

Morgan Creek Grill / Barrier Isles, LLC

10 Beachview Court  
JOP, SC 29451

STATE OF SOUTH CAROLINA )  
COUNTY OF CHARLESTON )

COMMERCIAL LEASE AGREEMENT

THIS AGREEMENT ("this Lease") is made and entered into as of this 17 day of May, 2002, by and between The City of Isle of Palms, S.C. ("Landlord"), and ~~Barrier Isles, LLC~~, a South Carolina limited liability company, and its permitted assigns ("Tenant").

In consideration of the covenants and agreements of the respective parties herein contained, which are expressly agreed to by Landlord and Tenant, the parties hereto, for themselves and their respective successors and permitted assigns, hereby agree as follows:

1. LEASED PREMISES: PARKING.

A. Landlord by these presents hereby demises and lets unto Tenant, and Tenant hereby hires and leases from Landlord, that certain restaurant building and adjoining grounds, situated near the northeastern corner of the Isle of Palms Marina, an exact description of which is set forth on the map attached hereto and made a part hereof, labeled Exhibit I ("the Leased Premises").

B. Tenant is allowed employee parking and excess customer parking in the Marina parking area only to the extent and at such times as same do not interfere with the Marina operations and only in such locations as are specifically designated by Landlord's Marina Manager. Tenant agrees to coordinate directly with the Marina Manager regarding Tenant's requests for such employee parking and excess customer parking.

2. INITIAL TERM: RENEWALS.

A. The initial term of this Lease shall commence as of May 17, 2002, and end on October 31, 2005.



B. Tenant has the option to renew this Lease for five (5) additional, consecutive three (3) year terms, under the same terms, covenants and conditions set forth in this Lease. Each option to renew must be exercised by Tenant in writing in strict accordance with the notice provisions contained in Section 23 of this Lease, at least ninety (90) days prior to the expiration of the preceding term and Tenant may not renew this Lease if Tenant is in default of any provision of this Lease at the time Tenant exercises the option or at the time of the commencement date of the renewal term.

3. RENT.

A. During the initial term of this Lease and any renewals hereof, Tenant agrees to pay all monthly rent due hereunder to Landlord, or such agent of Landlord as Landlord may from time to time designate in writing, payable in advance on the first day of each month commencing on July 1, 2002, or such earlier date as Tenant may conduct any sales at the Leased Premises, as follows:

(i) For the first Lease Year ("Lease Year" is defined for purposes of this Lease as July 1<sup>st</sup> through June 30<sup>th</sup>) the base monthly rent shall be Five Thousand Three Hundred Forty-three and no/100 (\$5,343.00) Dollars ("the Base Rent").

(ii) For the second and each successive Lease Year, including any renewals hereof, the monthly rental shall be an amount equal to the Base Rent plus a percentage increase equal to the percentage increase, if any, in the 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 Lease Year over the index for the month of June, 2002. If such Index is discontinued, then the parties agree to use the closest comparable measure of the effect of inflation. Provided,

however, that notwithstanding any change in the Index, the base monthly rental shall never be lower than the amount paid for the preceding Lease Year.

B. In addition to the Base Rent, plus any increases as set forth in this Section, commencing with the Lease year beginning on July 1, 2004, Tenant agrees to pay additional annual rent to Landlord equal to one (1%) percent of the amount of Tenant's gross income derived from the Leased Premises per Lease Year which is between One Million (\$1,000,000.00) Dollars and Two Million (\$2,000,000.00) Dollars, and two (2.0%) percent of the amount which is more than Two Million (\$2,000,000.00) 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.

C. If Landlord fails to receive any rental payment due under this Lease within ten (10) days after the due date, a late charge of five (5%) percent of the rental amount shall be added to the rental and paid to Landlord for each such late payment, and the same shall be treated as additional rent, due and payable with such rental payment.

4. SECURITY DEPOSIT. Upon the execution of this Lease, Tenant agrees to deposit with Landlord the sum of Ten Thousand and no/100 (\$10,000.00) Dollars as security for the full and faithful performance by Tenant of all the terms of this Lease required to be performed by Tenant. This deposit, without interest, will be returned to Tenant after the expiration of this Lease provided that Tenant has fully and faithfully performed all of its terms and conditions.

5. USE OF THE LEASED PREMISES: COMPLIANCE WITH APPLICABLE LAWS.

A. The Leased Premises and all improvements located thereon shall be used only as a full service restaurant, which at Tenant's option may include the on-premises sale and consumption of alcoholic beverages, the sale of local artwork, or clothing apparel or other gift shop items which carry Tenant's restaurant's logo, lounge areas, and carry-out and delivery service. Except to extent that Tenant needs to close the restaurant for approved repairs or renovations, Tenant agrees to keep the restaurant open for business year-round, serving dinner at least five (5) days per week, and during the tourist season (Memorial Day weekend through Labor Day Weekend), serving lunch and dinner at least six (6) days per week. Provided, however, that if Tenant is unable to make a profit serving lunch as a direct result of restrictions on excess customer parking at the Marina during lunch hours, Tenant agrees to give Landlord written notice thereof. Landlord shall have thirty (30) days from receipt of such notice to eliminate the restrictions on Tenant's excess customer parking during lunch hours. If Landlord does not eliminate such restrictions within the said thirty day period, then Tenant shall not be required to serve lunch until such restrictions are eliminated.

B. Tenant agrees that all activities conducted at the Leased Premises by Tenant will at all times comply with all applicable federal, state and local laws, rules and regulations, including all state and federal environmental laws, rules and regulations promulgated thereunder.

Tenant agrees that Tenant has familiarized himself with Landlord's City Code of Ordinances including, but not limited to zoning, noise, and parking regulations. Tenant acknowledges and agrees that Tenant's failure to comply strictly with all such applicable federal, state and local laws, rules and regulations will, at City's option, be deemed a material default by Tenant under this Lease. Provided, however, that nothing in this subsection is to be construed as modifying, nor does it modify, Tenant's rights to cure any default as set forth in Section 16 of this Lease.

C. Tenant agrees to obtain and maintain all licenses and permits which are required for Tenant's operation of the Restaurant, construction of any alterations or improvements, and any other activities conducted by Tenant in connection therewith.

6. CONDITION AND MAINTENANCE OF THE PREMISES. Unless otherwise provided in this Lease, Tenant agrees to accept the Leased Premises in its present condition. Landlord makes no representations or warranties, either express or implied, regarding the condition of the Leased 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 Leased 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 Lease 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 marina's bulkheads and retaining walls adjacent to the Leased Premises, and Tenant shall have no responsibility to maintain, repair or replace said 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.

7. TAXES AND INSURANCE As additional rent, Tenant agrees to be responsible for payment of all real and personal property taxes assessed against the Leased Premises which accrue during the term of this Lease, including the County of Charleston Waste Disposal User's fee. All such payments shall be paid to Landlord within fifteen (15) days after Tenant's receipt of written notice thereof. Tenant also agrees to promptly reimburse Landlord for, and Landlord agrees to maintain, all premiums for flood, earthquake, fire and extended casualty, windstorm and hail insurance coverage in amounts not less than the appraised value of the building and any other improvements now or hereafter located at the Leased Premises. Tenant agrees to maintain comprehensive general liability insurance coverage on the Leased Premises, including Dram Shop Act liability, in an amount not less than \$250,000.00 per person, \$1,000,000.00 per claim, and \$100,000.00 per claim for property damage. All insurance coverage required to be maintained by Tenant hereunder shall be with companies reasonably approved by Landlord, who shall be named as an additional insured on all such policies.

8. UTILITIES. Tenant agrees to be responsible for the payment of all telephone, electrical, water, sewer or other utility service to the Leased Premises, which accounts shall be in the name of Tenant.

9. NO ASSIGNMENT OR SUBLEASE. 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 Landlord. 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. 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.

10. SUBORDINATION AND ATTORNMENT: So long as 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 mortgage which Landlord may hereafter place upon the Leased Premises, and to all modifications thereto, and to all present and future advances made with respect to any such mortgage. If Tenant is provided with such non-disturbance agreements, Tenant agrees to attorn to any mortgagee and to any purchaser at a sale pursuant to foreclosure thereof.

11. RIGHT OF ENTRY BY LANDLORD OR LANDLORD'S AGENTS. Tenant agrees to at all times during the term of this Lease permit inspection of the Leased Premises during reasonable business hours by Landlord or Landlord's agents or representatives for any purpose. Tenant also agrees to fully cooperate with the present or any future environmental contamination remediation efforts at the Marina, including access to the Leased Premises as reasonably required by Landlord.

12. INDEMNIFICATION. 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 the use and occupancy of the Leased Premises by Tenant, its agents, employees, licensees or invitees except to the extent caused by the fault or neglect of Landlord or its employees, agents, invitees and licensees and excluding any such claims by Landlord's authorized users of the pedestrian access reserved to Landlord in Section 15 of this Agreement. In the event of any such claims made or suits filed, Landlord agrees to give Tenant reasonable notice thereof, and Tenant shall have the right to defend or settle the same to the extent of its interest hereunder. Nothing contained in this Lease or in the guaranties attached hereto is to be construed as, nor does it, create any obligation by Tenant to any person or entity other than the Landlord or its successors to make any payments or be responsible for any claims, demands, causes of action, suits, judgments, fines or penalties whatsoever.

13. IMPROVEMENTS AND ALTERATIONS. No alterations or improvements to the Leased Premises shall be made by Tenant without the prior written consent of Landlord. Unless otherwise agreed to in writing by Landlord, all alterations, additions or improvements made by the Tenant and all fixtures, including trade fixtures, installed by Tenant shall be performed or installed in a good and workmanlike manner and shall at the Landlord's option become the property of the Landlord at the expiration or other sooner termination of this Lease; provided, however, that Landlord has the right to require Tenant to remove all such modifications upon the termination of this Lease, at Tenant's expense. Tenant acknowledges that all property listed on Exhibit II, whether fixtures or movable personal property, is owned by Landlord.

14. DAMAGE OR DESTRUCTION. If the Leased Premises are totally or partially damaged by fire or other casualty, Landlord agrees to repair or replace the damage at Landlord's

expense in such manner as is reasonably determined by Landlord. Landlord agrees to complete such repairs or replacements within a commercially practicable period of time. There shall be no abatement of rent for a period of nine (9) months from the date of such damage. If such repairs or replacements are not completed by Landlord within the said nine month period, rent shall then abate to the extent Tenant does not have viable use of the Leased Premises.

15, RESERVATION OF PEDESTRIAN INGRESS AND EGRESS TO DOCKS.

Throughout the entire term of this Lease, Landlord hereby expressly reserves unto itself, its successors and assigns, its invitees and licenses, and all authorized users of the Marina, a non-exclusive easement of pedestrian ingress and egress across and through the grounds of the Leased Premises for the purpose of access to the Marina docks which are adjacent thereto.

16. DEFAULT. If Tenant defaults in the fulfillment of any of the covenants and conditions hereof, Landlord may, at Landlord's option, after ten (10) days prior written notice to Tenant, make performance for Tenant and for that purpose advance such amounts as may be necessary. Any amount so advanced or any reasonable expense incurred or sum of money paid by Landlord by reason of the failure of Tenant to comply with any covenant, agreement, obligation, or provision of this Lease, or in defending any action to which Landlord may be subjected by reason of any such failure shall be deemed to be additional rent for the Leased Premises and shall be due and payable to Landlord on demand. The acceptance by Landlord of any installment of fixed rent or any additional rent hereunder shall not be a waiver of Landlord's right to demand full payment of any additional rent then due and to hold Tenant in default under this Lease.

If Tenant defaults in the payment of rent when due and such default continues for a period of fifteen (15) days, or if Tenant defaults in the prompt performance of any of the other

covenants herein, and such default continues for a period of thirty (30) days then Landlord may, in addition to any other rights or remedies, declare this Lease to be in default, retake possession of the Leased 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. Notwithstanding anything hereinabove to the contrary, none of the above shall constitute an event of default unless, as to monetary defaults, it continues for a period of fifteen (15) days after written notice is given by Landlord to Tenant as set forth in Section 23 of this Lease, or, as to non-monetary defaults, it continues for a period of thirty (30) days after written notice is given by Landlord to Tenant as set forth in Section 23 of this Lease; provided, however, that Landlord shall not be required to give Tenant written notice prior to declaring a default more than twice in any Lease Year.

17. GOVERNING LAW: ENFORCEMENT. This Lease shall be governed by the law 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.

18. RIGHTS OF HEIRS AND ASSIGNS. The covenants and agreements contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and their respective heirs, successors and permitted assigns.

19. PARAGRAPH HEADINGS. The paragraph headings as to the contents of particular paragraphs herein, are inserted only for convenience and are in no way to be construed to be part of such paragraph or as a limitation on the scope of the particular paragraph to which they refer.

20. ADDITIONAL INSTRUMENTS. The parties agree to execute and deliver any instruments in writing necessary to carry out any agreement, term, condition, or assurance in this Lease whenever occasion shall arise including the execution of a short form memorandum of lease agreement which may be recorded at the Charleston County R.M.C. Office by Tenant at Tenant's sole expense.

21. SURRENDER OF PREMISES. Tenant agrees to deliver all keys and to surrender the Leased Premises at the expiration or sooner termination of this Lease, or any extension thereof, broom clean and in substantially the same condition as when said premises were delivered to Tenant, or as altered pursuant to the provisions of this Lease, reasonable wear and tear excepted, and Tenant agrees to remove all of its personal property. Tenant agrees to pay a reasonable cleaning charge if it is necessary for Landlord to restore or cause to be restored the premises to a clean and orderly condition.

22. WAIVER OF COVENANTS. It is agreed 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.

23. NOTICE. Any notices or demand required or permitted by law, or any provision of this Lease, shall be in writing, and shall be deemed to be received by Landlord when personally delivered to Landlord, or three (3) days after same is deposited in the United States mail, registered or certified, with return receipt requested, postage prepaid, and addressed to Landlord, attention City Administrator, at Post Office Box 508, Isle of Palms, S. C. 29451, or at such other address as Landlord may hereafter designate in writing to Tenant.

Any such notice or demand to be served upon the Tenant shall be in writing and shall be deemed to be received by Tenant when personally delivered to Tenant, or three (3) days after

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same is deposited in the United States mail, registered or certified, with return receipt requested, postage prepaid, and addressed to Tenant at ~~2062 Pon Avenue, Sullivan's Island, SC 29482~~, or at such other address as Tenant may hereafter designate in writing to Landlord.

24. DEATH OR DISABILITY OF JAMES P. CLARKE. In the event of the death or permanent disability of James P. Clarke ("Clarke"), the controlling member in Tenant, at any time during the term of this Lease or any renewals thereof, Clarke, Clarke's personal representative, or Clarke's conservator, as the case may be, may within sixty (60) days from the date of Clarke's death or permanent disability elect to terminate this Lease and pay liquidated damages to Landlord as set forth in this Section. The parties agree that the liquidated damages set forth in this Section are a reasonable measure of Landlord's actual damages resulting from any such termination and are not in the nature of a fine or a penalty. Permanent disability of Clarke, for purposes of this Section, shall be defined as Clarke's inability to substantially perform his normal and routine duties and functions as owner and operator of the restaurant for a period of one hundred eighty (180) consecutive days as a result of injury, sickness or disease. The liquidated damages to be paid to Landlord hereunder shall be an amount equal to twelve times the monthly rental being paid at such time, or the balance of the rent due under the then current term of this Lease, whichever is less; provided, however, that if Tenant has exercised any renewal option prior to Clarke's death or disability, then such renewal term shall be included as part of the balance of the then current term of this Lease for the calculation of liquidated damages due hereunder.

25. 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 by the other party, either express or implied, which are not contained in this

Lease. All prior understandings, terms or conditions are deemed merged into this Lease. This Lease may be altered or amended only by an instrument in writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, by and through the undersigned authorized representatives, as of the day and year first above written.

WITNESS:

Janet H. Mauldin

AMUX S. Walker  
(as to Landlord)

Janet H. Mauldin

AMUX S. Walker  
(as to Tenant)

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

By: F. Michael Pettit

Title: MAYOR

Barrier Isles, LLC, Tenant

By: J.P. Clarke

Title: Sole Member

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, James P. Clarke ("Guarantor"), 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 do 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 17 day of May, 2002.

WITNESS:

Jaet H. Mauldin

Amys S. Wilkin  
(as to Guarantor)

J.P. Clarke  
James P. Clarke, Guarantor

EXHIBIT I

(SEE ATTACHED MAP OF LEASED PREMISES)



EXHIBIT II

(LIST OF PROPERTY OWNED BY LANDLORD)

walk-in cooler/freezer  
large hood system  
generator and fuel tank  
dumb waiter  
ceiling fans  
lighting fixtures  
built-in ceiling speakers  
bathroom - blow dryers and changing table  
cabinetry and bars  
carpeting and floor coverings

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

THIS FIRST AMENDMENT TO LEASE AGREEMENT is made and entered into this 12 day of March, 2010, by and between The City of Isle of Palms, South Carolina (“Landlord”) and Barrier Isles, LLC, a South Carolina limited liability company, and its permitted assigns (“Tenant”).

WHEREAS, Tenant is the tenant under that certain Lease Agreement dated May 17, 2002, between Landlord and Tenant (the “Lease”), covering certain real property commonly known as “Morgan Creek Grill,” located near the northeastern corner of the Isle of Palms Marina; 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. That Section 3.A. of the Lease is hereby amended to add the following subsection:  
“(iii) Notwithstanding any other provision contained in this Section to the contrary, for any Lease Year Tenant may elect to re-allocate the payment of the entire Base Rent, as adjusted pursuant to Subsection (ii), due for such Lease Year by paying monthly rent in the amount of Three Thousand (\$3,000.00) Dollars for the months of October through April, with the balance of all monthly rent otherwise due for such Lease Year payable in equal monthly installments for the months of July, August, September, May and June.”

2. That Section 3.B. of the Lease is hereby amended by modifying the last sentence of the Section with text additions displayed in **bold and underlined** text:

“For purposes of this Lease, “gross income” is defined as all revenue derived by Tenant at the Leased Premises, **including all revenue derived from conducting boat cruises as set forth in Section 27**, minus any applicable State of South Carolina sales tax.”

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3. That Section 3.B. of the Lease is hereby amended to add the following provision at the end of the Section:

“Provided, however, that notwithstanding any other provision in this Section to the contrary, for Lease Years ending June 30, 2010, June 30, 2011 and June 30, 2012, the only additional rent due from Tenant to Landlord shall be the amount equal to two (2%) percent of the amount of Tenant’s gross income derived from the Leased Premises during such Lease Year which is in excess of Two Million Seven Hundred Fifty Thousand (\$2,750,000) Dollars.”

4. That the Lease is hereby amended to add the following Section:

“26. DOCK USE BY TENANT’S PATRONS. Landlord agrees to reserve the dock space (the “Restaurant Dock”) shown on Exhibit I attached hereto for the exclusive use of Tenant’s patrons. Provided, however, that Tenant agrees to prohibit overnight mooring of vessels at the Dock other than for exceptional circumstances. Landlord agrees to be responsible for all repairs and maintenance at the Restaurant Dock which are not caused by the negligent or willful acts of Tenant or Tenant’s patrons. 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 the use of the Restaurant Dock by Tenant, its agents, employees, licensees or invitees except to the extent caused by the fault or neglect of Landlord or its employees, agents, invitees and licensees.”

5. That the Lease is hereby amended to add the following Section:

“27. BOAT CRUISES. Tenant is allowed to host boat cruises which embark from the Restaurant Dock so long as all such cruises are conducted in accordance with all applicable governmental laws, rules and regulations and vehicular parking for such cruises does not materially interfere with the operations of Landlord’s Marina Operations Tenant.”

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

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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 Pyral

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

By: RJ Conin

MB Caplan  
(as to Landlord)

Title: Mayor

Rebecca Barnes

Barrier Isles, LLC, Tenant

By: James P. Clarke

Carla D

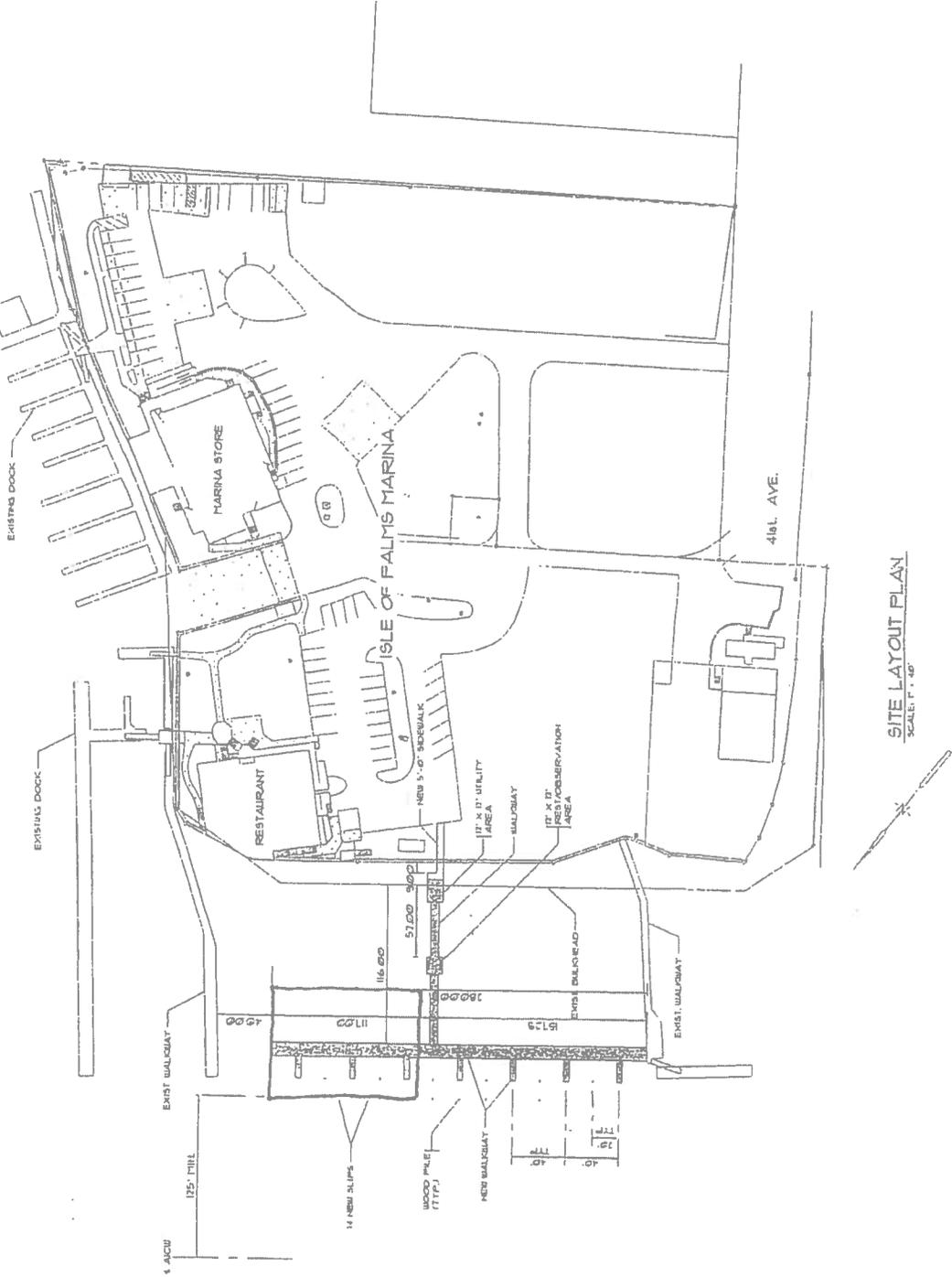
Title: pres.

(as to Tenant)

EXHIBIT I

(ATTACH MAP SHOWING RESTAURANT DOCK)

EXHIBIT I



SITE LAYOUT PLAN  
SCALE: 1" = 40'

50% DESIGN SUBMITTAL

G-3

DATE: AS SHOWN

PROJECT: ISLE OF PALMS

LOCATION: CHARLESTON COUNTY

CLIENT: CITY OF ISLE OF PALMS

NO. 2003

DATE: 08/11/03

BY: [Signature]

FOR: [Signature]

SITE LAYOUT PLAN

ISLE OF PALMS  
MARINA EXPANSION  
CITY OF ISLE OF PALMS  
CHARLESTON COUNTY



Hobbs, Ubrich & Associates, P.A.  
Consulting Engineers  
Brooklet, South Carolina 29907





above.

WITNESS:

[Signature]

[Signature]  
(as to Landlord)

\_\_\_\_\_

[Signature]  
(as to Tenant)

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

By: [Signature]

Title: City Administrator

Barrier Isles, LLC. Tenant

By: [Signature]

Title: President

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

THIS THIRD AMENDMENT TO COMMERCIAL LEASE AGREEMENT (“Third Amendment”) is made and entered into this 23rd day of May , 2018, by and between The City of Isle of Palms, South Carolina (“Landlord”) and Barrier Isles, LLC, a South Carolina limited liability company (“Tenant”).

WHEREAS, Tenant is the tenant under that certain Commercial Lease Agreement dated May 17, 2002, between Landlord and Tenant (the “Lease”), covering certain real property commonly known as “Morgan Creek Grill,” located near the northeastern corner of the Isle of Palms Marina; and

WHEREAS, Landlord and Tenant made certain amendments to the terms of the Lease in the First Amendment (“First Amendment”) to Lease Agreement dated March 12, 2010; and

WHEREAS, Landlord and Tenant made certain amendments to the terms of the Lease in the Second Amendment (“Second Amendment”) to Lease Agreement dated October 26, 2017; 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. That the Lease is hereby amended to add the following new Section 28:  
“28. DOCK USE BY TENANT’S PATRONS. Landlord agrees to reserve the dock space (the “Restaurant Dock”) shown on Exhibit I attached hereto for the exclusive use of Tenant’s patrons from June 1, 2018 to May 31, 2019. Landlord shall have no further obligation to reserve the Restaurant Dock, or

any portion thereof, for Tenant's exclusive use after May 31, 2019. Tenant agrees to be responsible for payment of all property taxes assessed against the Restaurant Dock property which accrue during the time period for which the Restaurant Dock is reserved for the Tenant's exclusive use. Tenant agrees to prohibit overnight mooring of vessels at the Restaurant Dock other than for exceptional circumstances. Landlord agrees to be responsible for all repairs and maintenance at the Restaurant Dock which are not caused by the negligent or willful acts of Tenant or Tenant's patrons. Tenant agrees to be responsible for all repairs and maintenance at the Restaurant Dock which are caused by the negligent or willful acts of Tenant or Tenant's patrons. 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 the use of the Restaurant Dock by Tenant, its agents, employees, licensees, or invitees except to the extent caused by the fault or neglect of Landlord or its employees, agents, invitees and licensees."

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

Exhibit I  
(Attach Map Showing Restaurant Dock)



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

WITNESS:

Amy Lee

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

By: [Signature]

Title: City Administrator

[Signature]

(as to Landlord)

Barrier Isles, LLC, Tenant

Rebecca Orsini

By: [Signature]

Title: Pres. Barrier Isles LLC

[Signature]

(as to Tenant)

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

THIS FOURTH AMENDMENT TO COMMERCIAL LEASE AGREEMENT (“Fourth Amendment”) is made and entered into this 30 day of July, 2019, by and between The City of Isle of Palms, South Carolina (“Landlord”) and Barrier Isles, LLC, a South Carolina limited liability company (“Tenant”).

WHEREAS, Tenant is the tenant under that certain Commercial Lease Agreement dated May 17, 2002, between Landlord and Tenant (the “Lease”), covering certain real property commonly known as “Morgan Creek Grill,” located near the northeastern corner of the Isle of Palms Marina; and

WHEREAS, Landlord and Tenant made certain amendments to the terms of the Lease in the First Amendment (“First Amendment”) to Lease Agreement dated March 12, 2010; and

WHEREAS, Landlord and Tenant made certain amendments to the terms of the Lease in the Second Amendment (“Second Amendment”) to Lease Agreement dated October 26, 2017; and

WHEREAS, Landlord and Tenant made certain amendments to the terms of the Lease in the Third Amendment (“Third Amendment”) to Lease Agreement dated May \_\_, 2018; 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. That the Lease is hereby amended to add the following new Section 28:  
“28. DOCK USE BY TENANT. Landlord agrees to reserve the dock space (the “Restaurant Dock”) shown on Exhibit I attached hereto for the exclusive use of Tenant from July 4, 2019 to October 31, 2020 or upon termination of the Lease, whichever comes first. Tenant agrees to be responsible for payment of all property taxes assessed against the Restaurant Dock property



which accrue during the time period for which the Restaurant Dock is reserved for the Tenant's exclusive use. Landlord agrees to be responsible for all repairs and maintenance at the Restaurant Dock which are not caused by the negligent or willful acts of Tenant or Tenant's patrons or subtenants. Tenant agrees to be responsible for all repairs and maintenance at the Restaurant Dock which are caused by the negligent or willful acts of Tenant or Tenant's patrons. 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 the use of the Restaurant Dock by Tenant, its agents, employees, licensees, or invitees except to the extent caused by the fault or neglect of Landlord or its employees, agents, invitees and licensees."

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

**[SIGNATURE PAGE TO FOLLOW]**



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

WITNESS:

[Signature]

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

[Signature]

(as to Landlord)

By: [Signature]  
Title: City Administrator

[Signature]

Barrier Isles, LLC, Tenant

[Signature]

(as to Tenant)

By: [Signature]  
Title: president



Exhibit I

(Attach Map Showing Restaurant Dock)

