

Marina Outpost, LLC

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

COMMERCIAL LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is made and entered into this 4th day of January, 2008, by and between The City of Isle of Palms, a South Carolina municipal corporation ("Landlord"), and Marina Outpost, LLC, South Carolina limited liability company ("Tenant").

1. LEASED PREMISES.

A. Landlord owns, operates and leases certain land, buildings and docks commonly known as the Isle of Palms Marina on 41st Avenue, Isle of Palms, S.C. (the "Marina"). Landlord by these presents does hereby demise and let unto Tenant and Tenant hires and leases from Landlord a portion of the building at the Marina commonly known as the "Marina Store" and the fuel dispensing island and fuel pumps located in front of the Marina Store (the "Premises"). Included with the Premises are non-exclusive rights of ingress and egress and parking for Tenant and its employees and visitors in certain areas of the Marina parking lot designated by Landlord from time to time. A site plan showing the exact portion of the building and grounds comprising the Premises is attached hereto and made a part hereof, labeled "Exhibit I."

B. Included with the property leased by Tenant pursuant to this Lease and subject to all terms hereof is the personal property belonging to Landlord presently situated at the Premises. The personal property is shown on the list attached hereto and made a part hereof, labeled "Exhibit II."

2. INITIAL TERM OF LEASE: OPTIONS TO RENEW.

A. The initial term of this Lease shall be for two (2) years, commencing on February 1, 2008, and ending on January 31, 2010, unless sooner terminated as provided herein.

B. Tenant shall have the option to renew this lease for three (3) additional consecutive five (5) year terms. Written notice of the exercise of each option to renew shall be given by Tenant to Landlord at least six (6) months prior to the expiration of the preceding term and further provided that each option may be exercised by Tenant only in the event that Tenant is not in material default of any provision of this Lease. Each renewal term will be pursuant to all of the terms and conditions contained in this Lease, including the amount of rent to be paid.

3. POSSESSION: If for any reason beyond the reasonable control of Landlord, Landlord is unable to deliver possession of the Premises to Tenant on or before the commencement date, this Lease shall remain in full force and effect and the Landlord shall have no liability for the

delay, but rental shall not commence until the Landlord delivers possession of the Premises to Tenant.

4. RENT.

A. Base Rent. Tenant agrees to pay to Landlord, without counterclaim, notice, demand, offset, defense, or reduction of any kind whatsoever, annual rental of Sixty Thousand Five Hundred and no/100 (\$60,500.00) Dollars in year one and Sixty Six Thousand and 00/100 (\$66,000.00) Dollars each year thereafter (the "Base Rent"), payable in equal monthly installments of Five Thousand Five Hundred and no/100 (\$5,500.00) each, in advance on or before the first day of each and every calendar month during the term hereof. Tenant's obligation to pay rent shall commence the first day of the month following the commencement date of this Lease. All rent payments shall be mailed to Landlord at Post Office Drawer 508, Isle of Palms, S.C. 29451, or hand-delivered to Landlord at the office of the City Administrator for Landlord, 1207 Palm Blvd., Isle of Palms, S.C. 29451, or at such other place as the Landlord may designate in writing to Tenant. If rental commences on a date other than the first day of the month, rent for the first month shall be prorated and paid with the first full monthly installment. If rent or other monetary sums due the Landlord hereunder are paid later than the tenth (10th) day of the month when due, a late fee of five (5.0 %) percent of the amount due or Twenty-five (\$25.00) Dollars, whichever is greater, shall be due and payable by the Tenant as additional rent due and payable with such late payment. This late fee shall be subject to the default provisions contained in this Lease. Rental for the first month of the term for which rent shall be due shall be paid of the first day of the month following the execution of this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than the Base Rent or Additional Rent stipulated in this Agreement shall be deemed other than a payment on account of the earliest amount due, nor shall any endorsement or statement on any check or on any letter accompanying any check or payment as rent be deemed an accord and satisfaction and Landlord may accept such check or payment without prejudice to its right to recover the balance of Base Rent or any Additional Rent or to pursue any other remedy provided for in this Lease. If Tenant is given written notice of demand for the payment of past due rent, any payments tendered thereafter to cure any default by Tenant shall be made only by bank cashier's check.

B. Rent Adjustment: At the first anniversary of the commencement date of the term of this Lease and at the anniversary date of each Lease year thereafter, including any renewals, the Base Rent shall be increased by a percentage equal to the percentage increase in the annual Consumer Price Index for all urban consumers, U.S. City average; all items, as published by the United States Department of Labor, Bureau of Labor Statistics (hereinafter referred to as the Index) for the last month of the preceding calendar year over the Index for the month of the Commencement Date. If the Index is discontinued, then the parties agree to use the closest comparable measure of the effect of inflation in lieu of the Index; provided, however, that notwithstanding any provision contained herein to the contrary, the rent shall never be decreased.

C. In addition to the Base Rent, plus any increases as set forth in this Section, Tenant agrees to pay additional annual rent to Landlord equal to two (2%) percent of the amount of Tenant's gross income derived from the Leased Premises per Lease Year, which is between Five Hundred Thousand (\$500,000.00) Dollars and One Million (\$1,000,000.00) Dollars, and three (3.0%) percent of the amount which is more than One Million (\$1,000,000.00) Dollars. Such amounts shall be due and payable in full within thirty (30) days after the end of each Lease Year. Tenant agrees to keep true, accurate and complete financial records regarding all income collected at the Leased Premises and to provide Landlord with a statement, certified by Tenant's President to be true and correct, showing the monthly gross income for the applicable Lease Year along with the payment, if any, of the additional annual rent due hereunder. Landlord and its agents and representatives shall have the right to inspect and copy all books and records of Tenant relating to Tenant's income derived from the Leased Premises at such reasonable times as Landlord may determine. To the extent allowed by the South Carolina Freedom of Information Act, Landlord agrees to keep all such information confidential. ~~For purposes of this Lease, "gross income" is defined as all revenue derived by Tenant at the Leased Premises minus any applicable State of South Carolina sales tax.~~

5. SECURITY DEPOSIT. The Tenant has deposited with the Landlord a sum equal to the first full month's rent as security for the full and complete performance by Tenant of all the terms, covenants and conditions to be performed by Tenant under this Lease, which sum shall be refunded to Tenant after the expiration of this Lease, provided that Tenant has fully performed hereunder. Landlord shall have the right to apply all or any part of the deposit to cure any default of Tenant and Tenant agrees to immediately replace the amount applied by Landlord to cure any such default so that the Landlord shall hold the full deposit at all times during the term of this Lease. In the event of a sale of the Premises or a lease of the Premises, subject to this Lease, Landlord has the right to transfer the security deposit to the buyer or lessee, and Landlord shall thereupon be released from all liability for the return of such security and Tenant agrees to look solely to the new Landlord for the return of said security and this provision shall apply to every transfer of assignment made of the security to a new Landlord. The security deposited under this Lease may not be assigned or encumbered by Tenant without the written consent of Landlord and any such assignment or encumbrance without consent shall be void. The security deposited shall not bear interest. In no event shall the security deposit be deemed or treated as prepaid rent for any rental installment due hereunder, whether the last monthly installment or otherwise. If Tenant defaults under this Lease more than three (3) times in any twelve (12) month period, irrespective of whether or not such default is cured, then the security deposit shall, within ten (10) days after demand by Landlord, be increased by Tenant to an amount equal to the greater of (i) three (3) times the previous amount held by Landlord, or (ii) three (3) months rent.

6. USE OF THE LEASED PREMISES. The Tenant agrees to use and occupy the Premises solely for use as a convenience food store (deli food may be sold but no indoor seating for the eating of food allowed) which shall include the sale of gasoline, fishing supplies, and frozen bait. Tenant agrees not to sell, distribute or possess any "Adult Use Products" or drug paraphernalia. For purposes of this Lease, the term "Adult Use Products" is defined as any product, item, service, reading material or activity which would be considered an adult use under

Section 5-4-2 (3) of the Code of Laws for the City of Isle of Palms, or any successor code section. Tenant further agrees to, at Tenant's expense, comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, with respect to the use, occupation or alteration of the Premises. Tenant shall not use the Premises for any other use or purpose whatsoever without the prior written consent of Landlord.

7. OPERATING HOURS. Tenant agrees to maintain regular business hours of at least 7:00 a.m. to 10:00 p.m., seven days per week, including all holidays except Christmas Day.

8. ALTERATIONS; IMPROVEMENTS: All improvements, alterations or additions to the Premises desired by Tenant shall be made only at Tenant's expense, in a good and workmanlike manner and in accordance with plans and specifications which have been previously approved in writing by the Landlord. Landlord's approval of the plans, specifications and working drawings for Tenant's alterations or Landlord's approval of Tenant's plans for Landlord's work shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with any laws, rules and regulations of governmental agencies or authorities. Landlord reserves the right to approve Tenant's contractors, which approval shall not be unreasonably withheld, and to require adequate lien waivers, payment and performance bonds, permits, licenses and insurance. All improvements and additions made by or for the Tenant and permanently attached to the Premises, including without limitation all partitions, carpets, lighting fixtures, doors, hardware, shelves, cabinets and ceilings, shall remain in the Premises and shall be surrendered to Landlord at the expiration or earlier termination of this Lease, unless the Landlord, by notice given to the Tenant no later than thirty (30) days prior to the end of the term, elects to have the Tenant remove such alterations, additions, or improvements, and Tenant shall thereupon accomplish such removal at its sole cost and repair any damage to the Premises caused by such removal. Prior to commencement of any work, Tenant agrees to give all notices to Landlord required by Section 32 of this Lease. Tenant's initial alterations and improvements which are shown on Exhibit III, attached hereto and made a part hereof, are approved.

9. SERVICES: Tenant agrees to provide, at its own expense and without damage or threat of damage to the Premises, all utilities or services required for its use of the Premises, including, but not limited to, telephone service and electrical power and connections.

10. CONDITION AND MAINTENANCE OF THE PREMISES. Tenant agrees to accept the Premises in its present condition. Landlord makes no representations or warranties, either express or implied, regarding the condition of the Premises or its fitness for any particular purpose. Except as otherwise expressly stated in this Lease, ~~Tenant agrees that at all times during the term of this lease and any renewals thereof, Tenant shall be responsible for any and all repairs, maintenance and replacements, both ordinary and extraordinary, at the Premises and all of its appurtenant systems, except to the extent of any damage covered and paid by Landlord's casualty insurance carried pursuant to this Lease. Tenant agrees to keep the Leased Premises in a good, clean and safe order and repair and in good operating condition. All repairs,~~

~~replacements and renovations shall be of good quality material and workmanship.~~ Tenant's maintenance shall include, but is not limited to, responsibility for garbage, trash or rubbish disposal in compliance with all applicable laws, rules and regulations prescribed from time to time. Tenant agrees to be responsible for litter control at the Leased Premises and to maintain the property free from trash, debris or other litter. Tenant agrees to keep the grounds of the Premises in good condition and properly landscaped. ~~Notwithstanding the foregoing, Landlord agrees to be responsible for any and all repairs, maintenance and replacements, both ordinary and extraordinary, which are necessary for the underground storage tanks and the marina's bulkheads and retaining walls adjacent to the Leased Premises, and Tenant shall have no responsibility to maintain, repair or replace said underground storage tanks, bulkheads and retaining walls except for any damage caused by Tenant or Tenant's employees, invitees or licensees which is not covered and paid by Landlord's insurance carried hereunder. Tenant is responsible for the maintenance of the leak detection system for the underground storage tanks and for the keeping of all necessary fuel dispensing records required by state laws and regulations.~~

11. PERSONAL PROPERTY OF TENANT: During the term of this Lease Tenant may, and at the expiration or earlier termination of this Lease, Tenant shall remove all furniture, equipment, and other personal property which Tenant has placed in the Premises; provided that Tenant agrees to repair any damage to the Premises caused by such removal. All such property shall, during the term thereof, be at the risk of Tenant only, and Landlord shall not be liable for any loss thereof or damage thereto resulting from any cause whatsoever; and each policy of insurance owned by Tenant covering such property shall contain a standard waiver of subrogation endorsement. Any such property not removed at the expiration or earlier termination of this Lease shall be deemed abandoned and may be disposed of by the Landlord in any manner whatsoever.

12. TAXES AND IMPOSITIONS: In addition to the Base Rent provided for in Section 4A of this Lease, Tenant agrees to pay to the Landlord, as additional rent, its pro rata share of any real estate taxes assessed on the Marina. Tenant agrees to pay its share within 10 days of receipt of a copy of the bill from Landlord. Tenant shall also pay the entire increase in real estate taxes which may be caused by the Tenant's use and occupancy of, or improvements to, the Premises. Such payment shall be due and payable to the Landlord thirty (30) days after a statement thereof is rendered to Tenant by Landlord, which statement shall also include the amount of direct increase caused by Tenant's use and occupancy of, or improvements to, the Premises, if any. The term "real estate taxes" shall include any taxes, impositions, assessments, waste disposal user fees, levies or other charges assessed or imposed on the Marina. Tenant shall pay prior to delinquency, all taxes and assessments of every kind or nature imposed or assessed upon or with respect to furnishings, fixtures, equipment, or other property of Tenant placed in the Premises.

→ 13. INSURANCE.

A. General: Landlord agrees that during the entire term of this Lease Landlord will maintain in force casualty and flood insurance coverage on the Premises and Landlord's personal property, in such amounts and against such hazards and contingencies as Landlord may deem desirable for its own protection and each policy of insurance covering such property shall contain a standard waiver of subrogation endorsement; provided, however, that Landlord is not obligated to insure any furniture, equipment, or other property placed in the Premises by or at the expense of Tenant. Tenant agrees not to permit any use of the Premises that would invalidate or conflict with the terms of any hazard or flood insurance policy covering risks insured by Landlord. ~~In addition to the Base Rent provided for in Paragraph 4 A hereinafore, Tenant agrees to pay, as additional rent, its pro-rata share of Landlord's hazard insurance premiums based upon the Landlord's most recent policy premiums and Tenant may pay such obligation along with monthly rental payments.~~ Tenant also agrees to pay the entire increase in Landlord's hazard insurance premiums which may be caused by the Tenant's use and occupancy of, or improvements to, the Premises. Such payment shall be due and payable to the Landlord within 10 days after a statement therefore is rendered to the Tenant by the Landlord, which statement shall also include the amount of direct increase caused by Tenant's use and occupancy of, or improvements to, the Premises, if any. Tenant shall be named as an additional insured under Landlord's policies.

B. Tenant: Tenant agrees, at Tenant's expense, to obtain and keep in force at all times during the term of this Lease, commercial general liability insurance, including property damage, on an occurrence basis with limits of not less than One Million (\$1,000,000) Dollars combined single limits, insuring Landlord, Landlord's agents and property managers and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. The limit of this insurance shall not, however, limit the liability of the Tenant under this Lease. Tenant may carry this insurance under a blanket policy provided that an endorsement naming Landlord and Landlord's agents and property managers as additional insureds is attached thereto. Insurance required hereunder shall be in companies licensed in the State of South Carolina and shall have a "Best's Insurance Guide" rating of B+/VI or better. Mutual insurance companies may be used only if they are non-assessable. No policy shall be cancellable or subject to reduction of coverage except after thirty (30) days written notice to Landlord. All policies of insurance maintained by Tenant shall be in a form acceptable to Landlord with satisfactory evidence that all premiums have been paid. Tenant agrees not to knowingly violate or permit to be violated any of the conditions or provisions of the insurance policies required to be furnished hereunder, and agrees to notify Landlord promptly of any fire or other casualty within 24 hours. Tenant agrees, at Tenant's expense, to obtain and keep in force at all times during the term of this Lease, personal property insurance with regard to Tenant's furniture, fixtures, and equipment placed in, on or about the Premises. Tenant also agrees to carry worker's compensation insurance as required by South Carolina Law and to provide Landlord with a current copy of a certificate evidencing such coverage.

14. DAMAGE OR DESTRUCTION BY CASUALTY: If the Premises are wholly or partially destroyed by fire or other casualty, rental shall abate in proportion to the loss of use

INSURANCE

property

Isle of Palms
Marina Store
Lease Agreement

A. General: Landlord agrees that during the entire term of this Lease Landlord will maintain in force casualty and flood insurance coverage on the Premises and Landlord's personal property, in such amounts and against such hazards and contingencies as Landlord may deem desirable for its own protection and each policy of insurance covering such property shall contain a standard waiver of subrogation endorsement; provided, however, that Landlord is not obligated to insure any furniture, equipment or other property placed in the Premises by or at the expense of Tenant. Tenant agrees not to permit any use of the Premises that would invalidate or conflict with the terms of any hazard or flood insurance policy covering risks insured by Landlord. In addition to the Base Rent provided for in Paragraph 4A hereinabove, Tenant agrees to pay, as additional rent, its pro rata share of Landlord's hazard insurance premiums based upon the Landlord's most recent policy premiums and Tenant may pay such obligation along with monthly rental payment. Tenant also agrees to pay the entire increase in Landlord's hazard insurance premiums which may be caused by the Tenant's use and occupancy of, or improvements to, the Premises. Such payment shall be due and payable to the Landlord within 10 days after a statement therefore is rendered to the Tenant by the Landlord, which statement shall also include the amount of direct increase caused by Tenant's use and occupancy of, or improvements to, the Premises, if any. Tenant shall be named as an additional insured under Landlord's policies.

B. Tenant: Tenant agrees, at Tenant's expense, to obtain and keep in force at all times during the term of this Lease, commercial general liability insurance, including property damage, on an occurrence basis with limits of not less than One Million (\$1,000,000) Dollars combined single limits, insuring Landlord, Landlord's agents and property managers and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. The limit of this insurance shall not, however, limit the liability of the Tenant under this Lease. Tenant may carry this insurance under a blanket policy provided that an endorsement naming Landlord and Landlord's agents and property managers as additional insureds is attached thereto. Insurance required hereunder shall be in companies licensed in the State of South Carolina and shall have a "Best's Insurance Guide" rating of B+/VI or better. Mutual insurance companies may be used only if they are non-assessable. No policy shall be cancellable or subject to reduction of coverage except after thirty (30) days written notice to Landlord. All policies of insurance maintained by Tenant shall be in a form acceptable to Landlord with satisfactory evidence that all premiums have been paid. Tenant agrees not to knowingly violate or permit to be violated any of the conditions or provisions of the insurance policies required to be furnished hereunder, and agrees to notify Landlord promptly of any fire or other casualty within 24 hours. Tenant agrees, at Tenant's expense, to obtain and keep in force at all times during the term of this Lease, personal property insurance with regard to Tenant's furniture, fixtures, and equipment placed in, on or about the Premises. Tenant also agrees to carry worker's compensation insurance as required by South Carolina Law and to provide Landlord with a current copy of a certificate evidencing such coverage.

14. DAMAGE OR DESTRUCTION BY CASUALTY: If the Premises are wholly or partially destroyed by fire or other casualty, rental shall abate in proportion to the loss of use

thereof, and Landlord shall, at its own expense, promptly restore the Premises to substantially the same condition as existed before damage or destruction, whereupon full rental shall resume, unless said damage was caused by Tenant's negligence, in which case any damages not covered and paid for by insurance shall be paid by Tenant; provided, however, that if the damage is so extensive as to require the substantial rebuilding (i.e. expenditure of 51% or more of the replacement cost) of the Premises, Landlord may by notice to Tenant within ninety (90) days after the date of such damage or destruction elect, at its option, not to restore or repair the Premises and in such case this Lease shall be terminated as of the date of such notice and be of no further force or effect. There shall be no abatement of rent if all or any portion of the Premises is unusable for a period of three days or less. Notwithstanding anything to the contrary contained in this Section, Landlord shall have no obligation to repair, reconstruct, or restore the Premises when the damage described in this Section occurs during the last twelve (12) months of the term of this Lease or any extension thereof unless Tenant has exercised or does exercise its option to renew within ten (10) days after written notice from Landlord that Landlord does not intend to rebuild.

15. EMINENT DOMAIN: If the whole of the Premises, or such portion thereof as will make the Premises unsuitable for the use contemplated hereby, be taken under the power of eminent domain (including any conveyance in lieu thereof), then the term of this Lease shall cease as of the date possession thereof is taken by the condemnor, and rental shall be accounted for as between Landlord and Tenant as of that date. If any lesser portion of the Premises is taken, rental shall abate in proportion to the loss of use occasioned thereby. Tenant shall not have any right or claim to any part of any award made to or received by Landlord for such taking or right or claim against Landlord for the value of the unexpired term of this Lease; provided, however, Tenant shall not be prevented from making a claim against the condemnor (but not against Landlord) for any moving expenses, loss of profits, or taking of its personal property (other than its leasehold interest) to which Tenant may be entitled.

16. INDEMNITY: Tenant agrees to defend, indemnify and hold harmless Landlord and Landlord's agents and property managers from and against any claims, damages, or expenses, including attorney's fees, whether due to damage to the Premises, claims for injuries to persons or property, or administrative or criminal action by a governmental authority; where such claims arise out of or from use or occupancy of the Premises by Tenant, its agents, employees or visitors, except to the extent that such damage, claims or penalties are caused by the gross negligence of Landlord, its employees or agents.

17. LANDLORD'S ENTRY: Landlord may enter the Premises at reasonable times and in a reasonable manner to inspect or exhibit same, to comply with Landlord's obligations or exercise Landlord's rights under this Lease Agreement, or to make repairs or renovations required in connection with adjoining spaces.

18. RULES AND REGULATIONS: Tenant, for itself, its agents and employees, agrees to comply with all reasonable Rules and Regulations governing the use of the Premises or the

Marina which Landlord may from time to time promulgate for the care and protection of Premises, the Marina and the safety, comfort and welfare of its occupants and guests. If any of such Rules and Regulations conflict with any of the provisions of this Lease, this Lease shall control. Landlord shall not be liable for the failure of any other person to comply with such Rules and Regulations.

19. DEFAULT AND REMEDIES: If Tenant defaults in the payment of either Base Rent or Additional Rent when due, or any other sums of money becoming due hereunder, and such default continues for fifteen (15) days after the due date, or if Tenant defaults in the performance of any other of the terms, conditions, or covenants contained in this Lease to be observed or performed by it and does not remedy such default within thirty (30) days after written notice thereof or does not, within such thirty (30) days, commence such act or acts as shall be necessary to remedy a default which is not curable within said thirty (30) days for reasons beyond the control of Tenant, and shall not complete such act or acts within sixty (60) days after written notice, or if Tenant becomes bankrupt or insolvent, or files any debtor proceedings, or files in any court pursuant to any statute, either of the United States or of any state a petition in bankruptcy or insolvency or for reorganization, or files or has filed against it a petition for the appointment of a receiver or trustee for all or substantially all of the assets of Tenant, which is not dismissed within 30 days of being filed, or if Tenant makes an assignment of assets to its creditors, or if Tenant abandons the Premises or suffers the Lease to be taken under any writ of execution and such writ is not vacated or set aside within thirty (30) days, then in any such event Landlord, in addition to any other rights or remedies available at law or in equity, has the right to forthwith declare a default, retake possession of the Premises, declare the full amount of the remaining rent for the balance of the term at once due and payable, re-let or sublet the Premises at the risk of Tenant, or declare this Lease terminated for the balance of its term, all of which rights and remedies shall be cumulative.

20. REMEDIES CUMULATIVE-NON-WAIVER: No remedy herein or otherwise conferred upon or reserved to Landlord or Tenant shall be considered exclusive of any other remedy, but the same shall be distinct, separate and 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 this Lease Agreement may be exercised from time to time as often as occasion may arise or as may be deemed expedient. No delay or omission of Landlord to exercise any right or power arising from any default on the part of Tenant shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein. The acceptance of rent by Landlord with knowledge of a default by Tenant hereunder shall not constitute a waiver of such default.

21. QUIET ENJOYMENT: If Tenant timely pays the rent and performs and observes all of the other covenants and conditions to be performed and observed by it hereunder, Tenant shall at all times during the term hereof have the peaceable and quiet enjoyment of the Premises without interference from Landlord or any person lawfully claiming through Landlord, subject,

however, to the terms of this Lease Agreement and any mortgages or deeds of trust provided for in Section 23 of this Lease.

22. ESTOPPEL CERTIFICATE: Within ten (10) days after written request thereof by the Landlord or any mortgagee or trustee under a mortgage or deed of trust covering the Premises, Tenant agrees to deliver in recordable form a statement to any mortgagee, trustee or other transferee, or to Landlord, certifying the facts that are then true with respect to this Lease, including without limitation that this Lease Agreement is in full force and effect, that Tenant is in possession, that Tenant has commenced the payment of rent, and that Tenant claims no defense or set-off to the due and full performance of its obligations under this Lease. Tenant's failure to deliver such statement within such time shall constitute a breach and default under this Lease, and shall be conclusive upon the Tenant that this Lease is in full force and effect without modification except as may be represented by the Landlord, and that there are no uncured defaults in the Landlord's performance.

23. SUBORDINATION AND ATTORNMENT. Provided that Tenant is provided with a written non-disturbance agreement from all such holders, Tenant agrees that this Lease shall be subject and subordinate to any mortgages, deeds of trust and any prior lease to Landlord as Tenant now or hereafter placed upon Premises and to all modifications thereto, and to all present and future advances made with respect to any such mortgage or deed of trust. If Tenant is provided with a non-disturbance agreement from all mortgagees and deed of trust holders, Tenant agrees to attorn to the mortgagee, trustee or beneficiary under any such mortgage or deed of trust, and to any purchaser at a sale pursuant to foreclosure thereof, and to lessor in the event of a termination of any such prior lease.

24. NOTICES: All notices provided for in this Lease Agreement shall be in writing and shall be deemed to be given when sent by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Landlord: City Administrator
 City of Isle of Palms
 Post Office Drawer 508
 Isle of Palms, SC 29451

If to Tenant: Brian Berrigan
 PO Box 550
 Isle of Palms, SC 29451

25. GOVERNING LAW; ENFORCEMENT OF RIGHTS: This Lease shall be construed and enforced in accordance with the laws of the State of South Carolina. If either party enforces the terms of this Lease by legal proceedings, the prevailing party in such proceedings shall be entitled to reimbursement from the other party of all costs and expenses incurred by the

prevailing party in connection therewith, including reasonable attorney's fees, at all trial and appellate levels.

26. SUCCESSORS: This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns, except as otherwise provided for in this Lease.

27. ENTIRE AGREEMENT. This Lease contains the entire understanding of the parties hereto. There are no oral understandings, terms or conditions and neither party has relied upon any representation, express or implied, not contained in this Lease. All prior understandings, terms or conditions are deemed merged into this Lease. This Lease may be changed or supplemented only by an instrument in writing signed by both parties.

28. HOLDING OVER: It is expressly understood by the parties that Tenant shall not be permitted to holdover at the end of the Lease term and Tenant agrees that it shall vacate the Premises at the exact end of the Lease term.

29. NON-WAIVER. It is agreed by the Parties that the waiver of any of the covenants of this Lease by either party shall be limited to the particular instance and shall not be deemed a waiver of any other breaches of such covenant or any other provision herein contained.

30. NO EASEMENT: It is understood and agreed that this Lease does not grant to Tenant any rights to light, air or view over any property adjoining the Premises.

31. MISCELLANEOUS PROVISIONS.

A. Time of the Essence. It is understood and agreed between the parties hereto that time is of the essence in all of the terms and provisions of this Lease.

B. Captions and Titles. The captions and titles appearing within this Lease are for reference only and shall not be considered a part of this Lease or in any way to modify, amend or affect any provision hereof.

C. Grammatical Changes. The proper grammatical changes shall be understood and apply where necessary to designate the plural rather than the singular and the masculine or feminine gender.

D. Recordation and Documentary Stamps Taxes. This Lease shall not be recorded, but a short form referring to this Lease, describing the Premises and setting forth the term thereof may be recorded by either party. The cost of South Carolina Documentary Stamp Taxes due shall be paid by the Tenant.

E. No Partnership. Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of its business, or otherwise, or a joint venturer or a member of a joint enterprise with Tenant.

F. Binding Agreement. The conditions, covenants and agreements contained in this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, executors, administrators and assigns. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been made in accordance with the provisions set out in this Lease.

32. LIENS AGAINST THE PREMISES: The Tenant agrees to keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by the Tenant. The Tenant agrees to indemnify, hold harmless, and defend the Landlord from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of the Tenant. Such indemnity shall include, without limitation, all attorney's fees and costs incurred by the Landlord due to the filing of such mechanic's lien or notice thereof. In the event that the Tenant, within thirty (30) days following the imposition of any such lien, shall not cause such lien to be released of record by payment or posting of a proper bond, in addition to all other remedies provided herein and by law, the Landlord shall have the right (but not the obligation) to cause the same to be released by such means as it shall deem proper, including bonding or payment of the claim giving rise to such lien. Landlord shall have the right at all times to post and keep posted on the Premises any notice permitted or required by law which the Landlord shall deem proper for the protection of the Landlord and the Premises or any other party having an interest therein from mechanic's and materialmen's liens. The Tenant agrees to give written notice to the Landlord at least ten (10) business days prior to the commencement of any work relating to alterations or additions to the Premises and shall post the Premises giving all such persons notice of Landlord's non-liability for work performed or materials supplied. Failure to provide the Landlord such notice or post the Premises shall be deemed a material breach of this Lease.

33. BROKERAGE: Tenant represents and warrants to Landlord that Tenant has not dealt with any broker or finder in connection with the transaction contemplated by this Lease. Tenant agrees to defend, indemnify and hold harmless Landlord and Landlord's Agent against any and all expense, cost, damage or liability (including without limitation, court costs and reasonable attorney's fees, at trial and appeal) resulting from the claims of any brokers or parties claiming to have performed services in the nature of brokerage or finder services for the Tenant.

34. NO OFFER: The submission of this document for examination does not constitute an option or offer to lease the Premises. This document shall have no binding effect on the parties unless executed by the Landlord and the Tenant and a fully executed copy is delivered to the Tenant.

35. ENVIRONMENTAL MATTERS: Tenant represents, warrants and covenants to Landlord throughout the term of this Lease as follows:

A. Tenant is and agrees to remain in compliance with all applicable federal, state and local laws relating to protection of the public health, welfare, and the environment ("Environmental Law") with respect to Tenant's employees, agents, contractors, sublessees, assignees, and any other persons occupying or present on the Premises ("Occupants") to comply with all Environmental Laws applicable to their activities in and around the Premises.

B. Tenant shall not bring into the Premises, nor shall it allow any occupant to bring into the Premises, any chemical, waste material, or other substance that is defined or otherwise classified in any Environmental Laws as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," or "toxic pollutant," except for petroleum, motor oil and similar products to be sold in Tenant's normal course of business and stored in compliance with all applicable laws, regulations and ordinances. Tenant agrees to handle, use, and dispose of such substances in a reasonable and prudent manner and in compliance with all applicable Environmental Laws.

C. Landlord or its representative may inspect the Premises at reasonable times to insure compliance with the requirements of this Section. As part of its inspection, Landlord or its representative may take such samples as Landlord in its sole discretion deems necessary, including without limitation samples of substances located on the Premises, and neither Landlord nor any representative shall have any liability to Tenant as a result of such sampling activity. In the event Landlord determines that Tenant possesses any substances in violation of this Section, Landlord shall notify Tenant and Tenant shall immediately remove those substances in compliance with all applicable laws, rules, ordinances, standards and regulations. In the event Tenant fails to comply with the requirements of this Section, Landlord and its representative may enter the Premises and provide for the removal and disposal of those substances as Tenant's agent. To effectuate the provisions of this Section, Tenant hereby grants Landlord and any representative of Landlord a Special Power of Attorney, appointing Landlord or its designated representative as its attorney in fact to act in Tenant's place to take all steps necessary to provide for the lawful removal and disposal of those substances, including the signing of any manifest, on Tenant's behalf and Tenant agrees to remain responsible for the substance and to indemnify, defend, hold harmless and protect Landlord and any representative of Landlord against all costs, fines, penalties or damages incurred by Landlord or its representative due to any activities by Landlord pursuant to this Section. It is hereby stipulated by Landlord and Tenant that the above Special Power of Attorney is coupled with an interest in the Premises and is, accordingly, irrevocable. Tenant agrees that no adequate remedy exists at law to enforce this Section and that damages would not make Landlord whole; accordingly, Tenant agrees that Landlord may seek and obtain injunctive relief to enforce this Section.

36. LANDLORD'S LIEN: To secure the payment of all Rent due and to become due hereunder and the faithful performance of all the other covenants of this Lease required by

Tenant to be performed, Tenant hereby gives Landlord an express contractual lien on and security interest in all property, chattels, or merchandise which may be placed in the Premises and also upon all proceeds of any insurance which may accrue to Tenant by reason of damage to or destruction of any such property. All exemption laws are hereby waived by Tenant. This lien and security interest are given in addition to the Landlord's statutory lien(s) and will be cumulative thereto. Upon request of Landlord, Tenant shall execute Uniform Commercial Code financing statements relating to the aforesaid security interest. Upon request, Landlord will subordinate its landlord's lien to purchase money security interests on Tenant's equipment on the Premises from Tenant's vendors upon Landlord's approval of such equipment, all on a form satisfactory to Landlord.

37. AMERICANS WITH DISABILITIES ACT: Any other provision of this Lease notwithstanding, the parties hereby agree that the Premises may be subject to the terms and conditions of the Americans with Disabilities Act of 1990 (hereinafter the "ADA"). The parties further agree and acknowledge that it shall be the sole responsibility of Landlord to comply with any and all provisions of the ADA up to the Rent Commencement Date. After the Rent Commencement Date, it shall be the sole responsibility of the Tenant to comply with any and all provisions of the ADA with regard to the Premises. Tenant and Landlord further agree to indemnify and hold each other harmless against any claims which may arise out of Landlord or Tenant's failure to comply with the ADA. Such indemnification shall include, but not necessarily be limited to reasonable attorney's fees, court costs and judgments as a result of said claims. Within ten (10) days after receipt, Tenant shall advise the Landlord in writing and provide with copies of (as applicable), any notices alleging violation of the ADA relating to any portion of the Premises, any claims made or threatened in writing regarding noncompliance with the ADA and relating to any portion of the Premises, or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to any portion of the Premises.

38. INTERPRETATION PRESUMPTION: This Lease has been negotiated by the parties hereto. The parties represent and warrant to each other that each party has, by counsel or otherwise, actively participated in the negotiation of this Lease, and in the event of a dispute concerning the interpretation of this Lease, each party hereby waives the doctrine that an ambiguity should be interpreted against the party who has drafted the agreement.

39. LIMITATION OF LIABILITY: The obligations of the Landlord hereunder shall be binding upon Landlord and each succeeding owner of the Landlord's interest hereunder only during the period of such ownership and Landlord and each succeeding owner shall have no liability whatsoever except for its obligations during each such respective period. Landlord hereby agrees for itself and each succeeding holder of the Landlord's interest, or any portion thereof that any judgment, decree or award obtained against the Landlord or any succeeding owner of the Landlord's interest, which is in any manner related to this Lease, the Premises or the Tenant's use and occupancy of the Premises or the common areas of the Marina, whether at law or in equity, shall be satisfied out of the Landlord's equity in the Marina owned by the Landlord

to the extent then owned by the Landlord and such assets and to no other assets of the Landlord, or such succeeding owner, for satisfaction. Neither Landlord, nor any official, agent or employee, nor any subsequent Landlord, shall have any personal liability hereunder.

40. TRANSFER OF LANDLORD'S INTEREST: The term "Landlord" as used in this Lease means only the owner for the time being or the Mortgagee in possession for the time being, of the Marina. Each time the Marina is sold, the selling Landlord shall be entirely relieved of all future obligations and liability under this Lease. Any person who owns the Marina and leases his reversionary interest in the Marina subject to the lien of this Lease shall be relieved of all liability under this Lease.

41. TENANT'S GUARANTOR: The personal guaranty of a principal of Tenant who is credit-worthy as determined by the City in its sole discretion shall be required. This provision may be waived by the City if the Tenant is credit-worthy as determined by the City in its sole discretion.

42. JURISDICTION: In connection with this Lease, Tenant hereby submits to the jurisdiction and venue of the State Courts of Charleston County, South Carolina in connection with any matter pertaining to this Lease and agrees that service may be had by mailing the same postage prepaid, addressed to Tenant at Tenant's Notice Address as set forth in Paragraph 24 of this Lease, it being agreed that service shall be deemed to have been made three (3) days after mailing.

43. CO-TENANT COOPERATION. Tenant agrees to cooperate fully with Landlord and all other tenants at the Marina to allow for the orderly and efficient operation of the Marina site by Landlord.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and year first above written.

WITNESS:

MS Copeland

Emily Byrd
(as to Landlord)

Raymond Wright

Ang S. Wren
(as to Tenant)

City of Isle of Palms, S.C.

By: John Tucker

Title: City Administrator

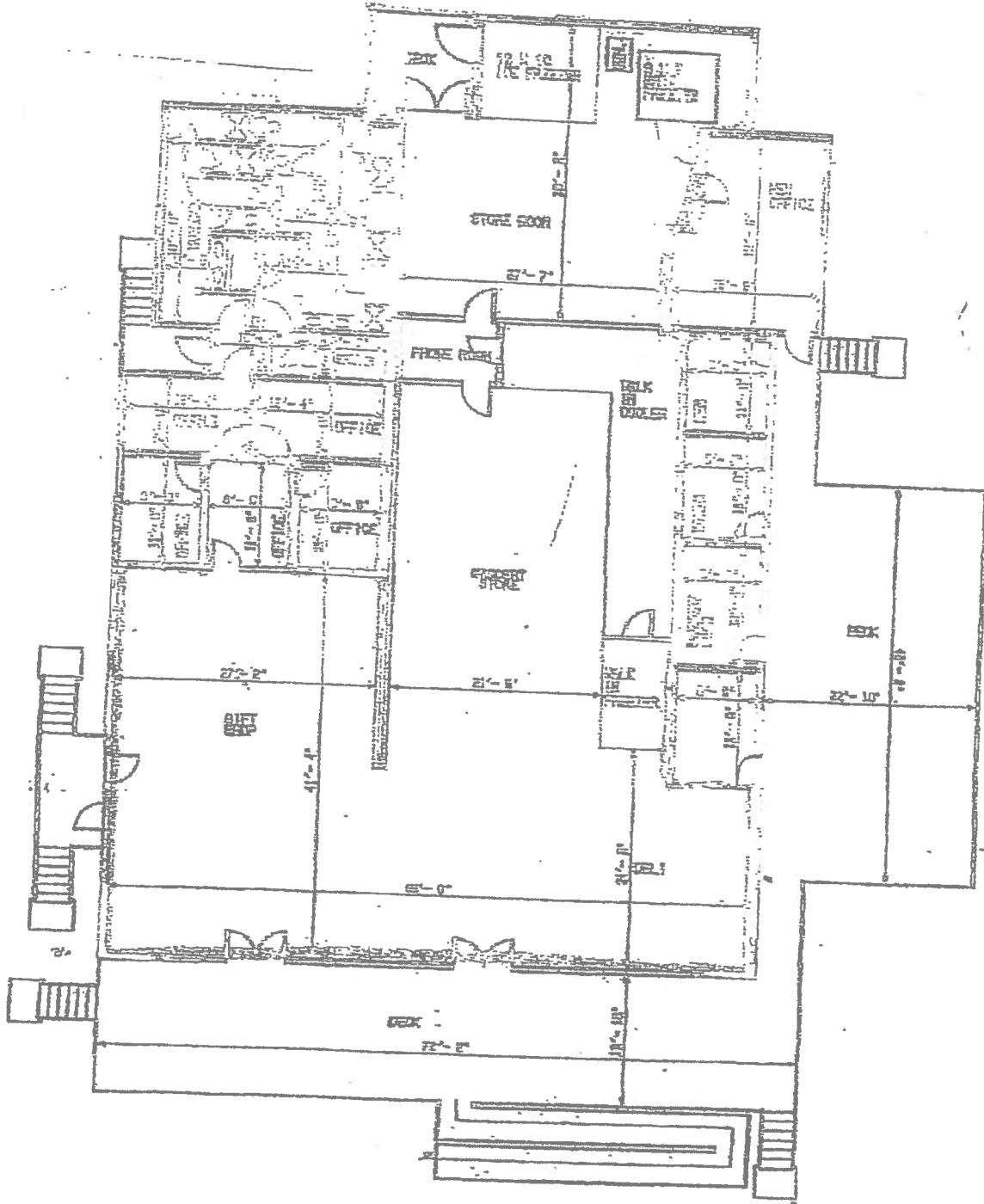
Marina Outpost, LLC, Tenant

By: Bill Zieg

Title: MANAGING PARTNER

EXHIBIT I

SITE PLAN



EXISTING. MARINA STORE FLOOR PLAN

EXHIBIT II

(LANDLORD'S PERSONAL PROPERTY)

Fuel system, including underground tanks and above ground dispensing equipment

Tonka bait freezer 7x8x6

Exterior fabric awnings

Built-in merchandise coolers

EXHIBIT III

(TENANT'S INITIAL ALTERATIONS AND IMPROVEMENTS)

See Attached

STATE OF SOUTH CAROLINA)
) UNCONDITIONAL GUARANTY
COUNTY OF CHARLESTON) OF LEASE AGREEMENT

IN CONSIDERATION OF independent value received by me, the receipt and sufficiency of which are hereby acknowledged, I, Brian J. Berrigan (AGuarantor"), hereby unconditionally guarantee the payment and performance of all terms, covenants and conditions contained in the foregoing Lease to be paid or performed by the Tenant, and all extensions, renewals or modifications thereto, and all expenses, including attorney's fees, to which the Landlord may become entitled to under the Lease, and I hereby waive presentment, demand, notice of dishonor, protest, and all other notices whatsoever, and agree that the Lease may from time to time be modified, renewed or extended without notice to or consent of Guarantor, and without affecting the liability of Guarantor hereunder, who may be sued with or without joining the Tenant or any other Guarantors hereof, and without first or contemporaneously suing Tenant or any other such persons or otherwise seeking or proceeding to collect from them.

This is a continuing unconditional guaranty of payment and performance and not of collection and shall remain in full force and effect throughout the entire term of the Lease and any extensions or renewals thereof and so long as any amount due from Tenant under the terms of the Lease shall remain unpaid.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 14TH day of SEPTEMBER, 2009.

WITNESS:

[Signature]
John B. Gilmore
(as to Guarantor)

[Signature]
Brian J. Berrigan, Guarantor

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

THIS FIRST AMENDMENT TO COMMERCIAL LEASE AGREEMENT is made and entered into this 25th day of April, 2012, by and between The City of Isle of Palms, South Carolina ("Landlord") and Marina Outpost, LLC, a South Carolina limited liability company ("Tenant").

WHEREAS, Tenant is the tenant under that certain Commercial Lease Agreement dated January 4, 2008, between Landlord and Tenant (the "Lease"), covering certain real property commonly known as the "Marina Store;" and

WHEREAS, Landlord and Tenant desire to amend the Lease as hereinafter set forth.

THEREFORE, for and in consideration of the sum of Ten and no/100 (\$10.00) Dollars, and other good and valuable consideration in hand paid by each to the other, the parties hereto hereby agree as follows:

1. Text additions are displayed in **bold and underlined** text. Text deletions are displayed as strike-through text (i.e., ~~strike through~~).

2. That Section 4(C) of the Lease is hereby amended as follows:

"In addition to the Base Rent, plus any increases as set forth in this Section, Tenant agrees to pay additional annual rent to Landlord equal to two (2%) percent of the amount of Tenant's gross ~~income~~ **profit** derived from the Leased Premises per Lease Year, ~~which is between~~ **in excess of** Five Hundred Thousand (\$500,000.00) Dollars ~~and One Million (\$1,000,000.00) Dollars, and three (3.0%) percent of the amount which is more than One Million (\$1,000,000.00) Dollars.~~ Such amounts shall be due and payable in full within thirty (30) days after the end of each Lease Year. Tenant agrees to keep true, accurate and complete financial records regarding all income collected at the Leased Premises and to provide Landlord with a statement, certified by Tenant's President to be true and

correct, showing the calculations of the monthly gross ~~income~~ profit for each month of the applicable Lease Year along with the payment, if any, of the additional annual rent due hereunder. Landlord and its agents and representatives shall have the right to inspect and copy all books and records of Tenant relating to Tenant's ~~income~~ gross profit derived from the Leased Premises at such reasonable times as Landlord may determine. To the extent allowed by the South Carolina Freedom of Information Act, Landlord agrees to keep all such information confidential. For purposes of this Lease, "gross ~~income~~ profit" is defined calculated as total annual gross receipts from all sources less all cost of goods sold all revenue derived by Tenant at the Leased Premises minus and less any applicable State of South Carolina sales taxes paid."

3. That all other terms and conditions of the Lease which are not inconsistent herewith shall remain in full force and effect.

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

WITNESS:

Emily Dzul

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

Amy S. Lee
(as to Landlord)

By: Linda Tucker
Title: Linda Tucker, City Administrator

Judy A. Blanton

Marina Outpost, LLC, Tenant

Tom Jones
(as to Tenant)

By: Tom Jones
Title: PRESIDENT

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

THIS SECOND AMENDMENT TO COMMERCIAL LEASE AGREEMENT is made and entered into this 24 day of July, 2012, by and between The City of Isle of Palms, South Carolina ("Landlord") and Marina Outpost, LLC, a South Carolina limited liability company ("Tenant").

WHEREAS, Tenant is the tenant under that certain Commercial Lease Agreement dated January 4, 2008, between Landlord and Tenant (the "Lease"), covering certain real property commonly known as the "Marina Store;" and

WHEREAS, Landlord and Tenant made certain amendments to the terms of the Lease in the First Amendment to Commercial Lease Agreement dated April 25, 2012; and

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

THEREFORE, for and in consideration of the sum of Ten and no/100 (\$10.00) Dollars, and other good and valuable consideration in hand paid by each to the other, the parties hereto hereby agree as follows:

1. Text additions are displayed in **bold and underlined** text. Text deletions are displayed as strike-through text (i.e., ~~strike-through~~).

2. That Section 6, "Use of the Leased Premises," of the Lease is hereby amended as follows:

"The Tenant agrees to use and occupy the Premises solely for use as a convenience food store (~~deli food may be sold but no indoor seating for the eating of food allowed~~) which **use** shall include the sale of **deli food**, gasoline, **beachwear, souvenirs**, fishing supplies, and frozen bait. **Tenant may provide indoor seating for a maximum of twelve (12) persons for the eating of food at the Premises. Tenant may sell beer, wine and tobacco products at the Premises.** Tenant

agrees not to sell, distribute or possess any "Adult Use Products" or drug paraphernalia. For purposes of this Lease, the term "Adult Use Products" is defined as any product, item, service, reading material or activity which would be considered an adult use under Section 5-4-2 (3) of the Code of Laws for the City of Isle of Palms, or any successor code section. Tenant further agrees to, at Tenant's expense, comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, with respect to the use, occupation or alteration of the Premises. Tenant shall not use the Premises for any other use or purpose whatsoever without the prior written consent of Landlord."

3. That Section 7, "Operating Hours," of the Lease is hereby amended as follows:

"Tenant **may set the hours of operation and** agrees to maintain regular business hours **year-round** ~~of at least 7:00 a.m. to 10:00 p.m., seven days per week, including all holidays except Christmas Day.~~"

4. That all other terms and conditions of the Lease which are not inconsistent herewith shall remain in full force and effect.

[NEXT PAGE IS SIGNATURE PAGE]

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

WITNESS:

Deborah L. Suggs

Marie B. Capeland
(as to Landlord)

[Signature]

Ch. Fubok
(as to Tenant)

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

By: [Signature]

Title: City Administrator

Marina Outpost, LLC, Tenant

By: [Signature]

Title: RESIDENT

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

**THIRD AMENDMENT TO
COMMERCIAL LEASE AGREEMENT**

This **THIRD AMENDMENT TO COMMERCIAL LEASE AGREEMENT** (the "Third Amendment"), dated as of February 26, 2015, is made by and between the City of Isle of Palms, a South Carolina municipal corporation ("Landlord"), and **MARINA OUTPOST, LLC** a South Carolina limited liability company ("Tenant") (Landlord and Tenant are each a "Party" and are collectively the "Parties").

WITNESSETH:

WHEREAS, the Parties have entered into that certain Commercial Lease Agreement with an effective date of January 4, 2008 (the "Lease") for the lease of certain real property located at the Isle of Palms Marina, 41st Avenue, Isle of Palms, SC, as more fully described in said Lease and commonly known as the "Marina Store," as amended by that certain First Amendment to Commercial Lease Agreement, dated April 25, 2012 (the "First Amendment"), and as further amended by that certain Second Amendment to Commercial Lease Agreement, dated July 24, 2012 (the "Second Amendment") (the Lease, the First Amendment and the Second Amendment are collectively referred to herein as the "Lease"); and

WHEREAS, the Parties desire to further amend the Lease, as set forth herein, and to document their agreement by entering into this Third Amendment;

NOW, THEREFORE, in consideration of the Lease and this Third Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Incorporation of Recitals; Definitions.** The foregoing recitals are true and correct and incorporated as if fully set forth herein. Unless otherwise defined herein, capitalized terms used in this Third Amendment shall have the meaning ascribed to such terms in the Lease.

2. **Initial Term of Lease; Options to Renew.** Section 2 of the Lease is hereby deleted in its entirety and replaced with the following:

The term of this Lease (the "Lease Term") shall commence on February 1, 2008 and shall terminate at midnight on January 31, 2045 (the "Termination Date"), unless sooner terminated as provided herein. The Lease Term shall not be renewable.

3. **Additional Rent.** Section 4(C) of the Lease is hereby deleted in its entirety and replaced with the following:

In addition to the Base Rent, plus any increases as set forth in this Section, Tenant agrees to pay additional annual rent to Landlord equal to two (2%) percent of the amount of Tenant's gross

profit derived from the Leased Premises per Lease Year which is in excess of Seven Hundred Fifty Thousand and No/100 (\$750,000.00) Dollars. Such amounts shall be due and payable in full within sixty (60) days after the end of each Lease Year. Tenant agrees to keep true, accurate and complete financial records regarding all income collected at the Leased Premises and to provide Landlord with a statement, certified by Tenant's chief financial officer to be true and correct, showing the calculations of the monthly gross profit for each month of the applicable Lease Year along with the payment, if any, of the additional annual rent due hereunder. Landlord and its agents and representatives shall have the right to inspect and copy all books and records of Tenant relating to the Tenant's gross profit derived from the Leased Premises at such reasonable times as Landlord may determine. To the extent allowed by the South Carolina Freedom of Information Act, Landlord agrees to keep all such information confidential. For purposes of this Lease, "gross profit" is calculated as total annual gross receipts from all sources less all costs of goods and services sold and less any applicable State of South Carolina sales taxes paid.

4. Alterations; Improvements. Section 8 of the Lease is hereby deleted in its entirety and replaced with the following:

All improvements, alterations or additions to the Leased Premises desired by Tenant shall be made only at Tenant's expense and in a good and workmanlike manner. Improvements, alterations or additions to the Leased Premises in an amount greater than Twenty-Five Thousand and No/100 (\$25,000.00) Dollars, but less than One Hundred Thousand and No/100 (\$100,000.00) Dollars shall require advance written notice to Landlord pursuant to the requirements set forth in Section 24 of this Lease; provided, however, that Tenant's presentation of the proposed improvement or alteration at a committee meeting of City Council that is recorded in the meeting minutes shall suffice as advance written notice to Landlord. Improvements, alterations or additions to the Leased Premises that are in excess of One Hundred Thousand and No/100 (\$100,000.00) Dollars shall be made in accordance with plans and specifications which have been previously approved in writing by the Landlord. Landlord's approval of the plans, specifications and working drawings for Tenant's alterations or Landlord's approval of Tenant's plans for Landlord's work shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with any laws, rules and regulations of governmental agencies or authorities. For those improvements, alterations or additions in excess of One Hundred Thousand and No/100 (\$100,000.00) Dollars, Landlord reserves the right to approve Tenant's contractors, which approval shall not be unreasonably withheld, and to require adequate lien waivers, payment and performance bonds, permits, licenses, and insurance. All improvements, alterations and additions made by or for the Tenant and permanently attached to the Premises, including without limitation all partitions, carpets, lighting fixtures, doors, hardware, shelves, cabinets and ceilings, shall remain in the Premises and shall be surrendered to Landlord at the expiration or earlier termination of this Lease, unless the Landlord, by notice given to the Tenant no later than thirty (30) days prior to the end of the term, elects to have the Tenant remove such improvements, alterations or additions, and Tenant shall thereupon accomplish such removal at its sole cost and repair any damage to the Premises caused by such removal. Prior to commencement of any work, Tenant agrees to give all notices

to Landlord required by Section 32 of this Lease. Tenant's initial alterations and improvements which are shown on Exhibit III, attached hereto and made a part hereof, are approved.

5. Condition and Maintenance of the Premises. Section 10 of the Lease is hereby deleted and replaced in its entirety with the following:

Tenant agrees to accept the Premises in its present condition. Landlord makes no representations or warranties, either express or implied, regarding the condition of the Premises or its fitness for any particular purpose. Except as otherwise expressly stated in this Lease, Tenant agrees that at all times during the term of this Lease and any renewal thereof, Tenant shall be responsible for any and all repairs, maintenance and replacements, both ordinary and extraordinary, at the Premises and all of its appurtenant systems, including the Landlord's personal property listed in Exhibit II, except to the extent of any damage covered and paid by Landlord's casualty insurance carried pursuant to this Lease. Tenant agrees to keep the Leased Premises in a good, clean and safe order and repair and in good operating condition. All repairs, replacements and renovations shall be of good quality, material and workmanship. Tenant's maintenance shall include, but is not limited to, responsibility for garbage, trash or rubbish disposal in compliance with all applicable laws, rules and regulations prescribed from time to time. Tenant agrees to be responsible for litter control at the Leased Premises and to maintain the property free from trash, debris or other litter. Tenant agrees to keep the grounds of the Premises in good condition and properly landscaped. Notwithstanding the forgoing, Landlord agrees to be responsible for any and all repairs, maintenance and replacements, both ordinary and extraordinary, which are necessary for the underground fuel storage tanks, underground transfer lines and fuel pumps, and the marina's bulkheads and retaining walls adjacent to the Leased Premises, and Tenant shall have no responsibility to maintain, repair, or replace said underground fuel storage tanks, underground transfer lines and fuel pumps, and bulkheads and retaining walls, except for any damage caused by the Tenant or Tenant's employees, invitees or licensees which is not covered and paid by Landlord's insurance carried hereunder. Tenant is responsible for the maintenance of the leak detection system for the underground storage tanks and for the keeping of all necessary fuel dispensing records required by state laws and regulations.

6. Assignment or Sublease by Tenant. A new Section 44 is hereby added to the Lease to state as follows:

Tenant agrees not to sublease or assign Tenant's interest in the Leased Premises or any part thereof, or to encumber same in any manner, without the prior written consent of the Landlord, which shall not be unreasonably withheld or delayed. Landlord acknowledges the Tenant's existing sublease of the marina deli to Saltworks Catering Co., LLC, and agrees that no additional approval of the same shall be required. Notwithstanding any such consent by Landlord, Tenant agrees to remain personally liable for the full performance of all terms and conditions contained in this Lease to be performed by the Tenant. Tenant agrees to hold harmless and indemnify Landlord against any loss or damage, including attorney's fees and expenses, incurred as a result of any and all claims, demands, causes of action, suits, judgments, fines or penalties (including but not limited to all fees and expenses incurred as a result of death or injury

to persons or for loss of or damage to property) arising out of or in connection with Tenant's sublease or assignment of the Leased Premises and any activities performed thereunder, including negligent or willfull acts or omissions, by Tenant, Tenant's sublessee or assignee, and their respective members, officers, agents, employees, subcontractors, customers, licensees, and invitees. For purposes of Landlord's rights under this Section, a change in control of the voting interests of Tenant, other than by devise and descent, shall constitute an assignment by Tenant. All insurance coverage required to be maintained by Tenant and its sublessees under any City-approved subleases pursuant to this Section shall meet the requirements under Section 13(B) of the Lease and Tenant shall be responsible for providing Landlord with proof of such insurance for Tenant and its sublessees.

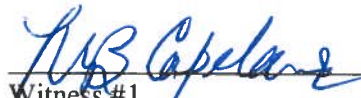
7. No Other Amendment. Except as amended and modified herein, all terms and conditions of the Lease shall remain in full force and effect, and are acknowledged by the Parties hereto.

8. Counterparts. This Third Amendment may be executed in more than one counterpart, each such counterpart shall be deemed an original, and all such counterparts shall constitute one and the same Amendment. This Third Amendment shall be effective when executed by all Parties, but all Parties need not execute the original or the same counterpart.


[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Third Amendment as of the date above written.

WITNESSES:




Witness #1



Witness #2

LANDLORD:

CITY OF ISLE OF PALMS,
A South Carolina municipal corporation




By: Linda L. Tucker
Its: City Administrator

TENANT:


MARINA OUTPOST, LLC,
A South Carolina limited liability company



By: Brian Berrigan
Its: Authorized Member



Witness #1



Witness #2

ORDINANCE 2015-01

AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR OF THE CITY OF ISLE OF PALMS TO EXECUTE THE NECESSARY DOCUMENTS TO ENTER INTO THAT CERTAIN THIRD AMENDMENT TO COMMERCIAL LEASE AGREEMENT BETWEEN THE CITY OF ISLE OF PALMS AND MARINA OUTPOST, LLC, ATTACHED HERETO AS EXHIBIT I AND INCORPORATED HEREIN BY REFERENCE, IN ORDER TO EXTEND THE TERM OF THE LEASE FOR THIRTY (30) YEARS, TO CLARIFY THE MAINTENANCE RESPONSIBILITIES BETWEEN THE PARTIES, AND TO PROVIDE FOR OTHER AMENDMENTS TO THE TERMS OF THE LEASE CONCERNING ALTERATIONS AND IMPROVEMENTS, ADDITIONAL RENT, AND SUBLEASING.

WHEREAS, the City of Isle of Palms (“City”) and Marina Outpost, LLC (“Tenant”) have entered into that certain Commercial Lease Agreement with an effective date of January 4, 2008 for the lease of certain real property located at the Isle of Palms Marina, 41st Avenue, Isle of Palms, SC, as more fully described in said lease and commonly known as the “Marina Store,” as amended by that certain First Amendment to Commercial Lease Agreement, dated April 25, 2012 (the “First Amendment”), and as further amended by that certain Second Amendment to Commercial Lease Agreement, dated July 24, 2012 (the “Second Amendment”) (the Commercial Lease Agreement, the First Amendment and the Second Amendment are collectively referred to herein as the “Lease”); and

WHEREAS, City and Tenant desire to further amend the Lease in order to extend the term of the Lease for thirty (30) years, clarify maintenance responsibilities between the parties, provide new procedures for alterations and improvements, provide new requirements for subleasing, and amend the terms related to the amount of additional rent due, as more fully set forth in the Third Amendment to Commercial Lease Agreement, attached hereto as Exhibit I and incorporated herein by reference; and

WHEREAS, City Council finds that leasing the Marina Store property under such amended terms to Marina Outpost, LLC will serve the interest of the public health, safety, welfare and general convenience of the residents of the City of Isle of Palms; and

WHEREAS, S.C. Code sections 5-7-40 and 5-7-260 require that City Council act by ordinance in leasing any lands of the municipality.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED:

SECTION 1. City Council authorizes the City Administrator to execute the Third Amendment to Commercial Lease Agreement between the City of Isle of Palms and

Marina Outpost, LLC, which is attached hereto as Exhibit I and incorporated herein by reference.

SECTION 2. That should any part of this Ordinance be held invalid by a court of competent jurisdiction, the remaining parts shall be severable therefrom and shall continue to be in full force and effect.

SECTION 3. That all ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed insofar as the same affect this Ordinance.

SECTION 4. That this Ordinance shall take effect and be in full force immediately.

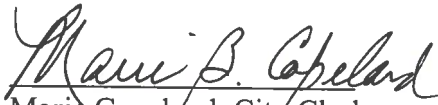
PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, ON THE 24th DAY OF FEBRUARY, 2015.



Richard F. Cronin, Mayor

(Seal)

Attest:



Marie Copeland, City Clerk



First Reading: January 27, 2015
Second Reading: February 24, 2015
Ratification: February 24, 2015