

EXTENSION RIDER

WHEREAS, Tenant has provided Landlord written notice of Tenant's intention to exercise its option to extend the Term pursuant to subdivision 1 of the Extension Option Rider of a Beach Concession Lease dated April 27, 2016, between the City of Long Beach and Sand Castles LBNY, Inc. (hereinafter "Lease").

WHEREAS, Landlord is desirous of consenting to Tenant's request to extend the Term for a total of five years, commencing on May 1, 2021 and ending September 15, 2025, pursuant to the terms and conditions of the Lease (the "Extension Term").

NOW, THEREFORE, to accomplish the foregoing, Tenant and Landlord hereby enter into the instant Extension Rider pursuant to the terms and conditions of the Lease and its Extension Rider, which remain in full force and effect at all times:

1. All terms and condition of the Lease remain in full force and effect except as specifically and explicitly modified herein. Said Lease shall remain in full force and effect at all times through the duration of this Rider.
2. Tenant's option to extend the Term pursuant to the Extension Rider is hereby granted through the duration of the Extension Term.
3. On or before January 1 of each year of this Extension Option, Tenant must pay the Security, as that term is defined in Section 1.14 and as provided in Article 16 of this lease. If Landlord does not receive the Security from Tenant on or before January 1 of each and every year of this Extension Option, the Premises shall be deemed abandoned in accordance with Section 14.1(e) of this lease.
5. Tenant must not be in Default of this Lease or this Rider at any time. If Tenant is found to be in Default of this Lease prior to commencement of the Extension Term, this Rider shall be null and void.
6. Tenant acknowledges, pursuant to the terms of the Extension Option Rider, that subsequent to the execution of this Extension Rider, that Tenant shall not assign or sublease the Premises, in whole or in part, to any affiliate or successor of Tenant.
7. Throughout the duration of the Extension Term, Tenant shall be open to the public and operating its business in accordance with the Permitted Use of the Premises, as well as all provisions of the Lease including but not limited to all terms and conditions of the Lease, the Rules, and the terms and conditions of the Request for Proposal.
8. If the Lease provides for a rent concession, Landlord's Contribution or other work allowance, or Landlord's Work, such provisions shall not apply to the Extension Term.
9. The Lease shall not be subject to any further extension of the Term pursuant to the Extension Option Rider.

10. The Fixed Rent to be paid by the Tenant, which shall supersede all Fixed Rent Schedules set forth in the Lease, shall be:

2017:	\$30,000.00
2018:	\$22,000.00
2019:	\$22,000.00
2020:	\$22,000.00
2021:	\$22,000.00
2022:	\$24,000.00
2023:	\$26,000.00
2024:	\$28,000.00
2025:	\$30,000.00

11. Tenant shall receive a one-time fire alarm installation credit of \$2,812.50, to be subtracted from the Fixed Rent due for 2018.

12. Tenant shall pay an additional \$2,500.00 for all Fixed Rent from 2017 through and inclusive of 2020.

13. The Net Effective rent schedule, subject to the provisions of paragraphs 11 and 12 of this Extension Rider, shall be:

2017:	\$32,500.00
2018:	\$21,687.50
2019:	\$24,500.00
2020:	\$24,500.00

14. Tenant's Fixed Rent payment shall be due in full on June 12, 2017, for the Fixed Rent payable in 2017. For years 2018 through 2024, Tenant must pay the Security (equal to 10% of the Fixed Rent for the given year) on or before January 1 of that year, 45% of the Fixed Rent payable in a given year shall be due on or before June 15 of that calendar year with the remaining 45% of the Fixed Rent payable on or before August 15 of that calendar year. For

calendar year 2025, Tenant must pay the Security on or before January 1, 2025, and pay the remaining 90% of the Fixed Rent on or before June 30, 2025.

15. Tenant agrees to pay fifty percent (50%) of the electricity consumption for the Premises, for the months of April through September, to be inclusive of the public bathrooms as well as all other service equipment within and adjacent to the Premises. Invoices for electrical consumption shall be due and payable upon presentation to Tenant.

16. Tenant shall complete installation of the fire alarm systems in the Premises and comply with all other Federal, State, or Local rules and/or regulations, including the City of Long Beach Code of Ordinances and any applicable fire code, by June 15, 2017.

17. Tenant may be permitted to use the storage area underneath the Premises, contingent on the Tenant submitting plans for same to the Commissioner of the Department of Public Works. Said permission is subject to the Commissioner of the Department of Public Works approving said plan, with such approval not to be unreasonably withheld.

18. Landlord agrees to keep the public bathrooms adjacent to Tenant's premises open to the public during the times Tenant is operating the Premises and is open to the public, subject to all other restrictions in the Lease and this Rider. If Tenant requires the bathrooms to be open at a time when the bathrooms are not scheduled to be open, Tenant shall submit a schedule to the Commissioner of the Department of Public Works at least two weeks prior to requesting the bathrooms to be open outside regular hours. The Department of Public Works shall make a good faith effort to accommodate any such request.

19. Tenant may use the Premises or any of the service equipment therein for storage in support of Beachside Services, Inc., and its contract with the City and no other purpose.

20. With respect to Tenant's Work on the roof of the Premises on or about June of 2016 ("Roof Work"), Landlord agrees not to pursue a Default pursuant to Article 14 of the Lease with respect to the single occurrence of the Roof Work in June 2016. While Landlord agrees not to pursue a Default for the Roof Work, Landlord expressly reserves all other rights in the Lease with respect to the Roof Work, specifically including those rights under Section 5.10. That is, Tenant specifically does not waive any rights under Section 5.10 with respect to the Roof Work. Tenant acknowledges that the manner in which the Roof Work occurred would otherwise be a material default, but for the written waiver herein, and Tenant agrees to pursue any future Tenant's Work strictly in accordance with the Lease.

In Witness Whereof, Landlord and Tenant have executed this Extension Rider.

Landlord

City of Long Beach

By: _____

Date: _____

Name: Jack Schnirman

Title: City Manager

Tenant

Sand Castle LBNY, Inc.

By: *Brian Braddish*

Date: *6/6/17*

Name: *BRIAN BRADDISH*

Title: *pres.*

STATE OF NEW YORK)
: ss.:
COUNTY OF NASSAU)

On the _____ day of _____, 2017 before me, the undersigned, a Notary Public in and for said State, personally appeared Jack Schnirman, City Manager of the CITY OF LONG BEACH, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the municipal corporation upon behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)
: ss.:
COUNTY OF NASSAU)

On the 6th day of June, 2017 before me, the undersigned, a Notary Public in and for said State, personally appeared BRIAN BRADDISH, President of SAND CASTLES LIBRY, INC., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

WILLIAM MILLER
Notary Public, State of New York
No. 02M16251048
Qualified in Nassau County
My Commission Expires November 14, 2019

Notary Public