas of the Marina, including but not limited to the public washrooms located therein, for the changing of clothes or for the storage of their personal effects nor shall Tenant permit its employees to loiter at the entrance to the Premises or in the Common Areas of the Marina.

12. **Employee Attire.** The workplace attire for Tenant's employees serving the public or those visible to the public shall not be vulgar, obscene, or lewd.

13. **Valet Parking.** Tenant desires to provide for the valet parking of automobiles for its customers, such valet parking service is approved by Landlord; however, such valet services shall be provided at Tenant's sole cost and expense. Prior to instituting any valet parking service, Tenant shall notify Landlord in writing, giving Landlord adequate details as to the manner in which such service would be provided.

EXHIBIT E
Work Letter

WORK LETTER

THIS WORK LETTER (this “**Work Letter**”) is attached to and incorporated into that certain Lease dated the [DAY] day of [MONTH], [YEAR], by and between [LANDLORD NAME] (“**Landlord**”) and [TENANT NAME] (“**Tenant**”) (the “**Lease**”). Supplementing the provisions of the Lease, but without limiting those provisions, Landlord and Tenant agree as follows with respect to the Initial Tenant Improvements to be installed in the Premises.

1. **Purpose.** This Work Letter establishes responsibilities for the design and construction of the Initial Tenant Improvements as well as the allocation of the costs of the Initial Tenant Improvements. The terms, conditions, and requirements of the Lease, except where clearly inconsistent or inapplicable to this Work Letter, are incorporated into this Work Letter.

2. **Definitions.** The following defined terms shall have the meaning set forth below and, unless provided to the contrary herein, the remaining defined terms shall have the meaning set forth in the Lease:

(a) “**Approved Design and Construction Schedule**” shall have the meaning set forth in Section 4 hereof.

(b) “**Approved Working Drawings**” shall have the meaning set forth in Section 6(b) hereof.

(c) “**Base Building**” shall mean the improvements made and work performed during the Building’s initial course of construction and modifications thereto, excluding all original and modified build-outs of any tenant spaces.

(d) “**Base Building System(s)**” shall mean the structural portions of the Building, the public restrooms, elevators, the Building HVAC, mechanical, electrical, plumbing, and fire and life safety systems and equipment (including, but not limited to, the fire alarm and fire sprinklers) located in the internal core of the Building on the floor on which the Premises is located.

(e) “**Cost Proposal**” shall have the meaning set forth in Section 7(a) hereof.

(f) “**Days**” shall mean, unless otherwise indicated, calendar days.

(g) “**Deliver**” or “**Delivery**” shall have the meaning set forth in Section 3(a) hereof.

(h) “**Delivery Conditions**” shall mean the Premises are free of all tenancies and shall be Delivered in its current “as built” configuration with any existing build-out of the tenant space, with the Premises (including the Base Building) in their “AS IS”

condition, without any express or implied representations or warranties of any kind by Landlord or any Landlord Party, except as otherwise set forth in the Lease.

(i) **“Delivery Date”** shall have the meaning set forth in Section 3 hereof.

(j) **“Initial Tenant Improvements”** shall mean the leasehold improvements to the Premises to be made by Tenant pursuant to the terms, provisions, and requirements of this Work Letter.

(k) **“Landlord Party” or “Landlord Parties”** shall mean Landlord, or any of its agents, employees, or contractors.

(l) **“Material Building Impact”** shall mean that a proposed improvement: (i) adversely affects the structural integrity of the Building, including applicable floor loading capacity; (ii) adversely affects any of the Base Building Systems, the Common Areas, or any other tenant space (whether or not currently occupied); (iii) fails to fully comply with Laws, or (iv) affects the exterior appearance of the Building (except as otherwise permitted under the Lease).

(m) **“Permits”** shall have the meaning set forth in Section 8(a) hereof.

(n) **“Proposed Design and Construction Schedule”** shall have the meaning set forth in Section 4 hereof.

(o) **“Punch List Work”** shall mean those minor corrections of construction or decoration details, and minor mechanical adjustments, that are required to cause any applicable portion of the Initial Tenant Improvements as constructed to conform to the Approved Working Drawings in all material respects and that do not materially interfere with Tenant’s use or occupancy of the Building and the Premises.

(p) **“Substantial Completion”** of the Initial Tenant Improvements shall be deemed to have occurred on the date that: (i) a Tenant Professional and Tenant’s Contractor certify to Landlord that all Tenant Work has been performed in accordance with the Approved Working Drawings and this Work Letter, other than any Punch List Work; and (ii) Tenant has obtained and delivered to Landlord a permanent or temporary certificate of occupancy with respect to the Premises.

(q) **“Tenant Party”** shall mean any employees, agents, contractors, consultants, subcontractors, mechanics, suppliers, and invitees of Tenant, whether or not directly employed by Tenant, each of whom shall be reasonably approved by Landlord before they may work in the Building.

(r) **“Tenant Work”** shall mean all work necessary and appropriate to complete the Initial Tenant Improvements in accordance with this Work Letter and the Lease.

(s) **“Tenant’s Contractor”** shall have the meaning set forth in Section 5(b).

(t) **“Tenant’s Professionals”** shall have the meaning set forth in Section 5(a).

(u) **“Tenant’s Representative”** shall mean Dave Lorenz or Jon Bushnell (either such individual acting alone), as the only persons authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry, or other communication from or on behalf of Tenant in connection with this Work Letter unless such communication is in writing from Tenant’s Representative. Tenant may change the Tenant’s Representative at any time upon not less than five (5) days’ advance written notice to Landlord.

(v) **“Working Drawings”** shall have the meaning set forth in Section 6(a) hereof.

3. **Delivery of the Premises.** Landlord shall use commercially reasonable efforts to deliver the Premises to Tenant (**“Delivery”** or **“Deliver”**) for construction of the Initial Tenant Improvements pursuant to this Work Letter on or before the Commencement Date (and the date upon which the Premises are Delivered to Tenant shall be the **“Delivery Date”**). On the Delivery Date, the Premises shall satisfy the Delivery Conditions. Landlord shall not have any obligation to construct or install any tenant improvements or alterations or to pay for any such construction or installation except to the extent expressly provided in this Work Letter or in the Lease.

4. **Schedule.** Within thirty (30) days after the Delivery Date, Tenant shall deliver to Landlord a schedule showing a proposed timetable for the planning, permitting, bidding, construction, and Substantial Completion of the Initial Tenant Improvements (**“Proposed Design and Construction Schedule”**). Landlord has the right to approve or disapprove the Proposed Design and Construction Schedule, such approval not to be unreasonably withheld, conditioned, or delayed. Tenant shall revise the Proposed Design and Construction Schedule to incorporate changes reasonably requested by Landlord. Upon Landlord’s and Tenant’s approval of the Proposed Design and Construction Schedule, including any agreed changes pursuant to Section 9, the same shall be known as the **“Approved Design and Construction Schedule”**.

5. **Tenant’s Professionals and Contractors.**

(a) Tenant shall appoint architects, engineers, space planners, and other professionals necessary or appropriate to design the Initial Tenant Improvements (**“Tenant’s Professionals”**), which appointments shall be subject to Landlord’s prior approval, not to be unreasonably withheld, conditioned, or delayed.

(b) Tenant shall select a contractor to construct the Initial Tenant Improvements in accordance with the Approved Working Drawings and the Approved Design and Construction Schedule (**“Tenant’s Contractor”**), which selection shall be subject to Landlord’s prior approval, not to be unreasonably withheld, conditioned, or delayed. Landlord may reasonably withhold approval of a contractor that: (i) does not have trade references reasonably acceptable to Landlord; (ii) does not maintain insurance as required pursuant to the terms of the Lease; (iii) does not have the ability to be bonded for the Tenant Work; or (iv) is not licensed as a contractor in the state and municipality in which the Premises is located. Further, Tenant shall provide Landlord with a list of all

proposed subcontractors, and Landlord shall have the right to reasonably approve or disapprove all proposed subcontractors. Tenant shall ensure that the Tenant's Contractor only contracts with the subcontractors and suppliers approved in writing by both Landlord and Tenant.

6. **Plan Approval.**

(a) Promptly following the execution of the Lease, Tenant shall cause the Tenant's Professionals to prepare and deliver to Landlord detailed specifications and engineered working drawings for the Initial Tenant Improvements shown on the Space Plan (the "**Working Drawings**"). Tenant shall be solely responsible for ensuring that the Working Drawings reflect Tenant's requirements for the Initial Tenant Improvements.

(b) Landlord shall approve or disapprove the Working Drawings within thirty (30) days after receipt, such approval not to be unreasonable withheld, conditioned, or delayed, provided that Landlord may disapprove the Working Drawings in its sole discretion if and to the extent such Working Drawings have a Material Building Impact. Landlord shall deliver to Tenant, within such thirty (30) day period, specific revisions proposed by Landlord, if any. If any such revisions are timely and properly proposed by Landlord, Tenant shall cause the Tenant's Professionals to revise the Working Drawings to incorporate such revisions and submit the same for Landlord's approval in accordance with the foregoing provisions, and the Parties shall follow the foregoing procedures for approving the Working Drawings until the same are finally approved by Landlord and Tenant. Upon Landlord's and Tenant's approval of the Working Drawings, including any agreed changes pursuant to Section 9 of this Work Letter, the same shall be known as the "**Approved Working Drawings**".

7. **Cost Estimates.**

(a) Before starting construction of the Initial Tenant Improvements, Tenant shall provide Landlord with a cost proposal in accordance with the Approved Working Drawings, which cost proposal shall include, as nearly as possible, the cost of the Tenant Work (the "**Cost Proposal**"). The Cost Proposal shall be provided to Landlord on an open book basis (i.e., Tenant shall make available to Landlord the economic terms of the construction agreement with Tenant's Contractor (including, without limitation, the cost of labor and materials, contractor fees, and permit fees), as well as all bids received by Tenant for the Tenant Work, and reasonable documentation supporting Tenant's estimate of plan preparation costs and all other costs of the Tenant Work).

(b) Within thirty (30) days of the receipt of the Cost Proposal, Landlord shall either: (i) approve the Cost Proposal; or (ii) have a one-time right to disapprove specific items and submit to Tenant revisions to the Approved Working Drawings to reflect deletions of and/or substitutions for such disapproved items. If Tenant agrees to the proposed revisions: (A) Tenant shall have the Working Drawings revised in accordance with the approved revisions; and (B) Tenant shall submit a revised Cost Proposal to Landlord. If any such revisions are timely and properly proposed by Landlord, Tenant shall cause the Tenant's Professionals to revise the Cost Proposal to incorporate such

revisions and submit the same for Landlord's approval in accordance with the foregoing provisions, and the Parties shall follow the foregoing procedures for approving the Cost Proposal until the same are finally approved by Landlord and Tenant.

(c) Upon Landlord's approval of the Cost Proposal, Tenant will have the right to purchase all materials set forth in the Cost Proposal and to promptly commence the construction of the Initial Tenant Improvements in accordance with the Approved Working Drawings.

8. **Permits.**

(a) Tenant shall cause Tenant's Contractor to obtain all applicable building permits and licenses required by all applicable governmental authority for construction of the Initial Tenant Improvements (collectively, the "**Permits**"). Landlord shall reasonably cooperate with Tenant to execute documents and facilitate the application for all Permits. Tenant shall provide Landlord with copies of all Permits upon receipt.

(b) If any governmental authority requires revisions to the Approved Working Drawings, Landlord shall be deemed to have approved any adjustments to the Approved Working Drawings and the Cost Proposal resulting therefrom. If any governmental authority issuing Permits for the construction of the Initial Tenant Improvements shall impose terms or conditions upon the construction thereof that: (i) are inconsistent with Tenant's obligations hereunder; (ii) increase the cost of constructing the Initial Tenant Improvements; or (iii) will materially delay the construction of the Initial Tenant Improvements, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

9. **Changes.** If Tenant wishes to make changes to the Approved Working Drawings or the agreed Cost Proposal, Tenant shall request such changes in writing and detailing the nature and extent of any such change, including any changes to the Approved Design and Construction Schedule. Landlord shall not unreasonably withhold or delay its consent to a change, provided that: (a) if Tenant proposes a change that would directly or indirectly delay the Substantial Completion of the Initial Tenant Improvements, Landlord shall not be obligated to approve such change unless Tenant confirms in writing that such delay shall not postpone the Rent Commencement Date; and (b) if Tenant requests a change to the Approved Working Drawings that increases the agreed Cost Proposal, Landlord shall not be obligated to approve such change unless Tenant agrees in writing to pay any such increase in costs in accordance with Section 11 of this Work Letter. If any of the Permits must be modified or replaced as a result of such change, Tenant shall promptly provide Landlord with a copy of such modified or replaced Permits.

10. **Performance of the Tenant Work.**

(a) Promptly after issuance of the Permits, Tenant shall diligently and continuously perform the Tenant Work to achieve Substantial Completion in full compliance with the Approved Working Drawings, the Approved Design and Construction Schedule, and this Work Letter.

(b) Tenant shall perform the Tenant Work in a safe and lawful manner. Tenant shall comply with all applicable Laws and all Permits issued in connection with the performance of the Tenant Work. Any portion of the Initial Tenant Improvements which is not acceptable to any applicable governmental body, agency, or department shall be promptly repaired or replaced by Tenant.

(c) Before starting the Tenant Work, Tenant shall deliver to Landlord certificates of insurance from Tenant's Contractor evidencing the liability coverages required for all contractors pursuant to the terms, provisions, and requirements of the Lease.

(d) Within ten (10) days after Substantial Completion of the Tenant Work, Tenant's Representative and Landlord will conduct a walk-through inspection of the Premises and shall agree on a written list of Punch-List Work, which Tenant will thereafter diligently complete.

11. **Cost Allocation.** Tenant shall be solely responsible for all costs and expenses of the Tenant Work. Landlord shall not be obligated to provide any allowance or reimbursement for any costs or expenses incurred by Tenant for the Tenant Work.

12. **Miscellaneous.**

(a) Tenant shall not allow the Initial Tenant Improvements or the Building or any portion thereof to be subjected to any mechanic's, materialmen's, other liens, or encumbrances arising out of the performance of the Tenant Work.

(b) Subject to the terms of the Lease regarding insurance and waiver of subrogation, Tenant hereby indemnifies and agrees to defend and hold Landlord and all Landlord Parties harmless from and against any and all suits, claims, actions, losses, costs, or expenses of any nature whatsoever, together with reasonable attorneys' fees for counsel of Landlord's choice, arising out of or in connection with the Tenant Work (including, but not limited to, claims for breach of warranty, worker's compensation, personal injury, or property damage, and any materialmen's and mechanic's liens); provided, however, such indemnity obligation of Tenant shall not apply to the extent such claims, actions, losses, costs, or expenses arise due to the negligence or willful misconduct of Landlord or any Landlord Party.

(c) All Tenant Parties must work in harmony with and shall not interfere with any labor employed by Landlord, Landlord's contractors, or by any other tenant or its contractors with respect to the any portion of the Property. Landlord agrees to reasonably cooperate with Tenant's completion of the Tenant Improvements including, without limitation, the operation of the Building and the orderly scheduling of maintenance and repairs in effort to avoid or minimize any interference therewith.

(d) Nothing herein contained shall be construed as (i) constituting Tenant as Landlord's agent for any purpose whatsoever, or (ii) a waiver by Landlord or Tenant of any of the terms or provisions of the Lease. Any default by Tenant following the giving of notice and the passage of any applicable cure period with respect to any portion of this

Work Letter shall be deemed a breach of the Lease for which Landlord shall have all the rights and remedies as in the case of a breach of said Lease.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Work Letter as of the date set out above.

[LANDLORD NAME], a[n] [STATE OF ORGANIZATION] [ENTITY TYPE]

By_____

Name:

Title:

[TENANT NAME], a[n] [STATE OF ORGANIZATION] [ENTITY TYPE]

By_____

Name:

Title:

EXHIBIT F
Form of Guaranty

This GUARANTY (this “**Guaranty**”), dated as of [MONTH] [DAY], [YEAR] (the “**Effective Date**”), is made in favor of CITY OF ISLE OF PALMS, a political subdivision of the State of South Carolina, having an address at c/o City Administrator, 1207 Palm Boulevard, Isle of Palms, SC 29451 (“**Landlord**”), by [GUARANTOR NAME], having an address at [GUARANTOR ADDRESS] (“**Guarantor**”) (collectively, the “**Parties**” or, individually, a “**Party**”).

WHEREAS, Landlord, as landlord, has entered into that certain Restaurant Lease dated of even date herewith (the “**Lease**”), by and between Landlord and [TENANT NAME], a[n] [STATE OF ORGANIZATION] [ENTITY TYPE], as tenant (“**Tenant**”), with respect to certain property located at 80 41st Avenue, in the City of Isle of Palms, County of Charleston, State of South Carolina (the “**Premises**”);

WHEREAS, Landlord is unwilling to enter into the Lease unless Guarantor absolutely and unconditionally guarantees to Landlord the prompt and unconditional payment and performance of the Guaranteed Obligations, and Guarantor is executing this Guaranty as an inducement to Landlord to enter into the Lease; and

WHEREAS, Guarantor is a principal of Tenant and acknowledges that it will receive substantial benefits from Landlord and Tenant entering into the Lease.

NOW, THEREFORE, in consideration of the Premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor, intending to be legally bound, hereby guarantees as follows:

1. Definitions. Capitalized terms not otherwise defined in this Guaranty shall have the meanings given them in the Lease. In the event of a conflict between capitalized terms defined herein and in the Lease, the Lease shall control.

2. Guaranteed Obligations. Guarantor hereby absolutely, unconditionally, and irrevocably guarantees to Landlord the full and punctual performance by Tenant of all the obligations under the Lease to be performed and observed by Tenant, including without limitation: (a) the payment of Rent and all other sums, costs, expenses, charges, and payments payable by Tenant to Landlord, provided, however the amount of Rent and other sums, costs, expenses, charges, and payments due and owing from Guarantor to Landlord under this Guaranty shall not exceed, in the aggregate, the sum of all Base Rent payable by Tenant during the first three (3) Lease Years; (b) the full and timely payment of all contractors, subcontractors, materialmen, engineers, architects, and other Persons who have rendered or furnished services or materials that are or become a part of the Initial Tenant Improvements; and (c) the substantial completion of the Initial Tenant Improvements to be constructed on the Premises by Tenant in accordance with the Lease (collectively, the “**Guaranteed Obligations**”). This is a Guaranty of payment and performance, and not of collection, and Landlord shall not be obligated to enforce or exhaust its remedies against Tenant before proceeding to enforce this Guaranty.

3. Payment and Performance. Guarantor hereby covenants and agrees that in the event Tenant defaults in the payment or performance, as the case may be, of any of its

obligations under the Lease which constitute the Guaranteed Obligations (or any part thereof) when such payment or performance becomes due, Guarantor shall, thirty (30) days from the date Landlord notifies Guarantor of Tenant's failure to satisfy any of its obligations which constitute Guaranteed Obligations (or any part thereof), at Guarantor's sole cost and expense, pay or perform any such Guaranteed Obligations then due, including, but not limited to, the diligent construction of the Initial Tenant Improvements to substantial completion in accordance with the Lease.

4. Waivers. Guarantor hereby waives: (a) notice of execution and delivery of the Lease; (b) all notices of any default by Tenant under the Lease (except as may be otherwise expressly required herein); (c) any Lease termination notice; (d) all other notices required or permitted to be given under the Lease or otherwise; (e) acceptance and notice of acceptance of this Guaranty; (f) all demands for payment and performance; (g) all defenses other than payment and performance in full; and (h) all suretyship defenses.

5. Direct Guaranty. This Guaranty is a direct guaranty and independent of any security or remedies which Landlord has under any Laws. Landlord may proceed against Guarantor at any time and shall not be obligated, in order to enforce the Guaranteed Obligations, first to institute suit or exhaust its remedies against Tenant or resort to any security or other collateral it may hold. No application of any security or other collateral held by Landlord shall be credited, offset, or applied against any liability of Guarantor under this Guaranty. Guarantor represents, warrants, and agrees that its obligations under this Guaranty are not and shall not be subject to any counterclaims, offsets, or defenses of any kind against Landlord or Tenant whether now existing or which may arise in the future.

6. Cumulative Remedies. The exercise by Landlord of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise by Landlord of any other right or remedy. No termination of the Lease or recovery of the Premises shall deprive Landlord of any of its rights and remedies against Guarantor under this Guaranty.

7. Liability of Guarantor Not Affected. Guarantor's liability under this Guaranty shall not be released, diminished, impaired, reduced, or affected by any one or more of the following events: (a) the taking or accepting of any other security or guaranty for any or all the Guaranteed Obligations; (b) any release, surrender, exchange, subordination, or loss of any security at any time in connection with any or all the Guaranteed Obligations; (c) any delay or failure of Landlord in enforcing any of its rights or remedies under the Lease or any Laws; (d) any waiver, settlement, deferral, or release of Tenant's obligations under the Lease; (e) any accord and satisfaction or any forbearance by Landlord in exercising any of its rights and remedies or by any other action, inaction, or omission by Landlord; (f) the insolvency, bankruptcy, or lack of partnership or corporate power of Tenant, or of any party at any time liable for any or all the Guaranteed Obligations, whether now or existing or hereafter occurring; (g) the existence of any claim, setoff, counterclaim, defense, or other rights that Guarantor may have against Tenant or Landlord, whether in connection with the Premises or any other transaction; (h) any sublease or assignment of the Lease or any assignment of the Guaranteed Obligations or any part thereof; (i) the unenforceability of all or any part of the Guaranteed Obligations against Tenant by reason of the fact that the act of creating the Guaranteed

Obligations, or any part thereof, is ultra vires, or the officers creating same acted in excess of their authority; (j) any payment by Tenant to Landlord in respect of the Guaranteed Obligations is held to constitute a preference under the Bankruptcy Code of the United States (the “Code”) or if any other reason Landlord is required to refund such payment or pay the amount to someone else; or (k) any impairment, modification, release, or limitation of liability of Tenant or its estate in bankruptcy, resulting from the operation of any present or future provision of the Code or from the decision of any court interpreting same.

8. Termination of Guaranty. This Guaranty, including, without all limitation, all Guaranteed Obligations, shall be irrevocably terminated on the date on which Tenant delivers all Construction Completion Deliverables to Landlord in accordance with Section 2.03(c) of the Lease, and the Guarantor’s obligations shall be irrevocably discharged. Upon any termination of this Guaranty, Landlord and Guarantor shall promptly execute a written confirmation of such termination; provided, however, any failure or refusal by Landlord to execute any such confirmation that may be required by Guarantor shall not have any impact upon the effectiveness of the termination.

9. Representations and Warranties of Guarantor. Guarantor represents and warrants that: (a) it will receive a direct or indirect material benefit from the execution and delivery of the Lease; (b) this Guaranty constitutes Guarantor’s valid and legally binding agreement in accordance with its terms; (c) Guarantor’s execution of this Guaranty will not violate any order, judgment, or decree to which Guarantor or any of its assets may be subject; (d) no action, suit, proceeding, or investigation, judicial, administrative or otherwise (including without limitation, any reorganization, bankruptcy, insolvency, or similar proceeding), currently is pending or, to the best of Guarantor’s knowledge, threatened against Guarantor which, either in any one instance or in the aggregate, may have a material adverse effect on Guarantor’s ability to perform its obligations under this Guaranty; and (e) Guarantor is currently solvent and will not be rendered insolvent by providing this Guaranty.

10. Waiver of Subrogation and Subordination. For as long as any amounts are due and owing to Landlord under the Lease, Guarantor shall have no rights (direct or indirect) of subrogation, contribution, reimbursement, indemnification, or other rights of payment or recovery from any person or entity (including without limitation, Tenant) for any payments made by Guarantor hereunder, and Guarantor hereby waives and releases, absolutely and unconditionally, any such rights of subrogation, contribution, reimbursement, indemnification, and other rights of recovery which it may have or hereafter acquire. Until such time as this Guaranty is terminated as provided in Section 8 above, Guarantor: (a) waives to the fullest extent permitted by law any rights that Guarantor may have: (i) against Tenant by reason of one or more payments or acts in compliance with the Guaranteed Obligations hereunder; (ii) to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against Guarantor; and (iii) to presentment for payment, demand, protest, notice of nonpayment, or failure to perform or observe, or of any other proof, notice, or demand (except as may be otherwise expressly required herein); and (b) subordinates any liability or indebtedness of Tenant held by Guarantor to the obligations of Tenant to Landlord under the Lease.

11. Notices. Unless specifically stated otherwise in this Guaranty, all notices, waivers, and demands required or permitted hereunder shall be in writing and delivered to all other Parties

at the addresses set forth , by one of the following methods: (a) hand delivery, whereby delivery is deemed to have occurred at the time of delivery; (b) a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the Business Day following deposit with the courier; (c) registered United States mail, signature required and postage-prepaid, whereby delivery is deemed to have occurred on the third Business Day following deposit with the United States Postal Service; or (d) electronic transmission email provided that the transmission is completed no later than 5:00 p.m. EST on a Business Day and the original also is sent via overnight courier or United States Mail, whereby delivery is deemed to have occurred at the end of the Business Day on which electronic transmission is completed.

To Landlord at: City of Isle of Palms
c/o City Administrator
1207 Palm Boulevard
Isle of Palms, SC 29451
Attn: Desiree Fragoso
Email: desireef@iop.net

To Guarantor at: [NAME]
[ADDRESS]
[EMAIL]

Any Party shall change its address for purposes of this Section 11 by giving written notice as provided in this Section. All notices and demands delivered by a party's attorney on a Party's behalf shall be deemed to have been delivered by said Party. Notices shall be valid only if served in the manner provided in this Section.

12. Enforcement Costs. Guarantor hereby agrees to pay, on written demand by Landlord, all reasonable costs incurred by Landlord in collecting any amount payable under this Guaranty or enforcing or protecting its rights under this Guaranty, in each case whether or not legal proceedings are commenced. Such fees and expenses may include, without limitation, reasonable fees for attorneys and other hired professionals, court fees, costs incurred in connection with pre-trial, trial, and appellate level proceedings (including discovery and expert witnesses), costs incurred in post-judgment collection efforts or in any bankruptcy proceeding. Amounts incurred by Landlord shall be immediately due and payable.

13. Successors and Assigns. This Guaranty is for the benefit of Landlord and its successors, transferees, and assigns. In the event of an assignment by Landlord of the Lease, the rights hereunder may be transferred by Landlord to such successor, transferee, or assign. This Guaranty shall be binding on Guarantor and its heirs, personal representatives, successors, transferees, and assigns. Guarantor may not assign or transfer its rights or obligations hereunder without the express prior written consent of Landlord. Any attempted assignment in violation of this section shall be null and void.

14. Joint and Several Liability. If more than one Person has signed this Guaranty, each of the undersigned shall be jointly and severally liable for all the Guaranteed Obligations herein. Any notice by Landlord to any one of the undersigned Guarantors shall be deemed to be given to all Guarantors and shall have the same force and effect as though given to all Persons constituting Guarantor.

15. Governing Law. THIS GUARANTY SHALL BE GOVERNED BY, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF SOUTH CAROLINA, WITHOUT REGARD TO THE CONFLICTS OR CHOICE OF LAW PRINCIPLES THEREOF. GUARANTOR HEREBY IRREVOCABLY CONSENTS TO THE PERSONAL JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN COUNTY OF CHARLESTON, STATE OF SOUTH CAROLINA IN ANY ACTION, CLAIM, OR OTHER PROCEEDING ARISING OUT OF OR ANY DISPUTE IN CONNECTION WITH THIS GUARANTY. GUARANTOR HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF A SUMMONS AND COMPLAINT AND OTHER PROCESS IN ANY ACTION, CLAIM, OR PROCEEDING BROUGHT BY LANDLORD IN CONNECTION WITH THIS GUARANTY.

16. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, LANDLORD AND GUARANTOR, BY THEIR ACCEPTANCE OF THIS GUARANTY OR THE BENEFITS THEREOF, HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM, OR OTHER PROCEEDING ARISING OUT OF OR ANY DISPUTE IN CONNECTION WITH THIS GUARANTY.

17. Severability. If any provision of this Guaranty is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law: (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of Landlord in order to carry out the intentions of the parties as nearly as may be possible; and (b) the invalidity or unenforceability of any provisions hereof in any jurisdiction shall not affect the invalidity or unenforceability of such provision in any other jurisdiction.

18. Interpretation and Construction. The various headings of this Guaranty are inserted for convenience only and shall not affect the meaning or interpretation of this Guaranty or any provisions hereof. The use of the singular shall be deemed to refer to the plural whenever the context so requires. The use of the masculine, feminine, or neuter genders shall be deemed to refer to another gender wherever the context so requires.

19. Entire Agreement. This Guaranty constitutes the entire agreement between Landlord and Guarantor. No amendment or modification shall be binding unless such amendment or modification is in writing and signed by the party against whom enforcement is sought.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed as of the Effective Date.

GUARANTOR:

[Guarantor Name]

ORDINANCE 2020 - 13

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON) FIFTH AMENDMENT TO COMMERCIAL
) LEASE AGREEMENT

THIS FIFTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT (“Fifth Amendment”) is made and entered into this ____ day of _____, 2020, by and between The City of Isle of Palms, South Carolina (“Landlord”) and Marina Joint Ventures, Inc., a South Carolina Corporation (“Tenant”).

WHEREAS, the Parties have heretofore entered into that certain Commercial Lease with an effective date of September 10, 2009 (the “Lease”) for the lease of certain real property located at Isle of Palms Marina, 41st Avenue, Isle of Palms, SC, as more fully described in said Lease and commonly known as “Isle of Palms Marina,” as amended by that certain Amendment to Commercial Lease Agreement, dated June 2, 2010 (the “First Amendment”), as further amended by the certain Second Amendment to Commercial Lease Agreement, dated April 25, 2012 (the “Second Amendment”), and as further amended by the certain Third Amendment to Commercial Lease Agreement dated July 24, 2012 (the “Third Amendment”), and as further amended by the certain Fourth Amendment to Commercial Lease Agreement dated February 26, 2015, (the “Fourth Amendment”) (the Lease, the First, Second, Third and Fourth Amendments are collectively referred to herein as the “Lease”); and

WHEREAS, Landlord and Tenant desire to further amend the Lease a fifth time as hereinafter set forth.

NOW, THEREFORE, for and in consideration of the Lease and this Fifth Amendment, and other good and valuable consideration in hand paid by each to the other, the parties hereto hereby

agree to amend the Lease as follows:

1. Exhibit I: Page two (2) of Exhibit I is hereby removed and replaced in its entirety with revised page two (2), which depicts an accurate surveyed parking site layout plan, including the areas designated in the Private Parking Agreement between Tenant and Restaurant tenant dated August __, 2020, as “Private Parking,” “Exclusive Parking” and “Shared Parking”.
2. Exhibit IV: Paragraph 22: Paragraph 22 shall be deleted in its entirety and replaced with the following:

Employee Parking On-Site: A Parking Agreement between Tenant and IOP Families was executed on _____, detailing a paid arrangement for designated employee parking associated with the new restaurant site and intended to survive the restaurant’s lease term with the City. This Agreement addresses employee parking needs of the restaurant in exchange for financial consideration. Tenant will not be required to provide free employee parking for the IOP Families Group, or its assignee provided the current parking agreement remains in effect and unaltered in any material respect. Tenant shall be obligated to provide free employee parking for any tenant of the restaurant site or any portion of the restaurant site should the parking agreement terminate prior to January 31, 2045 for any reason. Should the Parking Agreement terminate prior to January 31, 2045, the area designated for this purpose shall revert back to the prior Shared Parking area for all tenants and subtenants.

Tenant will provide employee parking for any other tenant or subtenant of the marina site; the number of employee spaces and rate applied shall be at the discretion of the Tenant.

3. That all other terms and conditions of the Lease, First Amendment, Second Amendment, Third Amendment and Fourth Amendment which are not inconsistent herewith shall remain in full force and effect.

IN WITNESS WHEREOF, the Landlord and Tenant have caused this Fifth Amendment to be duly executed, sealed and delivered, by and through the undersigned agents, as of the date stated above.

WITNESS:

The City of Isle of Palms, S.C., Landlord

By:_____

Title:_____

(as to Landlord)

Marina Joint Ventures Inc., Tenant

By:_____

Title:_____

(as to Tenant)

Exhibit I
(Attach Parking Exhibit)

80 41ST AVENUE
ISLE OF PALMS, SOUTH CAROLINA



	Exclusive Parking Lot Restaurant
	Private Parking Lot Available to restaurant pursuant to agreement with Marina Manager (MJV)
	Shared Parking Lot Shared among tenants under the direction of the Marina Manager (MJV)
	Exclusive Parking Lot Marina Joint Ventures
	Exclusive Parking Lot Marina Store

EMERGENCY ORDINANCE 2020-14

WHEREAS, the 2019 Novel Coronavirus (“COVID-19”) is a respiratory disease that can result in serious illness or death by the SARS-CoV-2 virus, which is a new strain of coronavirus previously unidentified in humans and which can spread from person to person;

WHEREAS, the World Health Organization declared COVID-19 a Public Health Emergency of International Concern on January 30, 2020;

WHEREAS, on March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic; and,

WHEREAS, the Centers for Disease Control and Prevention (the “CDC”) has warned of the high public health threat posed by COVID-19 globally and in the United States;

WHEREAS, on January 31, 2020, the United States Department of Health and Human Services Secretary declared a public health emergency in the United States for COVID-19 under Section 391 of the Public Health Service Act;

WHEREAS, on March 13, 2020, the President of the United States declared that the COVID-19 outbreak in the United States constitutes a national emergency, which began on March 1, 2020;

WHEREAS, also on March 13, 2020, the Governor of the State of South Carolina (the “State”) issued Executive Order 2020-08, declaring a State of Emergency based on a determination that the COVID-19 poses an actual or imminent public health emergency for the State;

WHEREAS, on March 16, 2020, the Mayor of Isle of Palms issued a Proclamation declaring a State of Emergency for the City of Isle of Palms;

WHEREAS, no vaccine or drug is currently available to cure or combat COVID-19; and,

WHEREAS, the City has determined that it is imperative to reduce social transmission in all areas of the City, including the beach;

WHEREAS, the Governor of the State has subsequently declared a continued State of Emergency in Executive Orders 2020-15 (March 28), 2020-23 (April 12), 2020-29 (April 27), 2020-35 (May 12), 2020-38 (May 27), and 2020-40 (June 11); 2020-48 (July 26); 2020-56 (August 25); 2020-62 (September 24); 2020-67 (October 24);

WHEREAS, the City of Isle of Palms Council adopted Emergency Ordinance 2020-10 on June 26, 2020 requiring the use of face coverings in certain circumstances on the Island effective July 1, 2020 and was subsequently extended by Emergency Ordinance 2020-13;

WHEREAS, the State is experiencing a dramatic increase in the number of identified new COVID-19 cases, and as of November 6, 2020, the South Carolina Department of Health and Environmental Control (“DHEC”) is reporting that there have been 182,872 confirmed COVID-19 cases and 4,005 confirmed COVID-19 deaths in the State;

WHEREAS, if COVID-19 cases continue to increase in the State and in the City of Isle of Palms, the demand for medical, pharmaceutical, personal, and general cleaning supplies may overwhelm sources of supply; the private and public sector work force may be negatively impacted by absenteeism; and the demand for medical facilities may exceed locally available resources;

WHEREAS, health authorities, including the CDC, the Surgeon General of the United States, and DHEC have recommended the use of face coverings as a means of preventing the spread of COVID-19; and

WHEREAS, S.C. Code § 5-7-250(d) provides that “[t]o meet public emergencies affecting life, health, safety or the property of the people, council may adopt emergency ordinances ... by the affirmative vote of at least two-thirds of the members of council present. An emergency ordinance is effective immediately upon its enactment without regard to any reading, public hearing, publication requirements, or public notice requirements. Emergency ordinances shall expire automatically as of the sixty-first day following the date of enactment;”

WHEREAS, Sections 5-7-30 (the “Home Rule Statute”) and 5-7-250 of the South Carolina Code of Laws, as well as the Governor’s Orders, all empower Council to enact emergency ordinances affecting life, health, or safety; and

WHEREAS, in light of the foregoing, the City of Isle of Palms deems it proper and necessary during this state of emergency to allow City Council and any appointed Board or Commission to meet by telephone or other means of electronic communication provided compliance with the provisions of the South Carolina Freedom of Information Act; and,

WHEREAS, this Ordinance has been approved by at least two-thirds of the Councilmembers present at the meeting in which it was considered;

NOW, THEREFORE, be it ordained by the City of Isle of Palms Council as follows:

1. Council and the Mayor formally declare a State of Emergency due to a resurgence in known cases of COVID-19 within the City and surrounding areas.
2. The City of Isle of Palms temporarily suspends the normal operating procedures of City Council meetings and hereby allows for the Mayor and Councilmembers to remotely participate in voting and operational procedures by telephone or other means of electronic communication provided that the provisions of the South Carolina Freedom of Information Act are complied with.
3. The City Administrator is authorized to develop and enact any additional plans in order to ensure continuity in the delivery of government services in light of the COVID-19 outbreak.
4. The City Administrator is authorized to cancel and revoke any special events permits issued prior to the date of this ordinance for events taking place through December 31, 2020.
5. All residents and non-residents shall comply with Social Distancing mandates of the Governor’s Executive Order.
6. Emergency Ordinance 2020-10, an ordinance requiring individuals to wear face coverings in retail and foodservice establishments is extended and shall remain in place through the duration of this emergency ordinance.
7. All Short-Term Rentals on the island will be subject to the Safety Standards and Guidelines provided by the City’s taskforce. The requirements of these Safety Standards shall expire Upon the expiration of the State of Emergency.
8. During the duration of this emergency order, businesses, including but not limited to event spaces, restaurants and bars, shall not allow live entertainment, including but not limited to bands, DJ’s,

Deleted: <#>Local businesses on the island are authorized to purchase, use and distribute containers that do not comply with the City’s plastic ban until October 31, 2020, however, with a grace period to use all remaining stock until November 1, 2020.¶

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karaoke, bingo, trivia, contests, or other crowd drawing activity after 11:00pm. This is recognized as a temporary alteration of the City's existing noise ordinance, Section 9-2-5.

9. Restaurants and businesses must comply with Governor McMaster's Emergency Orders and must comply with and adhere to applicable sanitation guidelines promulgated by the CDC, DHEC, or any other state or federal public health officials, as well as relevant industry guidance.
10. Beach parking restrictions on the landside of Palm Boulevard between 21st and 40th Avenue, on one side of 3rd through 9th Avenues, as determined by Police and Fire Department staff; and on Hartnett Boulevard, between 27th and 29th Avenues, will be lifted upon the signing of this emergency ordinance.

Section 2. Penalties. Any violation of any rule or regulation issued and set forth herein shall be punishable as provided in Title 9, Chapter 2, Section 3: Disorderly Conduct of the Code of Ordinances of the City of Isle of Palms, including Section 7-1-15 allowing for suspension or revocation of business license and as a violation of S.C. Code Section 16-7-10 (Illegal acts during state of emergency, or c) any other penalties provided by State law, including penalties granted pursuant to Executive Orders issued by the South Carolina Governor. In addition, the Governor has authorized cities to seek an injunction, mandamus, or other appropriate legal action in the courts of the State. In addition, any violation of any rule or regulation issued and set forth herein as it relates to parking shall be punishable pursuant to Title 8, Chapter 2: Stopping, Standing and Parking of Vehicles.

Section 3. Suspension of Contrary Local Provisions. During the Emergency Term (as defined in Section 12 below), any ordinance, resolution, policy, or bylaw of the City of Isle of Palms that conflicts with the provisions hereof shall be and is hereby suspended and superseded.

Section 4. Expiration of Ordinance; Extension of Emergency Term. As provided by S.C. Code § 5-7-250(d), this Ordinance shall expire automatically as of the sixty-first day following the date of enactment (the "Emergency Term"). Notwithstanding the foregoing, however, Council may extend the Emergency Term by emergency ordinance for one or more additional terms, each of no more than sixty days, provided that the total duration of the Emergency Term shall not exceed six months without enacting an ordinance in the ordinary course.

Section 5. Severability. Should any provision, section, paragraph, sentence, or word of this Ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences, or words of this Ordinance as hereby adopted shall remain in full force and effect.

Section 6. Effective Date and Time. This emergency Ordinance shall take effect upon the signing of this Emergency Ordinance.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE 10TH DAY OF NOVEMBER, 2020.

Jimmy Carroll, Mayor

Deleted: During the duration of this emergency order, businesses, including but not limited to event spaces, restaurants and bars shall operate at fifty-percent (50%) occupancy. Council empowers the City Fire Marshall to inspect and issue a citation pursuant to the City's Code of Ordinances, the Emergency Ordinance or any State Executive Order.

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Deleted: <#>All metered parking will be enforced from 8:00 a.m. through 6:00 p.m. until December 12, 2020. ¶

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