

COMMERCIAL LEASE AGREEMENT

This Lease Agreement ("Lease") is entered into and made effective as of January 15, 2025, by and between:

LANDLORD: Historic Charleston Properties

TENANT: The Rustic Table LLC

WHEREAS, Landlord is the owner of certain real property located at 1200 Main Street, Ground Floor, Charleston, SC 29401; and

WHEREAS, Tenant desires to lease said premises for the purpose of full-service restaurant, bar, catering preparation, and outdoor dining on the approved patio area as shown in exhibit c;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 - PREMISES

1.1 Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises located at 1200 Main Street, Ground Floor, Charleston, SC 29401, comprising approximately 2,800 rentable square feet (the "Premises"), as more particularly described in Exhibit A attached hereto and incorporated herein by reference.

1.2 The Premises consist of approximately 2,800 square feet of Triple Net (NNN) space as measured in accordance with BOMA standards (ANSI/BOMA Z65.1-2017).

ARTICLE 2 - TERM

2.1 The term of this Lease shall commence on January 15, 2025 (the "Commencement Date") and shall expire on January 14, 2035 (the "Expiration Date"), unless sooner terminated in accordance with the provisions of this Lease.

2.2 Renewal Options: One (1) ten-year renewal option at fair market value for comparable restaurant space in the Charleston Historic District. Tenant must provide written notice of intent to renew at least one hundred eighty (180) days prior to expiration.

ARTICLE 3 - RENT

3.1 Base Rent: Tenant shall pay to Landlord base monthly rent in the amount of \$9,200.00 per month, payable in advance on the first day of each calendar month during the term of this Lease. Annual base rent equals \$110,400.00.

3.2 Security Deposit: Tenant shall deposit with Landlord a security deposit in the amount of \$55,200.00, to be held by Landlord as security for the faithful performance by Tenant of all terms, covenants, and conditions of this Lease. The security deposit shall be returned to Tenant within thirty (30) days following the expiration or earlier termination of this Lease, less any amounts applied to cure Tenant defaults.

3.3 Escalation: Percentage rent: In addition to base rent, Tenant shall pay 6% of annual gross sales exceeding \$1,200,000. Gross sales reports and percentage rent payments are due within thirty (30) days following the end of each calendar quarter. Tenant shall provide certified annual gross sales figures within ninety (90) days of each lease year end.

3.4 Late Payment: If any installment of rent is not received by Landlord within five (5) business days after the due date, Tenant shall pay a late charge equal to 5% of the overdue amount, plus interest at the rate of 1.5% per month on the unpaid balance.

ARTICLE 4 - PERMITTED USE

4.1 Full-service restaurant, bar, catering preparation, and outdoor dining on the approved patio area as shown in Exhibit C. Tenant must maintain all required food service licenses and liquor licenses throughout the lease term.

4.2 Tenant shall not use the Premises for any unlawful purpose or in any manner that would constitute a nuisance, violate any applicable zoning ordinance, or increase the rate of insurance on the Premises or the building in which the Premises are located.

ARTICLE 5 - LEASE TYPE AND ADDITIONAL CHARGES

5.1 Lease Type: This Lease is a Triple Net (NNN) lease.

5.2 CAM Charges: Not applicable. The premises constitute a standalone ground floor unit with dedicated entrance. Tenant is solely responsible for all maintenance of the premises and the approved outdoor dining area.

5.3 Tax Obligations: Tenant shall pay one hundred percent (100%) of all real estate taxes directly to the Charleston County Tax Collector. Tenant shall provide Landlord with evidence of timely payment within thirty (30) days of each payment date.

ARTICLE 6 - RENEWAL OPTIONS

6.1 One (1) ten-year renewal option at fair market value for comparable restaurant space in the Charleston Historic District. Tenant must provide written notice of intent to renew at least one hundred eighty (180) days prior to expiration.

ARTICLE 7 - TERMINATION

7.1 Landlord may terminate this Lease if the restaurant ceases operations for more than ninety (90) consecutive days, unless such cessation is due to fire, casualty, or force majeure. Tenant has no early termination right. Upon termination, Tenant shall restore the premises to its original condition, normal wear and tear excepted.

7.2 Upon expiration or termination, Tenant shall surrender the Premises in good condition and repair, reasonable wear and tear excepted, and shall remove all personal property and trade fixtures.

ARTICLE 8 - MAINTENANCE AND REPAIRS

8.1 Tenant Responsibilities:

- All kitchen equipment including commercial range, hood, refrigeration, and dishwasher
- Grease traps and grease interceptors (quarterly cleaning required)
- Hood and exhaust systems including fire suppression
- Interior buildout, finishes, and decorative elements
- Pest control (monthly service required)
- Patio furniture, planters, and outdoor dining area maintenance

8.2 Landlord Responsibilities:

- Structural elements including foundation, load-bearing walls, and roof structure
- Roof membrane and waterproofing
- Exterior facade maintenance and repair in compliance with Charleston Historic Preservation requirements
- Gas line to the meter

ARTICLE 9 - INSURANCE

9.1 Tenant shall maintain the following insurance coverages throughout the term of this Lease:

- General Liability (\$2,000,000 per occurrence)
- Liquor Liability (\$2,000,000 per occurrence)
- Property Insurance (replacement cost for tenant improvements)
- Workers Compensation (statutory limits)
- Food Contamination/Spoilage (\$500,000)

9.2 Minimum aggregate coverage: \$2,000,000.

9.3 Tenant shall name Landlord as an additional insured on all liability policies and shall provide Landlord with certificates of insurance upon request.

9.4 All insurance policies shall be issued by carriers with an A.M. Best rating of A- VII or better.

ARTICLE 10 - KEY PROVISIONS AND SPECIAL TERMS

10.1 Landlord shall use commercially reasonable efforts to assist Tenant in the transfer of existing liquor license (SC License No. 2024-CHR-4521) from the prior tenant.

10.2 The approved outdoor dining area on the public sidewalk is subject to City of Charleston Encroachment Permit EC-2024-0892. Tenant is responsible for permit renewal and compliance with all conditions.

10.3 Landlord is responsible for all exterior facade work in compliance with Charleston Board of Architectural Review requirements. Tenant shall not make any exterior modifications without prior BAR approval.

10.4 Grease trap serving the premises must be upgraded to a minimum 100-gallon capacity within 90 days of the Commencement Date, at Tenant's sole expense.

10.5 Kitchen exhaust venting is through a dedicated rooftop stack as shown in Exhibit D. Tenant is responsible for maintenance and cleaning of the exhaust duct from kitchen to roof.

ARTICLE 11 - HISTORIC PRESERVATION

The premises are located within the Charleston Historic District and are subject to regulations of the Charleston Board of Architectural Review (BAR). Any modifications to the exterior of the premises, including signage, lighting, awnings, and the outdoor dining area, must receive prior approval from the BAR. Landlord shall cooperate with Tenant in seeking BAR approval for reasonable modifications.

ARTICLE 12 - HOURS OF OPERATION

Tenant shall operate the restaurant no fewer than five (5) days per week, serving both lunch and dinner service. Sunday hours are at Tenant's discretion. Tenant shall maintain posted hours of operation visible from the street.

ARTICLE 13 - ALCOHOL SERVICE

Tenant shall maintain a valid South Carolina liquor license throughout the lease term. Loss or suspension of the liquor license for more than sixty (60) days shall constitute a default under this Lease. All alcohol service must comply with SC Title 61 and applicable Charleston City ordinances.

GENERAL PROVISIONS

Governing Law: This Lease shall be governed by and construed in accordance with the laws of the state in which the Premises are located, without regard to conflict of law principles.

Entire Agreement: This Lease constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, warranties, commitments, offers, and agreements, whether written or oral.

Amendments: This Lease may not be modified or amended except by a written instrument signed by both Landlord and Tenant.

Notices: All notices required or permitted under this Lease shall be in writing and shall be deemed delivered when personally delivered, or three (3) business days after deposit in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the respective parties at the addresses set forth above or at such other address as either party may designate by notice.

Severability: If any provision of this Lease is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

Waiver: The failure of either party to enforce any provision of this Lease shall not be construed as a waiver of such provision or the right to enforce it at a later time.

SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above.

LANDLORD:

Historic Charleston Properties

Date: January 15, 2025

TENANT:

The Rustic Table LLC

Date: January 15, 2025