

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made as of the 24 day of October, 2018 (the "Effective Date"), by **PARKING AUTHORITY OF THE CITY OF NEW BRUNSWICK**, a Public Body Corporate and Political Subdivision of the State of New Jersey (hereinafter called "Landlord") with an address at 106 Somerset Street, New Brunswick, NJ 08901 and **PREMIUM FOOD & BEVERAGE, LLC d/b/a REDD'S BIERGARTEN**, a limited liability company (hereinafter called "**Tenant**"), with an address at 317 Washington Ave., Carlstadt, New Jersey 07072 .

In consideration of the rents, covenants and conditions hereinafter reserved and contained, Landlord hereby agrees to lease to Tenant, and Tenant hereby agrees to hire from Landlord, the Premises described herein.

Landlord and Tenant agree that the terms and conditions of this lease are as set forth in this Agreement of Lease, and the attached General Terms of Retail Lease, including, without limitation, the exhibits or riders referred to in the General Terms of Retail Lease, all of which are incorporated herein and are hereinafter referred to collectively as the "Lease". For purposes of this Lease, and any supplement(s), amendment(s) or modification(s) thereof, the terms listed below shall have the following meanings:

Basic Lease Provisions

Base Rent (Section 4.1): Tenant shall pay to Landlord a guaranteed minimum base rent ("Base Rent") commencing on the Rent Commencement Date in monthly installments on the first day of each month during the Term of this Lease as follows:

<u>TIME PERIOD</u>	<u>COST/GROSS SQ.FT.</u>	<u>ANNUAL AMOUNT</u>	<u>MONTHLY AMOUNT</u>
Lease Years 1 thru 2	\$27.00	\$199,044.00	\$16,587.00
Lease Years 3 thru 5	\$29.00	\$213,788.00	\$17,815.67
Lease Years 6 thru 10	\$32.00	\$235,904.00	\$19,658.67

Each such installment shall be due and payable on or before the first day of each calendar month during the Term of this Lease, in advance, to Landlord, at 106 Somerset Street, New Brunswick, NJ 08901 or to such other person or entity at such other place as may, from time to time, be designated by Landlord, without prior demand, recoupment, deduction or setoff, the first installment to be paid upon the Rent Commencement Date.

Basic Lease Provisions: Each reference in this Lease to any of the Basic Lease Provisions contained in the Agreement of Lease shall be deemed and construed to incorporate all of the terms thereof. The Basic Lease Provisions shall be construed in connection with and limited by any such reference.

Billing Address: Tenant shall be billed c/o Premium Food & Beverage, LLC , 317 Washington Ave. Carlstadt, New Jersey 07072 .

Broker/Consultant: Tenant is represented by The Goldstein Group a licensed broker or salesperson in New Jersey. Landlord is represented by Pierson Commercial Real Estate, LLC. Both Tenant and Landlord represent and warrant that no other brokers hold representation in this transaction, and Tenant is not responsible for any brokerage commissions as a result of this transaction. All Commission to be paid by the Landlord to the Landlord's Exclusive Broker, pursuant to a separate listing agreement, and Tenant's broker shall seek its commission from Landlord's Exclusive Broker, per a separate agreement.

Building/Premises/Property (Section 1.1): The premises (hereinafter referred to as the "Premises"), located at 5 Easton Avenue, New Brunswick, New Jersey 08901 are part of the project known as Gateway Transit Village (hereinafter referred to as the "**Building**"), situate and located on the land generally described in the metes and bounds description on **Exhibit A (the "Land")**. The Premises shall constitute a portion of the Retail Component consisting of 7,372 square feet as indicated on the attached floor plan (**Exhibit C**), as defined hereinbelow, of the NBPA Estate (the NBPA Estate being hereinafter referred to as the "**Property**"), together with the right to the non-exclusive use of the Common Areas (which Common Areas shall, for purposes hereof, be deemed to include the Easement Areas), subject to the terms and conditions of this Agreement of Lease and the Declaration.

Commencement Date: The rent commencement date (the "**Rent Commencement Date**") for Rent shall be the earlier of either (a) one hundred eighty (180) days after the Possession Date or (b) Tenant's opening for business. The Possession date shall be upon lease execution. The Lease shall commence upon Rent Commencement.

Common Area Maintenance Costs (As defined in Section 7.1 (b)): Tenant shall pay Tenant's Premises Share, as defined hereinbelow, of that portion of Common Area Maintenance Costs arising under this Lease, as such costs shall be equitably apportioned by Landlord between the Retail Component, as defined hereinbelow, of the Property and the Commercial Component and as such costs shall be equitably allocated by Landlord to the Retail Component (the "Allocated Common Area Maintenance Costs"), the first monthly installment of which shall be payable upon the Rent Commencement Date. Tenant shall continue to pay, throughout the term of this Lease, Tenant's Premises Share of the Allocated Common Area Maintenance Costs, all as provided for, and defined with greater specificity, in Section 7.1 (b) of this Lease.

Declaration: That certain Declaration of Covenants, Restrictions and Reciprocal Easements by Parking Authority of the City of New Brunswick, dated as of the 23rd day of October, 2009, as may be amended from time to time, as listed with greater specificity in **item 2 of Exhibit F**, attached hereto and made a part hereof. In the event of any conflict between the rights and obligations of Landlord pursuant to this Lease and any of the rights and obligations of

Landlord under the Declaration, the latter shall control. Capitalized terms used, but not otherwise defined in this Lease, shall have the meanings ascribed to them in the Declaration.

Delivery Conditions: Landlord will deliver the Premises (including all access points to the Premises) in "as-is" condition.

Exclusive Representation: Landlord will not permit any other Tenant to operate a restaurant or bar in the complex.

Expiration Date: The tenth anniversary of the Rent Commencement Date plus any Partial Month

FF&E: All FF&E to remain in the Premises subject to any leased equipment. In the case that any FF&E is to be removed, Landlord shall be responsible for any infrastructure damage that could be caused by the removal of any FF&E prior to execution of the Lease. Tenant shall have the right to inspect all FF&E, and if any large piece of equipment is damaged and unrepairable then Landlord is to be responsible for disposition out of the Premises. Tenant shall be responsible for all other equipment repairs.

Guaranty: Principals shall guarantee the first five (5) lease years. Provided Tenant is (i) open and operating and (ii) is not in default of the lease, following Year five (5), the guarantee shall convert to a twelve (12) month rolling Guarantee.

Length of Term (Article 2): The Term of this Lease shall be for a period of ten (10) Lease Years from the Rent Commencement Date plus the Partial Month, if any, as set forth in the Lease, ending on the Expiration Date.

Tenant agrees to diligently pursue all required governmental approvals necessary for the operation and construction of Tenant's business and improvements. Notwithstanding the foregoing, Tenant shall be responsible for payment of all utilities and obtaining and maintaining all insurance required hereunder commencing on the Commencement Date. The Lease shall commence upon Rent Commencement.

If Tenant occupies or has access to the Premises prior to the Commencement Date with Landlord's permission, all of the provisions of this Lease will be in effect from the beginning of such occupancy or access except for the requirements to pay Base Rent, Allocated Common Area Maintenance Costs, Impositions (both terms as defined hereinbelow) and Landlord's Pro Rata Share of assessments otherwise due under this Lease and/or the Declaration, which requirements will commence on the Rent Commencement Date and Tenant will pay only the cost of its utilities from the date Landlord delivers the Premises until the Commencement Date.

Liquor License: This lease is subject to the Tenant having the right to utilize the current concessionaire license which shall be approximately \$1,228.00 /per month. Tenant shall be responsible for any subsequent increases in the Concessionaire License by the State, County or Municipality.

Option to Renew: Tenant shall have two (2) options to renew its lease of the Premises upon providing Landlord twelve (12) month prior written notice(s), each for a term of five (5)

years in length. The rental rate for each renewal term shall increase by 10% at the beginning of each five (5) year period.

Parking: The Tenant shall have the use of ten (10) parking spaces within the garage as well as parking validation for all Tenant's customers that shall be reimbursed to the Landlord as further addressed in the lease.

Permitted Use (Section 5.1): Tenant shall use the Premises solely as Redd's Biergarten to be operated substantially in the manner of a bar biergarten and restaurant. Anything to the contrary contained in the immediately preceding sentence notwithstanding, Tenant may also use the Premises for any other first class business operation, subject, however, to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed and further subject to the terms, provisions, conditions and limitation of the immediately following paragraph.

Tenant agrees that Tenant, its successors, assignees or subtenants shall not interfere with or violate any exclusives given by the Landlord to tenants (their successors, assigns, sublessees and concessionaires) under leases executed prior to the full execution of this lease ("prior lease"), or any extensions of such prior lease, or a new lease executed by a tenant in occupancy under an expired prior lease. Attached hereto as **Exhibit B** is a list of such exclusives, which may be amended from time to time as exclusives are added so long as such exclusives do not interfere with Tenant's permitted use. In addition, respecting any Tenant request made during the term of this Lease for a new use that is then similar or comparable to that of any other tenant then under a lease for premises at the Building, Landlord's failure to give such approval, in such case, shall not be deemed unreasonable.

Tenant does hereby notify Landlord that Tenant's North American Industry Classification System ("**NAICS Number**") code number (as defined in Section 5.2 of the Lease) is (_____) NAICS NUMBER). Tenant shall not perform nor agree to perform any act that will cause its NAICS number to fall within an NAICS number to which ISRA (as hereinafter defined) may be applicable.

Real Estate Taxes and Operating Expenses: Tenant shall pay pro-rata share of real estate taxes, insurance, maintenance, utility costs etc. currently estimated to be:

Taxes: \$4.50 psf

CAM \$2.52 psf

Retail Component shall mean the approximately 12,000 square feet of various retail space contained within the Property along the Easton Avenue facade of the Building and near the intersection of Easton Avenue and Wall Street.

Signage: Tenant shall be entitled to erect maximum building signage, subject to obtaining the required governmental and Landlord approval.

Security Deposit (Article 26): Tenant shall deposit with Landlord cash in the amount of Thirty Three Thousand One Hundred Seventy Four and 00/100 (\$33,174.00) Dollars, which is due upon execution of this Lease. Security Deposit shall increase proportionately with each rent increase during the term of the lease Agreement.

Tenant's Impositions Payment (Section 7.1 a): Tenant will make payments toward Impositions, as such term is defined with greater specificity in Section 7.1(a) ("Tenant's Impositions Payment"). Tenant's Impositions Payment shall be that amount which shall equal the product of (i) Four and 50/100 (\$4.50) Dollars per years 1-5, \$5.00 years 6-10, 5.00 11-15, 6.00 years 11-20 and (ii) 7372 square feet or \$33,174 per year. The yearly Tenant's Impositions Payment shall be paid in twelve (12) monthly installments. The first monthly installment of Tenant's Impositions Payment shall be payable upon the Rent Commencement Date. The Impositions Payment shall be based on the above schedule for the term of the Lease.

Tenant's Premises Share shall mean the ratio of (x) the gross square footage of the Premises over (y) the total gross square footage, as finally determined by Landlord, of the Retail Component. If, however, the parties agree that any cost is for the sole use and benefit of Tenant, then Tenant shall bear one hundred (100%) percent of such cost.

Tenant's Trade Name: REDD'S BIERGARTEN.

Submission of this Lease for examination by or signature of Tenant does not constitute an offer, reservation of space or option to lease. This Lease will not be effective or binding upon the parties as a lease or otherwise until execution and delivery by both Landlord and Tenant.

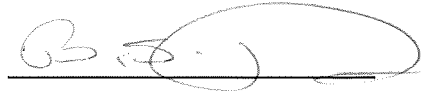
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IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Agreement of Lease to be duly executed the day and year first above written.

LANDLORD:

WITNESS:

**PARKING AUTHORITY OF THE CITY OF
NEW BRUNSWICK**
a public body corporate and political subdivision of
the State of New Jersey



By: 

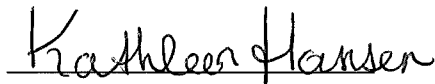
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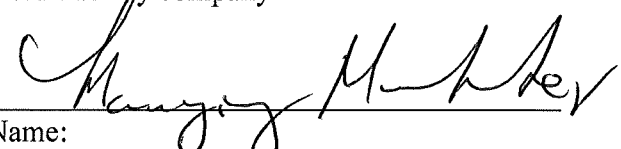
Title: Executive Director

TENANT:

WITNESS

Premium Food & Beverage, LLC
d/b/a/ **REDD'S BIERGARTEN, LLC**
a limited liability company



By: 

Name:

Title: Managing Member