
Beach Concession Lease

City of Long Beach,

Landlord

and

Sand Castle LBNY, Inc.

Tenant

Premises: Edward Boulevard and the Boardwalk Concession

Date: January 23, 2025

Beach Concession Lease

Lease dated January 23, 2025, between the City of Long Beach (“City”), a municipal corporation with a principal place of business at 1 West Chester Street (“Landlord”), and Sand Castle LBNY, Inc., a New York Corporation, d/b/a Riptides, (“Tenant”) with a principal place of business at 740 West Bay Drive. This lease is being made pursuant to City Council Resolution 5 / 25, annexed hereto and made a part hereof as Exhibit A.

Article 1. Basic Terms and Definitions

Section 1.1 Additional Rent. All sums, other than the Fixed Rent, payable by Tenant to Landlord under this lease, including but not limited to costs for electric, water, sewer, sanitation and the payment of deficiencies and increases in the Security, if any.

Section 1.2 Building. The building and improvements located at Edwards Boulevard and the Boardwalk.

Section 1.3 Commencement Date. September 16, 2025, subject to the provisions of Section 2.6.

Section 1.4 Expiration Date. September 15, 2035, subject to this lease and the Extension Option Rider.

Section 1.5 Extension Option. The Parties will have a five (5) year extension option, upon mutual written consent.

Section 1.6 Fixed Rent. The Fixed Rent is shown on Exhibit B to this lease.

Section 1.7 Notice Address.

(a) Landlord. Department of Public Works, City of Long Beach, 1 West Chester Street, Long Beach, New York 11561.

(b) Tenant. Riptides, c/o Brian Braddish and Gina Braddish, 740 West Bay Drive, Long Beach, New York 11561.

Section 1.8 Permitted Use. The operation of a food and beverage services establishment, including but not limited to the preparation and cooking of various food and other menu items as well as beverages with associated table service.

Section 1.9 Premises. The building and improvements located at Edwards Boulevard and the Boardwalk, including the use and occupancy of the area under

the Premises for storage. The Premises also includes two (2) parking spaces, along with a shed that houses an ice machine and walk-in box behind the Premises, and an icebox on the west side of the Premises

Section 1.10 Real Property. The Building, the Premises, the land on which it is located, abutting Ocean Beach Park as it is defined in the City of Long Beach Charter and Code of Ordinances.

Section 1.11 Ocean Beach Park. Consistent with the definition of the Ocean Beach Park of the City of Long Beach Charter and Code of Ordinances, and any subsequent resolutions redefining same, which do not constitute a taking of the property or the use, the entirety of which is wholly incorporated herein and made reference to hereto.

Section 1.12 Rent. The Fixed Rent and all Additional Rent.

Section 1.13 Term. The period commencing on the Commencement Date and ending on the Expiration Date, subject to earlier termination or extension of this lease pursuant to the terms hereof.

Section 1.14 Certain Definitions. Any reference in this lease to (a) “legal action”, includes any suit, proceeding or other legal, arbitration or administrative process, and any appellate proceedings in connection therewith, (b) “person” includes any individual or entity, (c) “this lease” includes the Rules and the other Exhibits to this lease, and (d) “including” means “including without limitation”.

Article 2. Demise; Rent

Section 2.1 Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, for the Term, at the Rent and on the other terms of this lease.

Section 2.2 The Term of this lease shall be for a period of ten (10) consecutive years with the Parties having one five (5) year optional renewal period, upon mutual written consent, under the same terms herein with a two (2) percent increase in rent due on the 10th year herein, and as set forth in the “Fixed Rent” schedule at Exhibit B . However, notwithstanding any other item in this lease to the contrary, Tenant may elect to terminate this lease without any further liability at the conclusion of any Ocean Beach Park Season but in no event later than December of the year preceding the following Ocean Beach Park Season.

Section 2.3 Tenant shall pay Landlord the Rent, without notice, abatement, deduction or offset (except as expressly provided in this lease), in lawful money of the United States of America, by Tenant’s check or another method approved by Landlord, at Landlord’s Notice Address or another address Landlord designates, and as provided in this lease. The Fixed Rent shall be paid on a monthly basis on the last day of the month for the following month, pursuant to the fixed rent schedule, Exhibit B. Landlord’s delay in rendering, or failure to render, any statement required to be rendered by Landlord for any Rent for any period shall not waive Landlord’s right to render a statement or to collect

that Rent for that or any subsequent period. The rendering of an incorrect statement shall not waive Landlord's right to render a corrected statement for the period covered by the incorrect statement and collect the correct amount of the Rent, which Tenant shall pay within thirty (30) days after its receipt of the corrected statement.

Section 2.4 Unless otherwise specified in this lease, all Additional Rent shall be paid by Tenant within thirty (30) days after Tenant is billed therefor.

Section 2.5 Except as otherwise specifically provided in this lease, Landlord's calculation, determination, or estimate of any Fixed Rent adjustment, any Additional Rent, any Additional Rent adjustment, or any refund (if this lease provides for one) (a "Determination") shall bind Tenant unless: (a) Tenant gives Landlord Notice of Tenant's objection (with all reasonable grounds for such objection) within thirty (30) calendar days after receiving Landlord's first invoice based on such Determination, and (b) Tenant timely pays the invoiced amount (without prejudice to Tenant's right to object as provided in this

Section 2.6 Landlord and Tenant shall execute an agreement setting forth the Commencement Date, the Commencement Date and the Expiration Date in the form attached hereto as Exhibit D.

Article 3. Use; Rules and Regulations; Tenant Operations; Signs

Section 3.1 Tenant shall use the Premises only for the Permitted Use, subject, however, to the provisions of this lease. Tenant, at its sole cost and expense, shall acquire any and all permits, licenses, certificates and approvals required by any and all Federal, State, and local laws for the Permitted Use and the conduct of Tenant's operations in the Premises. Tenant shall store in the Premises only the merchandise that Tenant sells on a retail basis for the Permitted Use of the Premises, and shall use commercially reasonable efforts to minimize the areas used for storage and to maximize the area used for retail sales.

Section 3.2 Tenant shall not use the Premises, or any part thereof, in violation of any directive from the Landlord, if any, for the Premises or the Real Property. Tenant shall not use the property in any way which is inconsistent with a food and beverage service establishment.

Section 3.3 Tenant shall, and shall cause its employees, contractors, and invitees to, comply with the rules and regulations annexed hereto as Exhibit D and such reasonable changes therein (whether by modification, restatement, elimination or addition) as Landlord may make at any time or times hereafter and communicate to Tenant (the "Rules"). Landlord is not required to enforce the Rules against Tenant or any other tenant or occupant, their employees, contractors or invitees, and Landlord shall not be liable to Tenant for any violation of the Rules by another tenant or occupant or any of their employees, contractors or invitees. Landlord's failure to enforce the Rules against Tenant or any other occupant of the Building shall not be considered a waiver of the Rules.

Section 3.4 The continuous operation of Tenant's business in the Premises is of material importance to Landlord because of the adverse impact on the Real Property of vacant retail space. Tenant shall cause its business to be fully stocked and staffed, and open continuously for business at the Premises at least eight (8) hours a day, such hours to occur at all times when the Ocean Beach Park is open for business, up to 7 days a week. In no event shall Tenant operate its business between the hours of 9 p.m. and 5 a.m., unless the Landlord provides prior written consent at its sole discretion.

Section 3.5 Tenant shall, at its expense: (a) keep the inside and outside of all glass in the doors and windows of the Premises clean and keep all exterior store surfaces of the Premises clean; (b) replace immediately any cracked or broken glass of the Premises with glass of like color, grade, and quality; (c) maintain the Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests and shall arrange for extermination at regular intervals, not less frequently than monthly and more often as necessary; (d) keep any garbage, trash, rubbish or other refuse in vermin-proof containers within the interior of the Premises that are kept closed until removed, unless otherwise permitted by the City of Long Beach's Commissioner of Public Works; (e) deposit such garbage, trash, rubbish and refuse, on a daily basis, in receptacles provided or required by the City of Long Beach's Commissioner of Public Works at his sole discretion, and notwithstanding any other term of this lease to the contrary; (f) remove from the Premises all rubbish resulting from and/or remaining after any fire or other similar casualty in the Premises; (g) keep all mechanical apparatus and equipment free of vibration and noise which may be transmitted beyond the Premises; (h) keep in the Premises and maintain in good working order one or more dry chemical fire extinguishers; (i) conduct its business at the Premises in a dignified manner in accordance with high standards of beach concession operation; and, (j) prevent any odors or any noise from unreasonably transmitting beyond the Premises, to be determined at the sole discretion of the Landlord.

Section 3.6 Tenant shall not: (a) obstruct, or permit its employees, contractors, customers or invitees to obstruct, any walkway, sidewalk, ramp or other area not included as the Premises; (b) use or permit the use of any advertising medium objectionable to Landlord (such as, without limitation, loudspeakers, phonographs, public address systems, sound amplifiers, reception of radio or television broadcasts within the Building) which is in any manner audible or visible outside of the Premises, to be determined at the sole discretion of the Landlord; (c) permit undue accumulations of or burn garbage, trash, rubbish or other refuse within or without the Premises; (d) cause or permit offensive odors or fumes to emanate from the Premises; (e) receive or ship articles of any kind outside the designated loading areas, if any, for the Premises; (f) use the Premises for any activity that is inconsistent with the operation of a food and beverage service concession; (g) use the Premises for any hazardous activity or in such manner as to constitute a nuisance of any kind (public or private); or (h) cause waste.

Section 3.7 Tenant acknowledges that Landlord intends the retail space abutting the Ocean Beach Park and the tables on the boardwalk to be operated in a manner that does not offend the community that it serves. Accordingly, Tenant shall not use the Premises for any immoral or disreputable use or activity or for any use that is objectionable

to the community in which the Premises are located to be determined at the sole discretion of the Landlord; and Tenant shall not sell, distribute, display, advertise or offer for sale at the Premises any item or service which, in Landlord's sole discretion, may tend to injure or detract from the image of the Ocean Beach Park within such community Without limiting the generality of the foregoing, Tenant shall not sell, distribute, display or offer for sale any item not specifically proposed in response to Landlord's request for proposals, including but not limited to: (a) any drug paraphernalia, (b) any pornographic, lewd, suggestive, or "adult" newspaper, book, magazine, film, picture, recording, representation or merchandise of any kind, (c) any counterfeit goods or (d) any gun or guns.

Section 3.8 The term "Sign" includes all signs, designs, monuments, banners, projected images, awnings, canopies, pennants. No Sign shall be exhibited, installed, inscribed, painted or affixed, without the prior written consent of Landlord in its sole discretion, on any part of the Ocean Beach Park. Notwithstanding the foregoing, no neon Signs or blinking or flashing Signs are permitted. Unless otherwise expressly permitted, Tenant may not install Signs advertising anything other than their own use of the Premises. Tenant shall, at its own expense, obtain all required licenses and permits for any Signs installed by Tenant, and renew them as required by applicable Laws. In addition to the foregoing, any signs or alterations to the Premises shall require the prior written consent of the City of Long Beach which shall not be unreasonably withheld. All Sign(s) shall be installed and removed in a good and workmanlike manner, without damaging the Real Property or the Premises, and in compliance with all applicable Laws and the applicable provisions of this lease. Prior to installing any permitted Sign, Tenant shall deliver to Landlord any permits or approvals required by applicable Laws in connection with such installation. Tenant shall maintain any permitted Signs in good, clean, neat and safe condition, and at the expiration or sooner termination of this lease, Tenant shall cause such Signs to be removed and cause the cancellation of any issued licenses or permits and agrees to reimburse Landlord for the reasonable costs associated with such removal, should tenant fail to comply with this provision. Tenant shall not change or alter any Sign approved by Landlord in any respect whatsoever, without first obtaining Landlord's prior consent to such change or alteration. Landlord may remove any Sign(s) installed or maintained in violation of this Article, and Tenant shall reimburse Landlord for all costs incurred by Landlord in so removing any such Sign promptly after being billed therefor. In addition, Landlord may, from time to time, temporarily remove any Sign in connection with any repairs, improvements, alterations, additions or replacements being made to the Real Property, and Tenant consents to same, such consent not to be unreasonably withheld.

Article 4. Condition of the Premises; Landlord's Work

Section 4.1 Tenant has examined the Premises and, (a) Tenant accepts possession of the Premises in its "AS IS" condition on the date of this lease, subject to normal wear and tear and the removal of substantially all of the existing occupant's personal property, if any, and (b) Landlord has no obligation to perform any work, supply any materials, incur any expenses or make any installations to prepare the Premises for Tenant's occupancy.

Article 5. Tenant's Work

Section 5.1 Except as may be expressly provided in this lease, Tenant shall not replace any fixtures in the Premises or make any changes, improvements, alterations or additions (collectively, "Tenant's Work"), to the Premises, the Real Property, the Ocean Beach Park, or any part thereof, without the prior written consent of the City of Long Beach's Commissioner of Public Works, in the Commissioner's sole discretion. The consent of the City of Long Beach's Commissioner of Public Works shall not be unreasonably withheld or delayed if Tenant's Work (a) is nonstructural, and (b) does not (i) affect any structural element of the boardwalk or Ocean Beach park, or (ii) adversely affect any fixture or system within or around the Premises or Ocean Beach Park, (c) is not visible outside the Premises and (d) is performed only by contractors and subcontractors first approved by the City of Long Beach's Commissioner of Public Works (which approval shall not be unreasonably withheld or delayed). Landlord's consent shall not be unreasonably withheld with respect to such of Tenant's Work as are cosmetic alterations (such as painting the interior of the Premises, carpeting, and installation of shelving and display cases) inside, and only inside, the Premises ("Cosmetic Alterations"), provided Tenant complies with the other applicable provisions of this lease and the Cosmetic Alterations are not inconsistent with the aesthetics of the Real Property as determined in the sole discretion of the Commissioner of Public Works. Tenant's Work shall be performed, at Tenant's expense, with diligence when started so as to promptly complete it in a good and worker-like manner using materials of first class quality and in compliance with this lease, all Laws and Tenant's Plans (as defined in Section 5.2) as approved by Landlord, in Landlord's sole discretion. Tenant's Work shall be fully paid for by Tenant when payment is due and shall not be financed with any conditional sales or title retention agreements or by the granting of any security interests, liens, encumbrances or financing statements on the Premises. Tenant's Work shall be deemed, upon installation, to be improvements and betterments that become the property of Landlord at installation, and shall remain upon and be surrendered with the Premises, at the expiration of the Term (or the sooner termination of this lease in accordance with its provisions) unless Landlord notifies Tenant in accordance with the provisions of this Article that Landlord relinquishes its rights thereto, in which case Tenant shall be obligated to remove such Tenant's Work.

Section 5.2 Prior to commencing any Tenant's Work other than purely Cosmetic Alterations, Tenant shall, at Tenant's expense, deliver to Landlord detailed plans and specifications, for Tenant's Work, in form reasonably satisfactory to Landlord, prepared, certified, signed and sealed by an architect or engineer licensed to practice in the State of New York, and suitable for filing with the applicable Authority, if filing is required by applicable Laws (such plans and specifications together with revisions thereto, collectively, "Tenant's Plans"), and obtain Landlord's approval of Tenant's Plans. The City of Long Beach Commissioner of Public Works must approve of all Tenant's plans, subject to the Commissioner's sole discretion. Before commencing Tenant's Work, Tenant shall (a) obtain (and deliver to Landlord copies of) all required permits and authorizations of any Authority for such work, and (b) deliver to Landlord such security as shall be reasonably satisfactory to Landlord, and (c) deliver to Landlord certificates (in form

reasonably acceptable to Landlord) evidencing the following insurance coverages from each contractor and subcontractor: (i) worker's compensation insurance covering all persons to be employed in the performance of any Tenant's Work, and (ii) commercial general liability insurance on a primary and non-contributory basis with a limit of liability approved by Landlord, and with contractual liability coverage, naming Landlord, its agents, employees and elected officials as additional insureds, and (iii) comprehensive automobile liability insurance (covering all owned, non-owned and/or hired motor vehicles to be used in connection with Tenant's Work) with a limit of liability approved by Landlord and (iv) builders risk insurance for the full value of the Tenant's Work performed by such contractor and subcontractor.

Section 5.3 Tenant shall reimburse Landlord, within fifteen (15) days of being billed therefore, for any reasonable out-of-pocket expenses incurred by Landlord in connection with Landlord's review of Tenant's Plans and inspection of Tenant's Work, including outside experts retained by Landlord for that purpose. Landlord's consent to Tenant's Work and Landlord's approval of Tenant's Plans shall be without liability to or recourse against Landlord, shall not release Tenant from its obligations to comply strictly with the provisions of this lease, and shall not constitute any representation or warranty by Landlord regarding the adequacy for any purpose of Tenant's Work or Tenant's Plans or their compliance with Laws, and shall not relieve Tenant from obtaining Landlord's express written approval to revisions thereto. Promptly after substantial completion of Tenant's Work, but in no event later than six (6) months after the commencement of such work, Tenant shall, at Tenant's expense, obtain and deliver to Landlord copies of all sign-offs, letters of completion, approvals and certificates of any Authority required upon the completion of Tenant's Work (including any required amendments to the certificate of occupancy for the Premises and/or Building) and "as-built" plans and specifications for Tenant's Work prepared as reasonably required by Landlord.

Section 5.4 If, in connection with Tenant's Work or any other act or omission of Tenant or Tenant's employees, agents or contractors, a mechanic's lien, financing statement or other lien or violation of any Laws, is filed against Landlord or all or any part of the Real Property, Tenant shall, at Tenant's expense, have such lien removed by bonding or otherwise within thirty (30) days after Tenant receives notice of the filing.

Section 5.5 All construction managers, contractors and subcontractors performing work for which a license is required by applicable Laws, shall be licensed by the appropriate Authorities and approved by Landlord, which approval shall not be unreasonably withheld or delayed. Landlord's approval of such construction managers, contractors and subcontractors shall be without liability to or recourse against Landlord, shall not release Tenant from its obligations to comply strictly with the provisions of this lease, shall not constitute any warranty by Landlord regarding the adequacy, professionalism, competence or experience of the approved construction manager, contractor, or subcontractor, and shall not relieve Tenant from obtaining Landlord's express prior written approval if Tenant seeks to employ any other or additional construction manager, contractor or subcontractor. Promptly following substantial completion of Tenant's Work, but in no event later than six (6) months after the

commencement of such work, Tenant shall furnish to Landlord lien waivers and releases, in form reasonably satisfactory to Landlord, from all construction managers, contractors, subcontractors, and materialmen furnishing work, services or materials in connection with Tenant's Work.

Section 5.6 Tenant shall require all its contractors and their subcontractors to work in harmony with other laborers working or providing services at the Real Property, and will prohibit the employment of people whose employment causes other laborers at the Real Property or employees of the Landlord to picket or strike. Immediately after notice from Landlord that Tenant's contractors, mechanics or laborers are interfering or causing conflict with other contractors, mechanics, laborers or Landlord's personnel or that the performance of Tenant's Work is causing a violation of any union contract affecting the Real Property, Tenant shall cause all its contractors, mechanics or laborers who are causing the interference or conflict to leave the Real Property and shall take such other action as may be reasonably necessary to resolve such interference or conflict.

Section 5.7 At Tenant's request, Landlord shall join in any applications for any authorizations required from any Authority in connection with Tenant's Work to which Landlord has consented, and otherwise cooperate with Tenant in connection with Tenant's Work, but Landlord shall not be obligated to incur any expense or obligation in connection with any such applications or cooperation.

Section 5.8 Tenant shall not place a load on any floor of the Premises, Building, adjacent Boardwalk and Boardwalk Ramps, or Real Property exceeding the floor load per square foot which the floor was designed to carry and which is allowed by any Laws.

Section 5.9 Tenant shall be liable for any damage caused to any part of the Building, adjacent Boardwalk and Boardwalk Ramps caused by Tenant, including its fixtures and equipment, arising from, or as a result of, Tenant's Work and/or its installation and/or removal of its Signs. If Tenant performs with Landlord's approval any work on the roof of the Building (for example, in connection with repair, maintenance, or installation of any air conditioning system), Tenant shall use only a contractor approved by Landlord for such work and shall not do or cause anything to be done which would invalidate Landlord's then effective roof guaranty for the Premises. Tenant shall also be responsible for promptly repairing (including any necessary replacement) any damage to the roof or Building caused by such work; provided that Landlord may, at its option, effect any such repair or replacement, in which event Tenant shall reimburse Landlord for all costs incurred by Landlord in connection therewith within fifteen (15) days after Tenant is billed therefor.

Section 5.10 On or before the Expiration Date or sooner termination of this lease, if applicable, Tenant shall, at Tenant's expense, remove from the Building (a) all Tenant's Work which Landlord designates for removal in a notice given by Landlord, as well as any equipment, material or fixtures installed by Tenant if demanded to be removed by Landlord to Tenant on or before the date which is thirty (30) days prior to the

Expiration Date (or prior to the sooner termination of this lease, if applicable) and (b) Tenant's trade fixtures, equipment and personal property which are removable without material damage to the Premises or the Building ("Tenant's Property"). Tenant shall repair any damage to the Premises, and/or the Real Property, caused by the installation or removal of Tenant's Property, Signs or Tenant's Work. Except as expressly provided in this Section, Tenant's Work shall not be removed. Any Tenant's Property or Tenant's Work that Tenant was required to remove and which is not removed by Tenant by the Expiration Date or sooner termination of this lease shall be deemed abandoned and may, at Landlord's option, be retained as Landlord's property or disposed of by Landlord at Tenant's expense.

Article 6. Expense Payments

Section 6.1 Tenant shall pay Landlord the Expense Payments in accordance with the provisions thereof, including but not limited to the costs associated with the use of water, sewer, electric and sanitation at the Premises. Tenant shall pay 100% of the electricity usage From April through October. Tenant shall pay Landlord, in advance, upon Landlord's request, the Expense Payment as reasonably estimated by Landlord for the calendar year. Such estimated payment shall be paid in equal monthly installments (or in such other advance periodic installments that Landlord may elect) on the first day of each month (or on the first day of such other period) during the calendar year. If Landlord first requests, or revises, the estimated monthly or other installments of the Expense Payment after the commencement of a calendar year, Tenant shall (i) until such request is made, continue paying the installments of estimated Expense Payment (if any) payable during the prior calendar year and (ii) within fifteen (15) days following Tenant's receipt of Landlord's request or revision, pay Landlord an amount equal to the requested or revised installments of the estimated Expense Payment for such calendar year retroactive to the beginning of that calendar year to the extent such amount exceeds the estimated payments (if any) paid by Tenant for that calendar year (or if they are less, Landlord shall credit the difference against the next payments under this lease). In no event shall the Fixed Rent or any other item of Additional Rent be reduced by reason of any decrease in Expenses.

Article 7. Utilities; Services

Section 7.1 Tenant shall not overload the utility systems serving the Premises, and shall not at any time overburden or exceed the capacity of the mains, feeders, ducts, conduits, pipes, valves, or other facilities by which any utilities are supplied to, distributed in or serve the Premises. If Tenant desires to install any equipment that shall require additional utility facilities, such installation shall be subject to Landlord's prior approval of Tenant's plans and specifications therefor. If such installation is approved by Landlord and if Landlord provides such additional facilities to accommodate Tenant's installation, Tenant agrees to pay Landlord, on demand, as Additional Rent, the cost for providing such additional utility facilities, if applicable. Tenant shall be permitted to install a gas powered generator subject to Landlord's approval of the plans, such approval shall not be unreasonably withheld.

Section 7.2 Landlord has no obligation to provide to Tenant or the Premises any services except as expressly set forth in this lease and its exhibits. Tenant shall be responsible for the full cost of its utility usage, but for electric, Tenant shall pay 50% of the electrical usage calculated by Electrical Meter No. 96737477, each year this agreement is in effect, from April through and including September. Landlord does not represent or warrant that any utility or other service provided by Landlord, or any utility or other service used or to be used by Tenant at the Premises, (a) shall be adequate for Tenant's particular purposes or (b) shall be free from interruption or reduction.

Section 7.3 If any utility or other service (a) becomes unavailable from any public utility company, public authority or any other person or entity supplying or distributing same (including Landlord), or (b) is interrupted by reason of Laws, the making of any repairs or improvements, or measures taken to secure the safety of the Real Property, or the safety and welfare of its tenants or occupants, or the public, or by reason of any cause beyond Landlord's reasonable control, (i) Landlord shall not be liable to Tenant in damages or otherwise, (ii) Tenant may not abate Rent or be relieved of any of its obligations under this lease, and (iii) such lack of availability or interruption shall not constitute an actual or constructive eviction, or a disturbance of Tenant's use of the Premises.

Article 8. Repairs and Maintenance

Section 8.1 Landlord shall, at Landlord's expense, make all structural repairs needed to the exterior walls, structural columns, structural roof, and structural floors that enclose the Premises (excluding all doors, door frames, storefronts, windows and glass); provided that Tenant gives Landlord notice of the necessity for such repairs. Notwithstanding the foregoing, Tenant shall reimburse Landlord, as Additional Rent, within thirty (30) days of being billed therefor, for all such repair costs to structural elements that are necessitated by the negligence or misconduct of Tenant, its employees, contractors, agents, subtenants, employees, customers and invitees.

Section 8.2 Tenant has installed and maintained a fire alarm system on the Premises, components of which are in the public bathrooms. In the event, components in the public bathroom need to be replaced due to wear and tear or damage, Landlord shall reimburse Tenant for the repair of said wear and tear or damage. Subject to Article 11 and Section 8.1: Tenant shall make, at Tenant's sole expense, all repairs and replacements needed to maintain in good condition and order the Premises and all installations, equipment and facilities therein, and all repairs and replacements needed to any plumbing, water, waste, and electric conduits, lines and equipment located outside the Premises that serve only the Premises. Without limiting the foregoing, but subject to Article 11 and Section 10.1, Tenant shall make all repairs and replacements required with respect to the, electrical and plumbing systems within the Premises, , and the plumbing lines, valves, and pipes connected to or running from such fixtures to the point at which such lines, valves and pipes connect with the Building's common plumbing lines, including such plumbing lines or ducts connecting any roof-top or exterior equipment or other utility or service to the Premises. Tenant shall also make, at Tenant's expense, such repairs and replacements as are needed to keep the sidewalks and walkways abutting the Premises in good condition

and order, and shall keep such sidewalks and walkways free of rubbish, and other obstructions, and otherwise in a safe and clean condition. All such repairs and replacements shall be made in compliance with the provisions of this lease (including Article 5).

Section 8.3 Landlord shall have no liability to Tenant, the Rent shall not be abated, and Tenant shall not be deemed actually or constructively evicted by reason of Landlord performing any repairs or other work to all or any portion of the Premises and/or the Real Property. Landlord shall endeavor to perform such repairs or other work in a manner that reasonably minimizes interference with the conduct of Tenant's business in the Premises and damage to the Premises, Tenant's Work and Tenant's Property, but Landlord is not required to employ overtime labor or incur additional expenses.

Article 9. Laws; Hazardous Substances

Section 9.1 Tenant shall, at Tenant's expense, comply with all present and future laws, rules, regulations, orders, ordinances, judgments, requirements and (if Landlord adopts same) recommendations (collectively, "Laws") of the United States of America, the State of New York, the city, town, village, municipality and/or county in which the Premises are located, or any present or future subdivision or instrumentality thereof, any court, agency, department, commission, board, bureau, and any fire insurance rating body (collectively, "Authority" or "Authorities") applicable to Tenant's occupancy of the Premises, Tenant's Work, Tenant's Property or the Premises. If, however, compliance requires structural work to the Premises, Tenant shall be required to effect such compliance, at Tenant's expense, only if the obligation to comply arises from Tenant's Work, Tenant's Property, Tenant's manner of using the Premises, or any acts or negligence of Tenant, its employees, contractors, agents, or invitees. Tenant shall promptly deliver to Landlord a copy of any notice, communication or other materials relating to the Premises, the Real Property (including the Building systems), Tenant's Property, Tenant's Work and/or Hazardous Substances (hereinafter defined) received by Tenant from, or sent by Tenant to, any Authority. Tenant shall have an obligation to remediate any Hazardous Substances pursuant to this Section if the need for such remediation arises from Tenant's Work, Tenant's specific manner of use of the Premises, or the actions or omissions to act of Tenant, and/or any of their employees, contractors, agents or invitees.

Section 9.2 Tenant shall not, and shall not permit employees, contractors, agents, or invitees, to introduce into the Premises or the Real Property, use in the Premises or the Real Property or cause to be released from the Premises or the Real Property any Hazardous Substances. Notwithstanding the preceding sentence, Tenant may use cleaning products in accordance with their customary use, provided that Tenant complies with all applicable Laws in connection therewith, and further provided that in no event may Tenant release or discharge such cleaning and/or office products into the plumbing, or drainage sewer system in excessive amounts. At no time shall Tenant cause any type of waste litter and/or remain unabated on any portion of the Ocean Beach Park. If Tenant breaches its obligations hereunder, Tenant, at Tenant's expense, shall immediately take all remedial action necessary to clean up any release, spill or discharge

of Hazardous Substances. "Hazardous Substances" mean any flammable or otherwise hazardous material, any explosive and/or radioactive material, hazardous waste, hazardous or toxic substance or related material, asbestos and any material containing asbestos, petroleum and any petroleum derivative, pollutants, contaminants, lubricants, food waste and any other substance or material which is defined as, determined to be, or identified as, a hazardous or toxic material or substance pursuant to any applicable Laws.

Section 9.3 If Tenant shall be obligated to remediate any Hazardous Substances, it shall remove and dispose of any such Hazardous Substances in compliance with all applicable Laws. Tenant's remediation plan shall be subject to Landlord's approval and Tenant shall keep Landlord fully apprised of the progress of Tenant's remediation efforts.

Section 9.4 Tenant shall indemnify, defend and hold harmless Landlord officers, employees, and agents, from and against all liabilities, damages, losses, fines, costs and expenses (including reasonable attorneys' fees and disbursements) resulting or arising from, or incurred in connection with any violation by Tenant of its obligations with respect to Hazardous Substances under this lease or otherwise under any applicable Laws.

Section 9.5 Tenant shall, at its own cost and expense, secure and maintain throughout the Term, all necessary licenses and permits from such Authorities as shall be necessary for, or incidental to, the conduct of its business in the Premises and shall comply with all Laws relating to the operation of its business. Landlord does not covenant, warrant or make any representation that any Authority license or permit that may be required in connection with the operation of Tenant's business will be granted, or if granted, will be continued in effect or renewed, and any failure to obtain, maintain, or renew such license or permit, or its revocation after issuance, shall not affect Tenant's obligations under this lease.

Article 10. Insurance

Section 10.1 Tenant shall, at Tenant's expense, maintain at all times during the Term and at all times when Tenant is in possession of the Premises such insurance as shall be required by Landlord, including: (a) commercial general liability insurance (or successor form of insurance designated by Landlord) in respect of the Premises, on an occurrence basis, with a combined single limit (annually and per occurrence and location) of not less than three million (\$3,000,000) dollars naming as additional insureds Landlord and any other person designated by Landlord, (b) property insurance in an amount equal to one hundred (100%) percent of full replacement value (with a deductible not exceeding five thousand (\$5,000) dollars) covering Tenant's Work (including improvements and betterments, whether or not the improvements and betterments are restored), Tenant's Property and the property of third parties located in the Premises, against fire and other risks included in the standard New York form of property insurance, (c) workers' compensation and employer's liability insurance providing statutory benefits for Tenant's employees at the Premises, (d) such other insurance as Landlord may reasonably require. Such liability insurance policy shall include contractual

liability, fire and legal liability coverage. Landlord shall have the right at any time and from time to time, but not more frequently than once every two (2) years, to require Tenant to increase the amount of the commercial general liability insurance required to be maintained by Tenant under this lease provided the amount shall not exceed the amount then generally required of tenants entering into leases for similar Permitted Uses in similar buildings in the general vicinity of the Real Property.

Section 10.2 Tenant shall deliver to Landlord and each additional insured (a) certificates in form reasonably acceptable to Landlord evidencing the insurance required by this lease to be maintained by Tenant before the Commencement Date (and with respect to any insurance required pursuant to Article 5, before the commencement of any Tenant's Work), and at least fifteen (15) days before the expiration of any such insurance, and (b) upon request, a copy of each insurance policy. All required insurance (including insurance required pursuant to Article 5) shall be primary and non-contributory (as shown on endorsement), issued by companies satisfactory to Landlord and contain a provision whereby it cannot be canceled unless Landlord and any additional insureds are given at least thirty (30) days' prior written notice of the cancellation. Tenant may carry any required insurance under a blanket policy if that policy complies with the requirements of this lease and provides that Tenant's insurance for the Premises is on a "per location basis".

Section 10.3 Provided its right of full recovery under its insurance policy is not adversely affected, Tenant releases Landlord and Landlord's agents and employees with respect to any claim (including a claim for negligence) it may have against Landlord for damage or loss covered by Tenant's property insurance (including business interruption and loss of rent). Landlord and Tenant shall, to the extent obtainable, each procure a clause in, or endorsement on, any property insurance carried by it, pursuant to which the insurance company waives its right of subrogation against the other party to this lease and its agents and employees or consents to a waiver of the right of recovery against the other party to this lease and its agents and employees. If an additional premium is required for the waiver or consent, the other party shall be advised of that amount and may, but is not obligated to, pay the same. If that party elects not to pay the additional premium, the waiver or consent shall not be required in favor of that party.

Article 11. Casualty

Section 11.1 If (a) the Premises are damaged by fire or other casualty, or (b) the Building (including any Building system) is damaged by fire or other casualty so that Tenant is deprived of reasonable access to the Premises or so that the Premises or any part of the Premises is unusable by Tenant for the reasonable conduct of Tenant's normal business in the Premises, Tenant shall give prompt notice to Landlord. Subject to the provisions of this Article (i) Landlord shall, at Landlord's expense, reasonably repair the damage to the Premises, excluding the damage to Tenant's Work or Tenant's Property and (ii) Tenant shall, at Tenant's expense, promptly remove Tenant's Property from the Premises to the extent required by Landlord in connection with Landlord's repair of the damage and shall promptly after Landlord's substantial completion of the repair to the

Premises, commence to diligently repair Tenant's Work and Tenant's Property in order to resume its normal business in the Premises. Until the repairs to be performed by Landlord are substantially completed, the Rent shall be reduced in proportion to the area of the Premises to which Tenant shall not have reasonable access or which is unusable by Tenant for the reasonable conduct of Tenant's normal business in the Premises and which Tenant does not actually use.

Section 11.2 If (a) the Premises are rendered wholly untenable, or (b) the Premises are damaged by any cause which is not covered by Landlord's insurance, or (c) the Premises are damaged in whole or in part during the last two (2) years of the Term, or (d) the cost of repairing any damage to the Building by fire or other casualty exceeds seventy-five percent (75%) of the replacement cost thereof, as reasonably estimated by a reputable contractor, architect or engineer selected by Landlord, Landlord shall have the right, by notice given to Tenant within sixty (60) days following the date of the damage, to terminate this lease. If this lease is terminated pursuant to this Section, the Term shall expire on the fifteenth (15th) day after the notice is given as fully and completely as if such date were the stated Expiration Date.

Section 11.3 This Article constitutes an express agreement governing any damage to or destruction of the Premises or the Building by fire or other casualty, and Section 227 of the Real Property Law of the State of New York, and any other similar Laws shall have no application to a fire or other casualty.

Article 12. Assignment and No Subletting

Section 12.1 Except as provided in this Article, Tenant shall not, without Landlord's prior consent, assign, encumber or otherwise transfer this lease or any interest in this lease, by operation of law or otherwise, or sublet or permit others to occupy all or any part of the Premises, or license concessions or lease departments in the Premises, and any assignment, encumbrance, transfer, sublet, occupancy agreement, license or department lease shall be void ab initio if not in accordance with this Article. The transfer or issuance (by one or more related or unrelated transactions) of ownership interests of Tenant, or any Guarantor, or any direct or indirect owner of Tenant, which results in 50 percent or more of the ownership interests of that person being held by persons who did not hold 50 percent or more of those ownership interests on the date of this lease shall be considered an assignment of this lease which requires Landlord's consent, unless such ownership interests are publicly traded on a national stock exchange or over-the-counter market.

Section 12.2 Notwithstanding any provision of this lease to the contrary, Subletting of the Premises contained in this lease is expressly forbidden without the Landlord's prior written consent, subject to the Landlord's sole discretion.

Section 12.3 If Tenant desires to assign this lease, then upon Landlord's receipt of the Consent Request (hereinafter defined), together with the documents and information required under Section 12.4(d), Landlord may, at its option, elect to terminate

this lease by notice given to Tenant, which notice shall specify a date for the termination of this lease (the "Recapture Termination Date"). Such option shall be exercised by giving Tenant notice of exercise within thirty (30) days after the date Landlord receives the Consent Request and the documents and information required under Section 12.4(d). The Recapture Termination Date shall be a date no earlier than two (2) months and no later than four (4) months after the date the Consent Request and such supplemental documents and information are delivered to Landlord. Upon the Recapture Termination Date, this lease and the term thereof shall end and expire as fully and completely as if such date were the date set forth herein as the stated Expiration Date. Tenant shall thereupon quit, surrender and vacate the Premises, without prejudice, however, to Landlord's rights and remedies against Tenant under the lease provisions in effect prior to the Recapture Termination Date or with respect to periods prior to the Recapture Termination Date, and any Rent owing shall be paid up to such date and any payments of Rent made by Tenant which were on account of any period subsequent to such date shall be returned to Tenant. If Landlord so terminates this lease, Landlord may, at its option and without liability to Tenant, lease the Premises to any person or entity that was negotiating with Tenant or that signed a lease, sublease or assignment agreement with Tenant for the Premises.

Section 12.4 Tenant acknowledges that the character and nature of the concessions, concession management and operations within the Building are important to Landlord and to the success of the Premises. Therefore, the Landlord may grant an assignment of this lease subject to its sole discretion and judgment. Any such assignment must comply with the foregoing:

(a) Such assignee shall use and occupy the Premises only for the Permitted Use.

(b) Such assignment shall not, in Landlord's judgment, adversely affect the quality and type of business operation which Tenant has conducted theretofore at the Premises in compliance with the provisions of this lease.

(c) The principal(s) of such assignee shall possess qualifications for operating Tenant's business that are substantially equivalent to Tenant's qualifications, and have demonstrated recognized experience in successfully operating such a business.

(d) Tenant delivers to Landlord a written request (the "Consent Request") for Landlord's consent which shall include (i) the name and address of the proposed assignee, (ii) the nature and character of the business of the proposed subtenant or assignee, (iii) current bank, financial and other credit information on the proposed subtenant or assignee, and (iv) a copy of the proposed assignment or sublease, fully executed, which assignment or sublease shall be in compliance with the requirements of this Article. Tenant shall promptly supply Landlord with such additional information as Landlord may reasonably request.

(e) At the time of such assignment, there is no Default.

(f) Tenant reimburses Landlord on demand for any out-of-pocket costs incurred by Landlord in connection with said assignment, including the costs of investigating the proposed assignee or subtenant and Landlord's reasonable legal costs.

(g) If Tenant assigns this lease, Tenant delivers to Landlord a fully executed assignment and assumption agreement, duly acknowledged, in form and substance reasonably satisfactory to Landlord.

(h) If Tenant subleases the Premises, Tenant delivers to Landlord a fully executed sublease, in form reasonably satisfactory to Landlord, that, among other things, provides that: (i) the sublease is subject and subordinate to this lease and to the matters to which this lease is or shall be subject and subordinate; (ii) the subtenant shall not, without Landlord's prior consent or approval, take any action, which, if to be taken by Tenant, would require Landlord's consent or approval; (iii) the subtenant shall, upon notice from Landlord that Tenant is then in default of this lease, pay the rent under the sublease directly to Landlord, to be applied to the Rent under this lease (and Tenant hereby consents to that payment and agrees that any such payment shall be credited against the subtenant's rent obligation under the sublease); (iv) the subtenant shall carry the insurance, and furnish to Landlord the evidence thereof, required by this lease to be carried and furnished by Tenant, and shall name Landlord and any other party designated by Landlord as additional insureds on its commercial general liability insurance, and (v) in the event of any termination, re-entry or dispossession by Landlord under this lease, the subtenant shall, at Landlord's option, vacate the Premises or attorn to Landlord pursuant to the then executory provisions of the sublease, except that Landlord shall not be (a) liable for any previous act or omission of Tenant under the sublease, (b) subject to any offset not expressly provided in the sublease, (c) be required to pay any construction allowance or other monetary payment due or payable from or by Tenant as sublandlord, or (d) bound by any change or extension of the sublease or prepayment of more than one (1) month's rent to which Landlord did not consent in writing.

(i) Any Guarantor delivers to Landlord such agreements as Landlord may reasonably require confirming Guarantor's continuing liability under its guaranty of this lease, but no failure to execute or deliver such documents shall impair such Guarantor's continuing liability under such guaranty in accordance with the terms of such guaranty.

Section 12.5 If this lease is assigned or the Premises are sublet, in whole or in part, Tenant shall remain liable for the performance of all of the terms, covenants and conditions of this lease on the part of Tenant to be performed or observed and any Guarantor shall continue to remain liable under the terms of its guaranty of this lease. Tenant's liability hereunder shall not be affected by any modification of this lease or agreement made between Landlord and any assignee or subtenant, or by reason of any delay or failure on Landlord's part to enforce any of its rights under this lease; provided that if any such modification or agreement increases the obligation of the assignee under this lease, the liability of the assignor-Tenant under this lease shall continue to be no greater than if such modification or agreement had not been made unless such assignee is a person

or entity that directly or indirectly controls, is controlled by or is under common control with Tenant.

Section 12.6 The consent by Landlord to any assignment, transfer, occupancy, encumbrance or other transaction described in Section 12.1, shall not in any way be deemed to relieve Tenant from obtaining the express consent of Landlord prior to any further such transaction or any proposed assignment, which consent may be granted or denied at Landlord's discretion.

Section 12.7 The acceptance by Landlord of Rent following any assignment, sublease, encumbrance, license, occupancy, or other transaction in violation of this Article, shall not be deemed a consent by Landlord to such transaction, nor a waiver of any right or remedy of Landlord hereunder.

Article 13. Access; Changes in Building and Real Property

Section 13.1 Landlord reserves the right to (a) place (and have access to) concealed ducts, pipes and conduits through the Premises (without a material reduction or reconfiguration of the useable area of the Premises), and (b) enter the Premises at reasonable times on reasonable prior notice, which may be oral (but prior notice shall not be required in an emergency), to inspect the Premises, to show the Premises to others or to perform any work or make any improvement Landlord deems necessary or desirable to the Premises or the Building or for the purpose of complying with Laws. If Tenant is not present when Landlord desires to enter the Premises, Landlord or Landlord's contractors may enter the Premises (by force, in the event of an emergency) without liability to Tenant.

Section 13.2 If there is to be any excavation or construction adjacent to the Building, Tenant shall permit Landlord and/or any other person to enter the Premises to perform such work as Landlord or that person deems necessary to protect the Real Property, without any abatement of the Rent or liability to Tenant.

Section 13.3 Landlord shall have right to use all or any part of the roof of the Building and to erect temporary scaffolds and other aids to construction on the exterior of the Premises in connection with alterations, repairs, improvements, and/or additions Landlord may make to the Building, provided that access to the Premises shall not be denied.

Section 13.4 Landlord shall exercise Landlord's rights under this Article in a manner which reasonably minimizes interference with the conduct of Tenant's business in the Premises and damage to the Premises, Tenant's Work and Tenant's Property (all of which shall promptly be repaired by Landlord, at its expense), but Landlord is not required to employ overtime labor or incur additional expenses.

Article 14. Default

Section 14.1 Each of the following (a “Default”) is a material default by Tenant under this lease:

(a) Tenant fails to pay when due any Rent and the failure continues for three (3) days following Landlord’s notice (which notice shall also be considered any demand required by any Laws). If, however, Landlord gives such a notice of failure to pay Rent twice in any twelve (12) month period, any additional failure to pay any Rent when due within that twelve (12) month period shall be considered a Default, requiring Landlord to serve, by certified mail/return receipt requested, a Notice of Default to Tenant advising Tenant that Tenant has 14 days from receipt of said Notice of Default to cure the default with the payment of the outstanding Rent.

(b) Tenant fails to comply with Article 15 or makes any misrepresentation under Section 20.1.

(c) Tenant fails to comply with any other term of this lease and the failure continues for thirty (30) days following Landlord’s notice. If, however, compliance cannot, with diligence, reasonably be fully accomplished within that thirty (30) day period, Tenant shall have an additional period not to exceed forty-five (45) days to fully comply, provided Tenant notifies Landlord of its intention to comply (with reasonably detailed steps to be taken) and commences compliance within that thirty (30) day period and thereafter pursues compliance to completion with diligence and provides Landlord with status updates on the progress at least every fifteen (15) days.

(d) A third party institutes against Tenant, any legal action seeking any relief from its debts under any applicable bankruptcy or insolvency Laws which is not dismissed within ninety (90) days, or Tenant or Guarantor, if any, institutes any legal action seeking such relief, and/or a receiver, trustee, custodian or other similar official is appointed for Tenant or Guarantor, if any, or for all or a substantial portion of its assets, or Tenant or Guarantor, if any, commits any other act indicating insolvency such as making an assignment for the benefit of its creditors.

(e) Except as otherwise expressly permitted under this lease, Tenant vacates or abandons the Premises prior to the Expiration Date.

(f) Tenant fails to comply with Rules and Food Use Rider, if applicable, more than three (3) times in any Ocean Beach Park Season and upon written notice of same by Landlord.

Section 14.2 If a Default occurs, this lease is subject to the conditional limitation that Landlord may, at any time during the continuance of the Default, give notice to Tenant that this lease shall terminate on the date specified in that notice, which date shall not be less than fourteen (14) days after Landlord gives such notice to Tenant. If Landlord gives that notice, this lease and the Term shall expire and come to an end on the date set

forth in that notice as if said date were the date originally fixed in this lease as the Expiration Date and Tenant shall quit and surrender the Premises to Landlord (but Tenant shall remain liable as provided in this lease).

Section 14.3 If Tenant is in arrears in the payment of Rent, Tenant waives Tenant's right, if any, to designate the items against which any payments made by Tenant are to be credited, and Landlord may apply any payments made by Tenant to any items Landlord sees fit.

Article 15. Remedies

Section 15.1 If this lease is terminated pursuant to Article 14 or Landlord reenters or obtains possession of the Premises by summary proceedings or any other legal action or by force or otherwise (which Landlord may do without further notice and without liability or obligation to Tenant or any occupant of the Premises), all of the provisions of this Section shall apply (in addition to any other applicable provisions of this lease).

(a) Tenant, and all other occupants, shall vacate and surrender to Landlord the Premises in accordance with this lease.

(b) Landlord, at Landlord's option, may (i) relet the Premises, or any portion of the Premises, from time to time, in the name of Landlord, Tenant or otherwise, as determined by Landlord, to any person and on any terms, but Landlord shall have no obligation to relet the Premises, or any portion of the Premises, or to collect any rent (and the failure to relet the Premises, or any portion of the Premises, or to collect any rent shall not impose any liability or obligation on Landlord or relieve Tenant of any obligation or liability under this lease), and (ii) make any changes to the Premises as Landlord, in Landlord's judgment, considers advisable or necessary in connection with a reletting, without imposing any liability or obligation on Landlord or relieving Tenant of any obligation or liability under this lease.

(c) Tenant shall pay Landlord all Rent payable to the date on which this lease is terminated or Landlord re-enters or obtains possession of the Premises.

(d) Tenant shall also pay to Landlord, as damages, any deficiency between (i) the aggregate Rent for the period which otherwise would have constituted the unexpired portion of the Term and (ii) the rents, if any, applicable to that period collected under any reletting of all or any portion of the Premises. Tenant shall pay any deficiency in annual installments on the days specified in this lease for payment of installments of the Fixed Rent, and Landlord shall be entitled to recover from Tenant each annual deficiency as the same arises. No suit to collect the deficiency for any year shall prejudice Landlord's right to collect the deficiency for any subsequent year. Tenant shall not be entitled to any rents payable (whether or not collected) under any reletting, whether or not those rents exceed the Rent. If Landlord relets the Premises, or any portion of the Premises, together with other space in the Building, the rents collected under the reletting and the expenses of the reletting shall be equitably apportioned for the purposes of this Article.

(e) Landlord may recover from Tenant, and Tenant shall pay Landlord, on request, in lieu of any further deficiency pursuant to the preceding paragraph of this Section (as liquidated damages for such deficiency) the amount by which (i) the unpaid Rent for the period which otherwise would have constituted the unexpired portion of the Term (conclusively presuming the Additional Rent for each year thereof to be the same as was payable for the year immediately preceding the termination, re-entry or obtaining of possession) exceeds (ii) the then fair market rental value of the Premises, including the Additional Rent for the same period, both discounted to present value at an annual rate of interest equal to five (5%) percent. If, before presentation of proof of liquidated damages, Landlord relets the Premises or any portion of the Premises for any period pursuant to a bona fide lease with an unrelated third party, the net rents (after deducting reletting costs) payable in connection with the reletting shall be considered to be the fair market rental value for the Premises or the portion of the Premises relet during the term of the reletting.

(f) Tenant shall also pay Landlord, as additional damages, any expenses incurred by Landlord in connection with the termination, reentry or obtaining of possession, and the reletting of the Premises, including all repossession costs, brokerage commissions, reasonable attorneys' fees and disbursements, alteration costs and other expenses of preparing the Premises for reletting.

(g) Nothing contained in this lease shall be considered to limit or preclude the recovery by Landlord from Tenant of the maximum amount allowed to be obtained as damages or otherwise by any Laws.

Section 15.2 Tenant hereby waives (a) the service of any notice of intention to re-enter or obtain possession of the Premises or to institute any legal action in connection therewith, except as provided in this lease and (b) on its own behalf and on behalf of all persons claiming under Tenant, including all creditors, any rights Tenant and all such persons might otherwise have under any Laws to redeem the Premises, to re-enter or repossess the Premises, or to restore this lease, after (i) Tenant is dispossessed pursuant to any Laws or by any Authority, (ii) Landlord reenters or obtains possession of the Premises, or (iii) the Expiration Date, whether by operation of law or pursuant to this lease. The words "re-enter," "re-entry" and "re-entered" as used in this lease shall not be considered to be restricted to their technical legal meanings. Landlord shall have the right to enjoin any Default and the right to invoke any remedy allowed by any Laws in addition to any remedies provided in this lease. All remedies provided in this lease are cumulative and Landlord's right to invoke, or the invocation of, any remedy shall not preclude Landlord from invoking any other remedy under this lease or under any and all Laws.

Section 15.3 Landlord and Tenant each hereby waive trial by jury in any legal action brought by either party against the other in connection with this lease. If Landlord commences any summary proceeding against Tenant, Tenant shall not interpose any counterclaim in that proceeding (unless the failure to impose the counterclaim would preclude Tenant from asserting in a separate legal action the claim which is the subject of the counterclaim), and shall not seek to consolidate the proceeding with any other legal action.

Section 15.4 If Tenant fails to comply with any of its obligations under this lease, Landlord may, at its option, cure such breach of this lease. All costs and expenses, including reasonable attorneys' fees and disbursements, incurred by Landlord in that connection shall be paid by Tenant to Landlord as Additional Rent within fifteen (15) days after Tenant is billed therefor.

Section 15.5 Tenant shall also reimburse Landlord for all costs and expenses (including reasonable attorneys' fees and disbursements), incurred by Landlord in connection with a default by Tenant, including instituting, prosecuting and/or defending any legal action by or against Tenant whether a non-payment or holdover proceeding, or other proceeding, if Landlord prevails in such legal action, together with interest thereon at the Default Rate (hereinafter defined). Any attorney's fees shall be calculated at the prevailing market hourly rate.

Section 15.6 The failure of Landlord to seek redress for a Default, or of Landlord or Tenant to insist upon the strict performance of any term of this lease, shall not prevent Landlord from redressing a subsequent Default or Landlord or Tenant from thereafter insisting on strict performance. The receipt by Landlord of the Rent with knowledge of a Default or Tenant's failure to strictly perform under this lease shall not be deemed a waiver of the Default or failure. No term of this lease shall be considered waived by Landlord or Tenant unless the waiver is in a writing signed by the waiving party. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent shall be considered other than on account of the next installment of the Rent, or as Landlord may elect to apply same. No endorsement or statement on any check or letter accompanying any check or payment shall prevent Landlord from cashing the check or otherwise accepting the payment, without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy.

Section 15.7 If Tenant fails to pay any installment of the Fixed Rent or any Additional Rent within five (5) days after the due date thereof, in addition to any other right or remedy of Landlord, Tenant shall pay to Landlord within fifteen (15) days following Landlord's invoice (a) a late charge equal to the greater of one hundred (\$100.00) dollars and four (4%) percent of the amount unpaid and (b) interest at the rate (the "Default Rate") of twelve (12%) percent per annum on the amount unpaid, from the date the payment was first due to and including the date paid and, (c) and Landlord's bank charges for the return of any Tenant's check.

Section 15.8 All legal actions relating to this lease shall be adjudicated in the courts of the State of New York having jurisdiction in the county in which the Premises is located. Tenant irrevocably consents to the personal and subject matter jurisdiction of those courts in any legal action relating to this lease or any guaranty of Tenant's obligations under this lease, and Tenant shall not assert, by way of motion, as a defense or otherwise, any objection to any such court being the venue of such legal action or claim that such venue is an inconvenient forum for Tenant or any principal of Tenant.

Article 16. Notices; Consents and Approvals

Section 16.1 Except as may be provided in this lease, all notices and other communications under this lease must be in writing and sent by nationally recognized overnight courier service or registered or certified mail (return receipt requested), addressed to Landlord or Tenant at its Notice Address. Either party may, by notice given in accordance with this Article, designate a different Notice Address, which address change shall become effective upon receipt, the date rejected or the date of attempted delivery (if the receiving party is not present).

Section 16.2 Any notice or other communication sent as provided in this Article shall be effective (a) on the date received, the date rejected, or the date of attempted delivery (if the receiving party is not present) if sent by overnight courier service, or (b) three (3) business days after mailing by registered or certified mail.

Section 16.3 If any provision of this lease requires Landlord's consent or approval, such consent or approval shall be effective only if given in writing.

Section 16.4 Any notice or other communication given by Landlord to Tenant in accordance with this Article may be signed and given by Landlord's attorney with the same force and effect as if signed and given by Landlord.

Article 17. No Representations; Liability; Tenant Indemnity

Section 17.1 Landlord has not made any warranties, representations, statements or promises with respect to the Premises, the Real Property, the Building systems, any Additional Rent, any Laws or any other matter, unless expressly set forth in this lease. This lease contains the entire agreement between Landlord and Tenant with respect to the subject matter of this lease, and any previous agreements between Landlord and Tenant are merged in this lease, which alone expresses their agreement. Tenant is entering into this lease after full investigation, and is not relying on any warranties, representations, statements or promises made by Landlord or any other person not expressly set forth in this lease, and is not acquiring any rights of any nature, by implication or otherwise, except as expressly set forth in this lease.

Section 17.2 Neither Landlord nor its officers, employees, agents, or contractors, if any, shall be liable for any injury, damage or loss to Tenant, Tenant's Property, Tenant's Work, Tenant's business or to any other person or property resulting from any cause, except to the extent caused by the negligence or willful misconduct of Landlord, Landlord's managing agent, if any, or their respective employees, agents or contractors, subject to Section 13.4. Tenant agrees to fully defend and indemnify Landlord for any claim made against Landlord for injury, damage, or loss arising out of Tenant's use or occupation of the Premises, including any Tenant's Work.

Section 17.3 In no event shall Landlord, its affiliates, agents, partners, members, officers, directors and principals, disclosed or undisclosed, be liable for

incidental or consequential damages or have any personal liability under or in connection with this lease. No assets of Landlord shall be subject to lien, levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies or the collection of any judgment under or in connection with this lease. If Tenant acquires a lien on such other property or assets by judgment or otherwise, Tenant shall promptly release that lien by signing, acknowledging and delivering to Landlord any instrument, prepared by Landlord, required for the lien to be released.

Section 17.4 If Tenant requests Landlord's consent or approval and Landlord fails or refuses to give such consent or approval, Tenant shall not be entitled to any damages for any withholding by Landlord of its consent or approval, it being intended that Tenant's sole remedy shall be an action for specific performance or injunction, and that such remedy shall be available only in those cases where Landlord has expressly agreed in writing not to unreasonably withhold its consent.

Section 17.5 This lease and the obligations of Tenant to pay the Rent and perform Tenant's other obligations under this lease are separate, distinct and independent of Landlord's obligations under this lease.

Section 17.6 Tenant's obligations shall not be waived, delayed or otherwise affected in any manner, and Landlord shall have no liability, if Landlord is unable to comply with, or is delayed in complying with, any of Landlord's obligations under this lease by reason of any strike, labor trouble, accident, war, government action, Laws or other cause beyond Landlord's control.

Section 17.7 Tenant shall not perform or permit to be performed any act which may subject Landlord, its partners, members, managers, officers, employees, agents and principals to any liability. Tenant shall, to the extent not caused by the negligence or willful misconduct of Landlord or its contractors or agents, indemnify, defend and hold harmless Landlord and Landlord's managing agent, if any, from and against all (a) claims arising from any act or omission of Tenant, its subtenants, contractors, agents, employees, invitees or visitors, (b) claims arising from any accident, injury or damage to any person or property in the Premises during the Term or when Tenant is in possession of the Premises, and (c) Tenant's failure to comply with Tenant's obligations under this lease (whether or not a Default), and all liabilities, damages, losses, fines, violations, costs and expenses (including reasonable attorneys' fees and disbursements) incurred in connection with any such claim or failure.

Article 18. Force Majeure

Section 18.1 Tenant shall not be responsible or liable for the delays in the performance of its obligations hereunder, including rent, when caused by, related to, or arising out of acts of God, government orders, restrictions, limitations, regulations, shutdowns, or controls, pandemics, quarantines, storms, earthquakes, tsunamis, strikes, lockouts, or labor disputes, embargoes, supply chain disruptions, inability to obtain labor or goods, war, terrorism, insurrection, riots, and other causes beyond Tenant's reasonable

control. In the event of such delays after the second payment of rent on August 15th, Landlord will issue a Rent credit prorated for the time that Tenant has not been able to conduct business as a result of any of the above delays.

Article 19. End of Term

Section 19.1 On the Expiration Date (a) Tenant (and all other occupants) shall vacate and surrender the Premises, leaving the Premises vacant, broom clean and in good order and condition, except for ordinary wear and tear and damage for which Tenant is not responsible under this lease, and otherwise as may be required by this lease, and (b) Tenant shall remove all of Tenant's Property and any Tenant's Work required to be removed pursuant to this lease. If the last day of the Term is not a business day, this lease shall expire on the immediately preceding business day. Tenant waives, for itself and for any person claiming under Tenant, any right which Tenant or any such person may have under Section 2201 of the New York Civil Practice Law and Rules or under any similar Laws.

Section 19.2 If the Premises are not vacated and surrendered in accordance with this lease (whether by Tenant or any occupant related to Tenant), on the date required by this lease, Tenant shall indemnify and hold harmless Landlord against all losses, costs, liabilities, claims, damages and expenses incurred by Landlord in connection therewith, including reasonable attorneys' fees and disbursements whether in an action by or against Tenant or a third party, and including claims and liabilities of Landlord made by any succeeding tenant(s) or other third party. In addition, Tenant shall be liable to Landlord for per diem use and occupancy in respect of the Premises at a rate equal to twice the Rent payable under this lease for the last year of the Term (which Landlord and Tenant agree is the Rent that is contemplated by them as being fair and reasonable under such circumstances and is not a penalty). In no event, however, shall this Section be construed as permitting Tenant (and all other occupants) to remain in possession of the Premises after the Expiration Date.

Section 19.3 If during the last ninety (90) days of the Term, Tenant removes substantially all of Tenant's Property from the Premises, Landlord or any person designated by Landlord may immediately enter and alter the Premises, without releasing Tenant from any obligation or liability under this lease, including the payment of Rent, or incurring any liability or obligation to Tenant.

Section 19.4 Unless otherwise specifically provided: (a) any obligation of Landlord or Tenant under this lease which by its nature or under the circumstances can only be, or by the terms of this lease may be, performed after the Expiration Date; (b) any liability for a payment with respect to any period ending on or before the Expiration Date; and, (c) all indemnity and hold harmless provisions in this lease, shall survive the Expiration Date.

Article 20. Miscellaneous

Section 20.1 Patriot Act. Tenant certifies and represents, both on the date of execution and delivery of this lease and during the entire Term, that neither Tenant nor any subtenant of Tenant nor any person or entity that owns any direct or indirect beneficial interest in Tenant or such subtenant is, or is acting directly or indirectly for or on behalf of, any group, entity, or nation, named by any Executive Order of the President of the United States or the United States Treasury Department as a terrorist or other “Specially Designated National and Blocked Person,” or other person, entity, nation or transaction banned or blocked pursuant to any law, order, rule or regulation that is enforced or administered by the United States Office of Foreign Assets Control or any successor entity, agency or department (an “SDN”). If Tenant is a privately owned entity, the persons listed on Exhibit E annexed hereto constitute all of the officers, directors, general partners, and persons and/or entities owning twenty-five (25%) percent or more of the shares, membership interests, or partnership interests (as the case may be) of Tenant (collectively, the “Principals”) as of the date of execution and delivery of this lease. If Tenant is comprised of more than one person or entity, the foregoing certification is made as to each person and entity comprising Tenant. Any renewal right contained in this lease is void and of no force or effect if Tenant, or any of the persons and/or entities comprising Tenant (if Tenant is comprised of more than one person or entity), or any of the Principals of Tenant, are listed as an SDN at the date of renewal. If Tenant is a privately owned entity, Tenant shall, from time to time, furnish Landlord with a list of Principals of Tenant.

Section 20.2 General. (a) Subject to the provisions of this lease, this lease shall bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns. No person is intended to be a third party beneficiary of this lease.

(b) This lease may not be changed or terminated, in whole or in part, except in a writing signed by Landlord and Tenant.

(c) Notwithstanding any provision of this lease, or any Laws, to the contrary, or the execution of this lease by Tenant, this lease shall not bind or benefit Landlord or Tenant, unless and until this lease is signed and delivered by both Landlord and Tenant.

(d) No act or omission of Landlord or Tenant, or their respective employees, agents or contractors, including the delivery or acceptance of keys, shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless it is in a writing signed by Landlord.

(e) The captions in this lease are for reference only and do not define the scope of this lease or the intent of any term. All Article and Section references in this lease shall, unless the context otherwise specifically requires, be deemed references to the Articles and Sections of this lease.

(f) If any provision of this lease, or the application thereof to any person or circumstance, is invalid or unenforceable, then in each such event the remainder of this lease or the application of such provision to any other person or any other circumstance (other than those as to which it is invalid or unenforceable) shall not be affected, and each provision hereof shall remain valid and enforceable to the fullest extent permitted by all applicable Laws.

(g) There shall be no presumption against Landlord because Landlord drafted this lease or for any other reason.

(h) If there is then no Default, Tenant may peaceably and quietly enjoy the Premises without hindrance by Landlord or any person lawfully claiming under Landlord, subject however, to the terms of this lease.

(i) If Tenant is comprised of two or more persons, the liability of those persons under this lease shall be joint and several. Wherever appropriate in this lease, personal pronouns shall be considered to include the other gender and the singular to include the plural.

(j) Tenant shall not record this lease or any memorandum of this lease.

(k) This lease is subject to any enhancements agreed to by the Landlord and Tenant with the understanding that such enhancements will be at Tenant's expense and will result in a proportionate increase adjustment in rent and that the time the Parties may amend/extend the terms of this agreement based upon the potential enhancements.

(l) Landlord agrees to keep the public bathrooms adjacent to Tenant's Premises open to the public from the time Tenant is preparing the Premises for business in the morning until Tenant closes the Premises at night. Landlord will also provide to Tenant a key to open the public bathrooms at the Premises.


(m) This lease shall be governed by, and construed in accordance with, the Laws of the State of New York.

(n) Landlord hereby gives Tenant permission to place sixteen (16) tables and associated chairs/benches including two (2) tables directly in front of the entrance of the building, another (1) table on the eastside of the westerly ramp, another (1) table on the west side of the easterly ramp and twelve (12) tables running east of the easterly ramp passed the light pole, on the northern side of the boardwalk to provide table service to Tenant's patrons, on the Boardwalk. No tables are permitted west of the ramp located on the western side of the subject premises.

In Witness Whereof, Landlord and Tenant have executed this lease on the date of this lease.

Landlord

City of Long Beach

By: 
Name: Daniel Creighton
Title: City Manager

Tenant

Sand Castles LBNY, Inc.

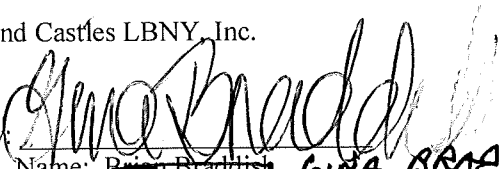
By: 
Name: ~~Brian~~ Braddish **GINA BRADDISH**
Title: ~~President~~ **VICE PRESIDENT**

Exhibit A

City Council Resolution

Exhibit B

Fixed Rent

The Fixed Rent payable on the last day of each month in advance of the following month (E.g. The Rent for February is Due on or before January 31)

2025 -----	\$52,000.00	(\$4,333.33 payable at the end of each month)
2026 -----	\$53,000.00	(\$4,416.67 payable at the end of each month)
2027 -----	\$54,100.00	(\$4,508.33 payable at the end of each month)
2028 -----	\$55,180.00	(\$4,598.33 payable at the end of each month)
2029 -----	\$56,300.00	(\$4,691.67 payable at the end of each month)
2030 -----	\$57,400.00	(\$4,783.33 payable at the end of each month)
2031 -----	\$58,800.00	(\$4,900.00 payable at the end of each month)
2032 -----	\$60,300.00	(\$5,025.00 payable at the end of each month)
2033 -----	\$61,800.00	(\$5,150.00 payable at the end of each month)
2034 -----	\$63,350.00	(\$5,279.17 payable at the end of each month)
2035 -----	\$64,900.00	(\$5,408.33 payable at the end of each month)

FIVE YEAR OPTION IF EXERCISED

2036 -----	\$66,850.00	(\$5,570.83 payable at the end of each month)
2037 -----	\$68,850.00	(\$5,737.50 payable at the end of each month)
2038 -----	\$70,900.00	(\$5,908.33 payable at the end of each month)
2039 -----	\$73,050.00	(\$6,087.50 payable at the end of each month)
2040 -----	\$75,200.00	(\$6,266.67 payable at the end of each month)

****Tenant agrees and acknowledges that any enhancement of the business, or enlargement of the leased premises shall constitute a proportional, reasonable, increase in rent.****

*****Security. \$8,666.66, subject to increase as provided in this Exhibit. The amount of the Security shall be increased each time the monthly payments of Fixed Rent increase so that Landlord shall at all times have and maintain two (2) full months Fixed Rent as security*****

Exhibit C
Commencement Date Agreement

THIS COMMENCEMENT DATE AGREEMENT made as of the ___th day of January, 2025, between the City of Long Beach (“Landlord”) and Sand Castles LBNY, Inc. (“Tenant”).

RECITALS


- A. Landlord and Tenant are landlord and tenant under that certain lease dated as of January , 2025, (the “Lease”) pursuant to which Landlord has leased certain premises more particularly described therein to Tenant (the “Premises”). (Capitalized terms not described herein are described in the Lease.)
- B. The Commencement Date and the Expiration Date are now known and Landlord and Tenant wish to confirm the dates.

NOW, THEREFORE, Landlord and Tenant hereby agree as follows:

- 1. The Commencement Date is September 16, 2025.
- 3. The Expiration Date is September 15, 2035. In the event the Parties exercises the 5 year extension option, upon mutual written consent, the Expiration Date is September 15, 2040.
- 4. This Commencement Date Agreement is the document that Landlord and Tenant intended to execute pursuant to the Lease.
- 5. Landlord and Tenant hereby ratify and confirm the terms and provisions of the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this instrument as of the date above written.

City of Long Beach, Landlord

By: 
Daniel Creighton
City Manager

Sand Castles LBNY, Inc. Tenant

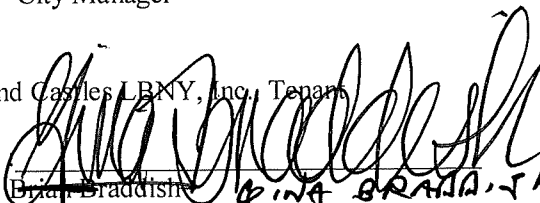
By: 
Brian Braddish
President
*BRIAN BRADDISH
VICE PRESIDENT*

Exhibit D
Rules

The following are the Rules adopted by Landlord, as of the date of the lease to which these Rules are attached, with respect to the Building. A violation of any of the following Rules shall be deemed a material breach of the lease.

1. Tenant shall not store any materials or objects outside of the Premises, other than what has already provided in this Lease.
2. Tenant shall not drill holes into the exterior walls or roof of the Building or Premises, nor will Tenant attach wires or other devices to the exterior walls or roof without the prior written consent of the Landlord. No curtains, blinds, shades, or screens shall be attached to or hung upon, or used in connection with, any windows or doors of the Premises without the prior written consent of Landlord.
3. Tenant shall not use the bathrooms or other Building systems or any plumbing fixtures for any purpose or in any manner other than for the purposes and in the manner they were intended to be used, and no rubbish, rags, paper towels or other inappropriate materials shall be thrown therein.
4. Tenant shall not bring into, or permit in, the Premises any animals (except service animals for the disabled).
5. Under no circumstances shall Tenant allow or cause any type of vehicle to be used on the Ocean Beach Park without the prior written consent of the Commissioner of Public Works of the City of Long Beach, consent to be issued at the Commissioner's sole discretion.

Exhibit E
List of Shareholders

1. Brian Braddish
2. Gina Braddish

Food Use Rider

If the Permitted Use is a restaurant use or otherwise involves the sale of food or beverage, the following shall apply:

1. Tenant shall keep any garbage, trash, rubbish or other refuse in vermin-proof refrigerated containers within the interior of the Premises that are kept closed until removed.
2. Tenant shall clean all hood grease filters and clean all grease traps and grease interceptors by physically removing the grease and cleaning with a chemical degreasing agent every six (6) months. Tenant shall maintain cleaning records for periodic inspection by Landlord.
3. Tenant shall, every six (6) months, steam clean ventilation hoods, clean exhaust fans and roof vents. Tenant shall maintain records of such cleaning for periodic inspection by Landlord.
4. As part of Tenant's Work, Tenant shall perform the following work in accordance with the provisions of this lease: (a) shall not permit unreasonably loud noise, (b) shall install screens and traps in sinks to prevent food and grease from clogging the waste line(s) serving the Premises and any waste line(s) serving other areas of the Real Property; and (c) install ventilation equipment including hoods and exhaust fans of adequate quality, capacity and size to keep the Premises free of smoke, odors, vapors and fumes;
5. Landlord does not warrant that the Premises may be lawfully used for the business to be conducted by Tenant in the Premises; nor that any governmental certificate, license or permit which may be required for the business to be conducted by Tenant in the Premises, will be granted, or if granted, will be continued in effect or renewed. Tenant shall, upon Landlord's request, promptly deliver to Landlord duplicate copies of any governmental certificate, license or permit required for the lawful conduct of Tenant's business. Tenant shall at all times comply with the terms and conditions of each such certificate, license or permit. It is understood and agreed that Tenant's obligations under this lease shall in no way be affected or impaired by reason of Tenant's inability to secure and/or maintain such certificates, licenses or permits.
6. Tenant shall maintain, in addition to the insurance required by Article 10, (a) personal injury liability including, without limitation, coverage for libel, slander, false arrest and malicious prosecution,.
7. The Premises shall not be used for a dance hall, cabaret or discotheque.