,vy Hall

APPLICATION DETAILS:

For the following questions, please provide copies of all related and/or supporting document(s). Attach additional pages as needed.

1. Applicant **owns** the proposed business premise: ____ YES __X__ NO
- Applicant holds a mortgage for the proposed business premise: ____ YES __X__ NO
- If there is a mortgage, provide the name of the mortgage provide and contact number: We will purchase the building but current owner info:

2. Applicant **leases** the proposed business premise: __X__ YES ____ NO
- Property Owner name: Sal Dallomo, Summit Realty Services
- Property Owner Address: 3301 Route 66, Suite 220 Bldg 8, Neptune, NJ 07753
- Property Owner Phone: [redacted] Property Owner Email: ____

3. [redacted]

4. [redacted]

5. [redacted]

6. [redacted]

7. [redacted]

8. [redacted]

9. [redacted]

Site Control - Letter of Intent and Memorandum of Understanding follows this page. We will buy out the lease of the current tenant and purchase the building for the current owner.

COMMERCIAL PARTNERS

September 10th, 2022

Re: Offer to purchase the site located at 35 W. Sylvania Avenue Neptune City, NJ 07753; block 28 & lot 9..

When countersigned by the Seller (as defined below) below, the following will constitute our Letter of Intent with respect to our purchase. The date of the Seller's acceptance of this Letter of Intent shall be hereinafter referred to as the **"Effective Date."**

1. **Conveyance of Property.** On the Closing Date (as defined below) **VDR Development Group LLC.**, an Illinois limited liability company and or assigns (the **"Buyer"**) shall purchase from Seller, or its nominee and/or assign (the **"Seller"**), and the Seller shall convey to the Buyer, or its designee, by special or limited deed, all of the Seller's right, title and interest in the Property.

2. **Purchase Price.** The purchase price (the **"Purchase Price"**) to be paid to the Seller for the Conveyance of the property will be **$1,500,000.00**. The Purchase Price shall be payable in full, subject to adjustments specified in the Purchase Agreement (as defined below).

3. **Purchase Agreement.** The Seller shall begin to prepare and submit to the Buyer, within five (5) business days following the Effective Date, and the parties will diligently negotiate thereafter a Purchase Agreement **("Purchase Agreement")**. Seller will supply purchaser with all 3 party reports and as-built plans that it has in possession within five (5) business days of signing of this LOI.

4. **Due Diligence Period.** Buyer shall have ninety (90) days from the effective date for due diligence and to perform all inspections and testing during this time period. Seller shall provide all due diligence material in its possession within five (5) business days of the Effective Date. Buyer, at its sole discretion, shall be able to terminate the agreement for any reason. Upon the expiration of the Due Diligence Period, the Initial Deposit shall become non-refundable.

5. **Closing Date.** The closing (the **"Closing"**) of the transaction described herein shall take place within forty-five (45) days after the expiration of the due diligence period. Buyer can extend the closing twice for up to thirty (30) days for each extension by depositing an additional **$10,000.00** of non-refundable, but applicable towards purchase price.

6. **Initial Deposit.** A deposit in the amount of **$50,000.00** (the **"Deposit"**) will be deposited upon execution of PSA to be held by (our escrow company) until transfer of title. The Deposit shall be made within five (5) business days after the execution of Purchase Agreement.

7. **Buyer's Contingencies & Closing Costs.** The Purchase Agreement shall provide that Buyer's obligation to purchase the Property shall be contingent upon the following:

A. A. Buyer's obligation to close this sale is contingent on the property being free and clear of environmental contamination.

B. Buyer shall pay title and shall provide any title objection to Seller within forty-five (45) days of the Effective Date.

C. Seller shall pay all documentary stamps to transfer the deed.

D. Buyer, at Buyer's sole expense, shall apply for any governmental permit or application. Seller agrees and authorizes Buyer to present various applications or petitions as may be required or needed to state and local government agencies for permits, zoning, annexation, entitlements, and approvals necessary for the use of the property, provided that any cost is covered by the Buyer. Seller agrees to execute any and all applications, petitions, owner authorizations or letters of consent to state and local government agencies in connection with permits, zoning, annexation, entitlements, and approvals necessary for the use of the property, provided that any cost is covered by the Buyer.

8. **Confidentiality**. The terms, conditions and existence of this Letter of Intent and all further discussions of the parties will be treated on a confidential basis. Any announcements to third parties (other than the Buyer's consultants, contractors, associates, and third-party entities involved in the financing, due diligence or closing of the transaction described herein) pertaining to the contemplated transaction will be subject to review and approval of the Seller and may not be made until after all contingencies in the Purchase Agreement have been satisfied.

9. **Letter of Intent**. This letter is intended to be merely a *non-binding* Letter of Intent regarding the contemplated transaction. Notwithstanding the foregoing, the parties will negotiate, a Purchase Agreement generally consistent with the terms of this Letter of Intent but, otherwise, intend that no legal rights or obligations between them will come into existence until a Purchase Agreement is signed and delivered by both of them and that, in such event, their respective legal rights and obligations will be only those set forth in the Purchase Agreement.

10. **Brokerage.** The Buyer is represented by Jon Stravitz with SVN / BIOC New York, NY and Bryan J. Myers with SVNCP Fort Myers, FL will be paid a commission of 2.5% from the Seller.

If these general terms are acceptable, please so indicate by signing and returning a copy of this letter.

Very truly yours,

Vince Ramos – VDR Development Group LLC., an Illinois limited liability company

By:____________________

Date: September 14, 2022

Intent confirmed this 14th
Day of September ____, 2022

By: ____________________
1 Authorized Signature
Allwood Property

Memorandum of Understanding

September 9, 2022

RE: Proof that the Applicant will have lawful possession of the premises for the proposed for the cannabis business.

The purpose of this memorandum of understanding is to indicate the basis upon which Ivy Hall NJ LLC ("Ivy Hall") is prepared to buyout the lease of Santino's Pizza ("Santino's") and purchase the building located at 35 W. Sylvania Ave, Neptune City, NJ 0775, ("Building") contingent on securing a Municipal Cannabis Business License (the "License") with the Borough of Neptune City.

<u>This is a memorandum of understanding only.</u> This memorandum is not legally binding on either party, notwithstanding anything to the contrary in this memorandum. It is, however, an indication of good faith intent between the parties, to be detailed in the future contractual agreement, if the parties so agree.

1. Confidentiality. All documents and information provided by Ivy Hall to Santino's and the owner of Building [illegible] whether [illegible] or other form, including all information [illegible] and the terms of this memorandum of understanding, shall be considered Confidential Information. Ivy Hall [illegible] shall not be disclosed [illegible] employees, agents [illegible] who need to know such information and who are bound by obligations of confidentiality [illegible] [illegible] shall not use the Confidential Information for any purpose other than [illegible]. Upon written request [illegible] Ivy Hall, Santino's and owner of Building shall [illegible] all copies of Confidential Information.

2. Purpose. This Memorandum of Understanding is to ensure that Ivy Hall is able to apply for the [illegible] Municipal [illegible] which will [illegible] the Building [illegible] Ivy Hall, NJ LLC [illegible] terms and conditions [illegible] Memorandum of Understanding [illegible].

By: ______________________ By: ______________________

Authorized Signer Owner

Ivy Hall Santino's Pizza

By: ______________________

[illegible] Bifolco

Lighthouse

[redacted]

My family company, Lighthouse Dispensary LLC, intends to open the Lighthouse Dispensary at 50 Morris Avenue. That property is currently a self-service car wash owned by my mother and business partner, Nancy Phillips, which she has operated for 35 years. I have run the business with her over the past 10 years. Admittedly, the current use of the property is an eye sore, but our redevelopment plans include the construction of a beautiful new lighthouse-topped building that will be a bright beacon welcoming people to our store and the Borough.

[redacted]

[redacted]

[redacted]

Sincerely,

Michael Phillips, Founder
Lighthouse Dispensary LLC

APPLICATION DETAILS:

For the following questions, please provide copies of all related and/or supporting document(s). Attach additional pages as needed.

1. Applicant **owns** the proposed business premise: ______ YES   X NO
- Applicant holds a mortgage for the proposed business premise: ______ YES   X NO
- If there is a mortgage, provide the name of the mortgage provide and contact number: N/A

2. Applicant **leases** the proposed business premise: X YES   ______ NO
- Property Owner name: WRE Ventures LLC c/o Donald Gianchetta
- Property Owner Address: 2 Edgewood Court, Colts Neck NJ 07722
- Property Owner Phone: [redacted] Property Owner Email: [redacted]

3. [redacted]

4. [redacted]

6. [redacted]

7. [redacted]

8. [redacted]

9. [redacted]

Binding Letter of Intent

Dated: 9/1/22 (the "Effective Date")

Between:

Donald Gianchetta, *an individual* ("Landlord")

and:

Shipwreck'd LLC, a New Jersey limited liability company ("Tenant")

RE: 23 W. Sylvania Avenue, Neptune City, New Jersey

WHEREAS, it is the intent of the parties to enter into this binding Letter of Intent (this "LOI"), which outlines certain essential material terms for the execution of a Commercial Lease Agreement (the "Lease" or "Lease Agreement") for the leasing of approximately 7,000 – 8,000 square feet of space (the "Premises") to Tenant within the Building (defined in Exhibit B) located at 23 W. Sylvania Avenue, Neptune City, New Jersey ("Property").

Legal Description: The parties agree the legal description of the Property, Building and the Premises is attached as Exhibit A and incorporated herein by reference.

Premises: Pursuant to the provisions provided in this LOI and the Lease (defined herein), Landlord shall lease to Tenant, and Tenant shall lease from Landlord, the entire Building, as identified on Exhibit B attached to this LOI, which is capable of being operated for the cultivation, production, and distribution of cannabis and cannabis-infused products pursuant to its Licenses (as defined herein).

Permitted Use: Subject to Tenant's compliance with the terms of this LOI, Tenant may use the Premises for the retail distribution of cannabis and cannabis-infused products pursuant to its Licenses (as defined herein) (the "Permitted Use"). Tenant may not use the Premises for any other purpose unless specifically approved by Landlord.

LOI Deposit: The parties agree that (i) within one (1) day following the mutual execution of this LOI, and (ii) each subsequent month during the LOI Term (as defined herein) until (x) the Lease Requirements (as defined herein) are satisfied or (y) this LOI is earlier terminated due to inability to satisfy the Lease Requirements, Tenant shall deposit an amount equal to One Thousand and 00/100 Dollars ($1,000.00) with the landlord to hold in escrow ("Escrow") pending satisfaction of the Lease Requirements or the earlier termination of this LOI (each individually, a "Monthly LOI Deposit Requirement", and collectively, the "Deposit") as consideration for this LOI. Each Monthly LOI Deposit Requirement shall be deemed nonrefundable for the benefit of the Landlord, except that in the event the Landlord shall fail to honor any material term of this LOI for no fault of the Tenant, Landlord shall refund to Tenant, the Deposit, minus $100.00. Upon execution and delivery of the Lease by Landlord and Tenant, and payment of the security deposit and other prepaid amounts, the parties shall authorize Landlord to release the Deposit from Escrow and

Landlord shall apply the Deposit as a credit to the Total Rent (as defined herein) to be paid by Tenant pursuant to the Lease.

Exclusivity: Tenant shall have the exclusive right to negotiate with Landlord to lease the Premises during the LOI Term (as hereinafter defined). During that period, Landlord will not negotiate with or entertain offers relating to the Property from any other party. Landlord acknowledges that Tenant will expend significant resources in investigating this transaction prior to and after executing the Lease, and that this exclusivity provision represents a material provision of this LOI.

LOI Termination: The parties agree in the event the Lease Requirements described herein this LOI are not mutually satisfied on or before the date that is twelve (12) consecutive months after the Effective Date of this LOI (the "LOI Term"), this LOI shall terminate, Landlord (defined herein) ~~shall disburse to itself the full Deposit from Escrow, and~~ the parties shall owe no further obligation to one another; except that in the event the Landlord shall fail to honor any material obligation under this LOI for no fault of the Tenant, Landlord shall refund to Tenant, the ~~Deposit,~~ monthly amounts paid, minus $100.00. In the event despite the parties' reasonable efforts, the satisfaction of the Lease Requirements requires additional time, the parties may mutually agree in writing to extend the LOI Term.

Lease Requirements: The execution of the Lease shall be contingent upon the parties' mutual satisfaction of the following requirements, collectively be referred to herein as the "Lease Requirements":

a. the parties mutual agreement of all the terms, obligations and provisions contained in the Lease;
b. the parties shall acquire the necessary zoning and land use entitlements as it relates to the Premises and the use described herein this LOI;
c. Landlord and/or Tenant shall have obtained all the necessary licenses ("Licenses") and approvals from Neptune City and from the New Jersey Cannabis Regulatory Commission for Tenant to commence operations at the Premises as a duly licensed cannabis cultivator, producer, and/or distributor. It is expressly acknowledged and agreed that Tenant shall be responsible for all costs and expenses associated with obtaining such Licenses, including but not limited to: all actual out-of-pocket (i) lobbying costs, (ii) reasonable attorneys' fees, (iii) engineering costs, (iv) construction and rehabilitation costs to the Premises, (v) permitting costs and fees; and
d. The parties' mutual approval of the plans, specifications and drawings for the development of the Premises and tenant improvements.

Lease: Triple Net (NNN), meaning that all rent to be paid to Landlord shall be absolutely net to Landlord so that the Lease shall yield net to Landlord the rent to be paid each month during the term of the Lease, and Tenant shall pay either directly or as reimbursement to Landlord for all costs, expenses and obligations of every kind or nature whatsoever relating to the Premises in accordance with GAAP, which may arise or become due during the term of the Lease.

Lease Term: Five (5) years commencing on the Rent Commencement and ending on the last day of the month that is five (5) years after the occurrence of Rent Commencement (as defined herein) (the "Initial Term").

Renewal Options: Provided that Tenant is not in breach or default under the Lease, Tenant may renew or extend the term of the Lease for two (2) consecutive periods of five (5) years, on the same terms as shall be provided in the Lease.

Base Rent: The Initial Term: $20,000 per month* with 2% annual increases commencing Year 6 upon exercise of 1st Renewal Period.
1st Renewal Period: Five (5) years with 2% annual increases
2nd Renewal Period: Five (5) years with 2% annual increases

Taxes, CAM, and Insurance: Tenant shall pay (i) its pro-rata (100% of total Building) share (the "Proportionate Share") of real estate taxes, all-risk insurance, and common area maintenance charges ("CAM"), payable by the Landlord with respect to the Property and assessed in accordance with GAAP (altogether, the "NNN Charges"), and budgeted by the Landlord based on each immediately prior base year. CAM shall include all items for upkeep and maintenance of the Building, including but not limited to: parking lot; sidewalk; building and sign repair; other exterior, grounds and structural repairs; snow and ice control; landscaping; HVAC maintenance; building taxes and insurance; etc., in accordance with GAAP.

*Tenant's Base Rent schedule factors in the Tenant's Proportionate Share of NNN Charges, inclusive, which are currently calculated at $__/square foot on the Premises (the "NNN Rate"). Real Estate Taxes, Insurance, and CAM are subject to increase or decrease annually, but Landlord agrees to cap Tenant's Proportionate Share of NNN Charges to the NNN Rate.

Percentage Rent: Beginning with the first lease year, Tenant shall pay to the Landlord, in addition to Base Rent, upon the conditions and at the times hereinafter set forth, percentage rent ("Percentage Rent") equal to two percent (2%) of Tenant's gross sales measured in accordance with sound accounting principles, consistently applied. The annual Percentage Rent shall be paid by Tenant to the Landlord within ninety (90) days after the end of each lease year. Each such payment shall be accompanied by a statement signed by an authorized representative of Tenant setting forth Tenant's gross sales for such lease year.

The Lease shall contain a Rental Schedule, which shall contain a complete description of the Base Rent, Percentage Rent, CAM, and the Tenant's Proportionate Share of NNN Charges (including any additional amounts applied as rent), assessed in accordance with GAAP, which shall collectively be referred to herein as the "Total Rent"). All payments to be made by Tenant to Landlord under the Lease shall be made in such form as is acceptable to Landlord. Once again the parties agree, the Lease shall provide that in the event a change in local or state law prohibits the development of the Premises and/or completion of any portion of or all of the agreed upon tenant improvements, the Changes in Law Provisions (defined herein) shall apply.

Rent Commencement: Tenant shall begin to remit payment of the Total Rent (and all other sums and amounts to be paid by Tenant to Landlord under the Lease) to Landlord on the

fw

commencement date defined in the Lease, and thereafter on the first (1st) day of each calendar month, during the term of the Lease (without notice or demand, and without set off, abatement, or defense). The commencement date (the "Commencement Date") shall occur no earlier than forty-five (45) days following delivery of written notice by the Landlord and the mutual agreement among the Parties that the following conditions have been satisfied:

a. ~~Landlord~~ Tenant shall have obtained a certificate of occupancy or certificate of completion for the Premises;
b. Landlord and Tenant shall have obtained all applicable Licenses, zoning and land use entitlements required to operate the Premises for the Permitted Use described herein; and
c. Landlord shall have delivered possession of the Premises to Tenant.

Buyout Option: A Buyout Option will be included in the Lease for the Tenant to acquire the Property, including the constructed tenant improvements, from the Landlord for a purchase price of ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS ($1,500,000.00), provided that (a) the Tenant is not in breach or default under the Lease, and (b) the Tenant shall have previously paid to Landlord the equivalent of five (5) consecutive years' Base Rent (as defined herein) commencing as of the Commencement Date. (c) NO Buyout prior to Five (5) years of full Lease.

Changes in Law: The parties acknowledge and agree the terms and provisions of this LOI as well as the Lease are based upon the details, terms and agreed upon obligations on the Effective Date of this LOI and the Lease. The parties acknowledge and agree in the event a change in state or local law or any rule, requirement or restriction which prohibits completion of the development of the Premises, or construction of all the agreed upon tenant improvements, Landlord shall have the right to either: (a) take all actions reasonably necessary to modify the Lease to reflect its inability to develop the Premises and/or construct any portion or all of the agreed upon tenant improvements, or (b) terminate the Lease. In the event such change in state or local law prohibits the operation of the Premises for the Permitted Use, or any change in local zoning and land use entitlements prohibit Tenant from occupying, developing, or using the Premises for the Permitted Use, the Lease shall terminate or the parties may mutually agree otherwise in writing.

Lease Termination: The Parties agree, the following provisions shall be inserted into the Lease: The Lease shall terminate, upon the occurrence of any of the following: (i) any change or revocation of State or local law, which shall have the effect of prohibiting the legal operation as a cannabis grower and distributor on the Premises, following any period of contest or appeal of such change or revocation; (ii) New Jersey Cannabis Regulatory Commission refusal to approve an application to renew the Licenses, as may be applicable, through no fault of Tenant.

Brokers; Fees: Tenant agrees to pay the Landlord's Real Estate Broker up to $30,000.00 upon execution of the Lease, and shall prepay up to $8,000.00 to Landlord for environmental fees/charges upon approval of the Licenses.

Confidentiality: The parties acknowledge and agree that in connection with the correspondence and negotiations related to this LOI and the Lease, the parties have furnished and will continue to furnish one another with information and documentation that is either non-public, confidential or proprietary in nature (collectively referred to as the "Confidential Information"). All Confidential Information to be protected hereunder shall be specifically labeled as either non-public, confidential or proprietary. All information and materials that is not so labeled shall not constitute Confidential Information. Confidential Information shall be protected by a Confidentiality and Nondisclosure Agreement (in the form agreed upon by Landlord and Tenant) executed by Landlord and Tenant.

Governing Law: This LOI and the Lease shall be governed by the laws of the State of New Jersey (without regard to conflict of laws).

Counterparts: This LOI may be executed in any number of counterparts, and all such counterparts shall constitute a single document.

Binding LOI: This LOI constitutes a binding and valid agreement on the part of Landlord and Tenant.

Expiration: If this LOI is not executed by Landlord and Tenant on or before 5:00 PM ET, on __________ __, 202__, then this LOI shall terminate and expire and be of no further force or effect.

[Space Intentionally Left Blank. Signatures on the Following Page.]

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS LOI AS OF THE EFFECTIVE DATE.

TENANT:

RYAN T. WARD,

a

By:

Name:

Title: OWNER

LANDLORD:

,

a

By: Donald Gianchetta

Name:

Title: OWNER/LANDLORD

The Cannabis Shoppe

APPLICATION DETAILS:

For the following questions, please provide copies of all related and/or supporting document(s). Attach additional pages as needed.

1. Applicant **owns** the proposed business premise: X YES ____ NO
- Applicant holds a mortgage for the proposed business premise: X YES ____ NO
- If there is a mortgage, provide the name of the mortgage provide and contact number: Kearny Bank, Neptune City Branch. [redacted]

2. Applicant **leases** the proposed business premise: ____ YES X NO
- Property Owner name: ____
- Property Owner Address: ____
- Property Owner Phone: ____ Property Owner Email: ____

3. [redacted]

4. [redacted]

5. [redacted]

6. [redacted]

7. [redacted]

8. [redacted]

9. [redacted]