

LEASE AGREEMENT

THIS LEASE is entered into on this 22nd day of February, 2024,

BETWEEN: **BOROUGH OF RED BANK**, a municipal corporation of the State of New Jersey, having its principal offices located at 90 Monmouth Street, Red Bank, NJ 07701 (hereinafter referred to as the “Borough”);

AND: **MONTEVERDE NJ, INC.**, having its business address at 45 N. Bridge Avenue, Red Bank NJ 07701 (hereinafter referred to as “Lessee”).

WHEREAS, Lessee received approval from the Borough’s Planning Board (the “Board”) for a retail cannabis business at 45 N. Bridge Avenue, Red Bank, NJ (the “Property”), which approval was granted by the Board on or about July 5, 2023; and

WHEREAS, the Board’s approval required that Lessee secure a lease or other agreement for the exclusive use of certain parking spaces in proximity to the Property; and

WHEREAS, the Borough owns and maintains eleven (11) parking spaces located on Borough-owned property between Morford Place and Riverside Avenue, as depicted on Exhibit A annexed to this Lease (the “Parking Spaces”); and

WHEREAS, the Borough determined that the Parking Spaces are not utilized by the public-at-large, and are not needed for general public use; and

WHEREAS, pursuant to N.J.S.A. 40A:12-14, the Borough held an open public auction on February 8, 2024 to lease the Parking Spaces to the highest bidder; and

WHEREAS, Lessee appeared at the open public auction held on February 8, 2024 and tendered the highest bid in the amount of \$30,000.00 per year for the exclusive use of Parking Spaces for five (5) years;

NOW, THEREFORE, be it agreed between the Borough and Lessee as follows:

1. *Exclusive Use of the Parking Spaces.* During the term of this Lease, Lessee shall have right to exclusive use of the eleven (11) parking spaces located on Borough-owned property between Morford Place and Riverside Avenue, as depicted on Exhibit A hereto (the “Parking Spaces”). With the written approval of the Borough, which shall not be unreasonably withheld, Lessee shall have the right to erect signage so as to delineate the Parking Spaces and to notify the public of Lessee’s exclusive use of the Parking Spaces. Lessee shall have the right to exclusive use of the Parking Spaces for the purposes of conducting its retail cannabis business located at the Property. Lessee shall not license, transfer, assign, or sublet any of the Parking Spaces to any other person, business, or entity without the written approval of the Borough, which approval may be withheld in the Borough’s sole discretion. Lessee shall not permit the Parking Spaces to be used for any purpose(s) in violation of the Revised General Ordinances of the Borough of Red Bank.

2. *Covenants of Lessee.*

- (a) Lessee, its employees, contractors, vendors, guests, customers, and invitees shall comply with all governmental rules, orders, regulations, and requirements as to the use of the Parking Spaces and/or privileges granted to Lessee in paragraph 1 hereof.
- (b) Lessee shall not do anything or permit or omit the doing of anything in, on or upon the Parking Spaces which shall or might result in a nuisance or an annoyance, or an unusual, objectionable, noxious or offensive act, noise or odor.
- (c) Lessee shall keep the Parking Spaces free and clear of all debris, garbage, and litter.
- (d) Lessee shall not make any alterations or improvements to the Parking Spaces without the prior written consent of the Borough.

3. *Lease Term.* The term of this Lease shall commence on February 22, 2024, and shall continue for a period of five (5) years. This Lease may be immediately terminated by the Borough for any of reason(s) set forth in paragraphs 4, 5, and 6 hereinbelow.

4. *Annual Rent.* In consideration of the exclusive use of the Parking Spaces and privileges granted to Lessee in paragraph 1 hereof, Lessee shall pay to the Borough as rent the sum of THIRTY-THOUSAND AND 00/100 DOLLARS (\$30,000.00) annually, which rent shall be paid no later than March 1st of the lease year for which the rental payment is due. Failure to make payment of rent by March 1st of any year may result in immediate termination of this Lease.

5. *Insurance.* Lessee, during the term of this Lease, shall obtain and maintain liability insurance against all claims on account of personal injury and property damage or death to person for which the Lessee or the Borough may become liable as a result of the use of the Parking Spaces and privileges granted to Lessee by the Borough in paragraph 1 hereof, and shall name the Borough as an additional insured under the said policy.

6. *Termination of Lease.* Lessee shall, at the expiration of this Lease, surrender the Parking Spaces in as good condition as the same shall have been at the time use and possession thereof had been delivered to Lessee, except for ordinary wear and tear. This Lease may be immediately terminated by the Borough:

- A. If a default is made in the payment of the rent or any part thereof as herein specified in paragraph 4 hereof; or
- B. If, without the written consent of the Borough, Lessee shall sell, license, assign, transfer, sublet, or mortgage this Lease; or
- C. If the Lessee defaults in the performance of any other covenants or agreements contained in this Lease; or

D. If the Lessee shall file a petition in bankruptcy or be adjudicated as bankrupt or make an assignment for the benefit of creditors to take advantage of any insolvency act.

7. Assignment. Lessee shall not be permitted to assign, transfer, convey, sublet or otherwise dispose of this Lease or of its rights, title or interest therein, or its power to execute such lease agreement to any other person, corporation or entity without express consent in writing by the Borough, which may be withheld in the Borough's sole discretion.

8. Liens Prohibited. Lessee shall not suffer any notice of intention or lien claim to be filed against the Parking Spaces or the Borough's tract by reason of work, labor, services, or materials performed for or furnished to Lessee or to anyone through, above, or under Lessee. If Lessee shall fail to remove or discharge any mechanic's notice of intention or lien claim as described above within ninety (90) days after notice or knowledge of the filing of same, then in addition to all other rights of the Borough hereunder or by law upon a default by Lessee, the Borough may, at its option, procure the removal or discharge of same. Any amount paid by the Borough for such purpose, including all reasonable attorneys' fees and other expenses therefore, shall become due and payable by Lessee to the Borough upon demand as additional rent.

9. Notice. Any notice by either party to the other shall be in writing by regular mail to the addresses first set forth hereinabove, unless either party serves a notice of change of address upon the other during the term of this Lease.

10. Waiver. The failure of either party to insist on strict performance of any of the terms and conditions hereof shall not be deemed a waiver of any subsequent breach or default in either the terms or conditions breached or in any other term or condition hereof.

11. Modification. This Lease may not be modified unless such modification is in writing and signed by both parties.

12. Effect of Partial Invalidity. If any provision of this Lease is held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

13. Integration. This Lease contains the entire agreement between the parties, and neither party has relied upon any prior or contemporaneous representation, either oral or written, that are not contained in this agreement or its incorporated parts. Both parties have had the opportunity to review this Lease with independent counsel of their own choosing.

IN WITNESS WHEREOF, the Borough and Lessee hereby execute this Lease as of the date first set forth above.

MONTEVERDE NJ, INC.

By: _____
DEVIN LILES, Principal

BOROUGH OF RED BANK

By: _____
WILLIAM PORTMAN, Mayor

EXHIBIT A

