

## **SETTLEMENT AGREEMENT AND RELEASE**

This **SETTLEMENT AGREEMENT AND RELEASE** (the "Agreement") is entered into as of December 19, 2022, by and among **DANIEL PALSI** ("Palsi 1"), **DOUGLAS PALSI** ("Palsi 2"), **FRANK PINTO** ("Pinto"), each person individually, **PREMIUM FOOD & BEVERAGE LLC D/B/A REDD'S BIERGARTEN**, a New Jersey domestic profit corporation (hereinafter referred to as "Tenant"), and the **NEW BRUNSWICK PARKING AUTHORITY** on behalf of individuals known and unknown (hereinafter referred to as the "Landlord" or the "Authority").

### **WITNESSETH**

**WHEREAS** the New Brunswick Parking Authority is a public body corporate and politic operating under the laws of the State of the New Jersey, with offices located at 106 Somerset Street, 6<sup>th</sup> Floor, New Brunswick, NJ 08901;

**WHEREAS** Palsi 1, Palsi 2, and Pinto, individuals with a principal place in New Jersey, are the principals of Tenant, a New Jersey domestic profit corporation, and currently lease 5 Easton Avenue, New Brunswick, New Jersey 08901 (located within the Gateway Transit Village) from Landlord pursuant to that certain Lease Agreement executed on October 24, 2018;

**WHEREAS** Palsi 1, Palsi 2, Pinto, Tenant, and Landlord have agreed to a settlement of accounts and termination of the lease, pursuant to which (a) Tenant shall pay Landlord \$400.00 for anticipated Q4 2022 water/sewer usage on or before December 30, 2022 (no refund or invoice shall be issued to Tenant in the event that the actual Q4 2022 water/sewer billing is lower or higher than \$400.00); (b) Tenant additionally shall pay Landlord a \$120,000.00 final settlement amount on or before December 30, 2022; and (c) Landlord shall retain the \$33,174.00 security deposit (all the foregoing items (a) through (c) collectively comprising the "Settlement Amount"), in full

payment for all actual and potential claims that have been or may be raised by the Landlord with respect to any payments due under the Lease Agreement for Base Rent, Additional Rent, or associated charges (collectively, "Payments Owed"), and Landlord further releases Tenant, Palsi 1, Palsi 2, and Pinto from all of Tenant's non-financial obligations under the Lease Agreement (that is, from all obligations of the Lease Agreement, known or unknown, effective January 1, 2023, except for damages to the premises identified in accordance with Section 2 below; and

**WHEREAS** the parties wish to amicably resolve all potential disputes, claims, issues, controversies, and liabilities between and among them that have been or could be asserted in relation to the Payments Owed in a legal proceeding pursuant to the terms and conditions of this Agreement, and wish to memorialize that agreement in this final, binding Agreement.

**NOW THEREFORE**, in consideration of mutual covenants and obligations of this Agreement, and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement, intending to be legally bound, do hereby agree to settle the Payments Owed and all actual and potential claims in connection therewith as follows:

1. **Release.** Upon receipt of the full Settlement Amount, and upon receipt of a fully executed original or fully executed copy of this Agreement, Landlord shall hereby release Tenant, Palsi 1, Palsi 2, and Pinto, as applicable, and give up any and all claims, causes of action, demands, damages, liabilities, and rights in regard to the Payments Owed, which Landlord or anyone acting on Landlord's behalf, may have against Palsi 1, Palsi 2, Pinto, Tenant, and/or any employees, agents, directors, or officers of Tenant. This release by Landlord is effective January 1, 2023, and applies to all of Tenant's obligations under the Lease Agreement, known or unknown, except for damages to the premises identified in accordance with Section 2 below.

With regard to the Payments Owed, Landlord and its current and/or former employees, partners, agents, directors, officers, attorneys, representatives, successors, insurers, and assigns do hereby fully and forever release, remise, and discharge Tenant, on behalf of themselves, any of their respective attorneys, representatives, heirs, personal representatives, executors, administrators, insurers, subrogees, successors, and assigns from any claims, demands, damages, liabilities, actions, obligations, accounts, covenants, agreements, judgments, reckonings, losses, and undertakings of any nature and kind, both in law and in equity in connection with the Payments Owed.

2. **Occupancy and Lease Termination.** Upon receipt of a fully executed original or fully executed copy of this Agreement, and provided that Tenant returns to Landlord all keys to the 5 Easton Avenue premises, Tenant's access to the leased space shall be terminated effective December 31, 2022. Upon receipt of the full Settlement Amount, and provided that Tenant has vacated and returned the property and fixtures in the same condition as at the start of Tenant's tenancy, reasonable wear and tear excepted, Landlord shall hereby release Tenant, Palsi 1, Palsi 2, and Pinto, as applicable, from the Lease Agreement (including its personal guaranty provisions) executed on October 24, 2018, and Tenant's lease shall be fully terminated effective December 31, 2022. Tenant shall be responsible for any damages caused to the leased premises prior to and during its vacation of the leased premises, provided that such damages are identified during a mutual site examination attended by representatives of Tenant and Landlord on a mutually agreed upon date in December 2022 or identified during a mutual site examination attended by representatives of Tenant and Landlord on a mutually agreed upon date in January 2023.

3. **Tax Consequences.** The Authority makes no representation regarding the federal and state tax consequences of the Settlement Amount and shall not be responsible for any tax

liability, interest or penalty, liens, or claims incurred by Tenant, which in any way arise out of or in relation to said Settlement Amount. Tenant shall be responsible for the payment of any federal or state taxes or claims or liens thereunder required by law to be paid with respect to the settlement payments made to the Landlord under this Settlement Agreement and Release.

4. **No Representations.** Palsi 1, Palsi 2, Pinto, Tenant, and Landlord represent and acknowledge that in executing this Agreement they are not relying upon, and have not relied upon, any representations or statements made by the other party or its agents, representatives, or attorneys with regard to the subject matter, basis, or effect of this Agreement beyond the representations and statements, if any, expressly contained herein.

5. **Confidentiality.** All parties agree that the terms of this Agreement shall be confidential and that no party shall disclose the terms in whole or in part to anyone other than as required for financial or tax advice or audits, or in response to a valid court order, subpoena, discovery request, or upon written consent of the other party—except that Landlord may disclose this Agreement and its terms to its own employees and its commissioners and its outside advisors, or in response to public questions at any public meeting of the Authority's Board of Commissioners, or in response to public questions at any public meeting of the city council of the City of New Brunswick, or in response to written or e-mailed questions from the press, or in connection with any action, process, or question of the City of New Brunswick or its city council, or in response to an Open Public Records Act (OPRA) request.

6. **Inadmissible as Evidence.** This Agreement and the contents hereof shall not be admissible as evidence in any civil litigation except to enforce the terms expressed herein and shall not be deemed to be an admission of liability by any party to this Agreement.

7. **No Claims Permitted / Covenant Not to Sue.** The Landlord represents that this

matter is concluded in its entirety and the Authority will not file any complaint, charges, or grievances against Tenant or any of its agents, employees, or insurers, with any local, state, or federal agency, court, or other regulative entity for the Payments Owed.

8. **No Publicity, Disparagement, or Disclosure of Confidential Information.** The parties agree that they shall not issue any public communication, written, verbal, or otherwise, that disparages, criticizes, or otherwise reflects adversely upon Palsi 1, Palsi 2, Pinto, Tenant, or the Authority or which encourages any adverse action against any party to this Agreement, provided that each party is permitted to testify truthfully under oath pursuant to subpoena and except for the Landlord's broad disclosure exceptions in Section 5 above. Additionally, the parties agree not to disparage or make or solicit any comments, statements, or the like to the media, future/prospective employers, or to other third parties, that may reasonably be expected to lead to unwanted or unfavorable publicity or may reasonably be considered to be derogatory or detrimental to the good name or business reputation of each other or to each other's heirs, assigns, predecessors, successors, agents, officers, employees, directors, former employees, principals, subsidiaries, insurers, co-insurers, re-insurers, and representatives—except for the Landlord's disclosure exceptions in Section 5 above.

The parties agree that they will not disclose the terms of this Agreement, or the amount to be paid hereunder, to any individuals or entities, including but not limited to, members of the press and media, present and former officers, employees, and agents, and other members of the public, except to the extent required by law and except for the Landlord's disclosure exceptions in Section 5 above. This prohibition does not include disclosure, as applicable, to attorneys, accountants, auditors, financial advisors, spouses, insurers, or any governmental taxing authority.

All parties to this Agreement agree and acknowledge that this section is a material term of

this Agreement.

Any breach of the requirements of any aspects of the non-disparagement, no publicity, or non-disclosure of confidential information clauses featured in this section shall subject the breaching party to damages as set forth in the "Breach of Agreement" section of this Agreement.

9. **Breach of Agreement.** Failure by a party to comply with any of the material obligations contained in this Agreement shall entitle the non-breaching party to give the breaching party notice specifying the nature of the default and requiring the breaching party to cure such default. If such default is not cured within five (5) calendar days after the receipt of such notice, or if such default cannot be cured, or if the breaching party does not commence and/or diligently continue actions to cure such default, the non-breaching party shall be entitled, without prejudice to any of its other rights conferred by this Agreement, and in addition to any other remedies available to the non-breaching party by law or in equity, to immediately recover and/or cease providing the consideration provided under this Agreement and to obtain damages. If any actions are necessitated by the breaching party's breach, the breaching party agrees to reimburse the non-breaching party for any and all attorney's fees and/or costs.

10. **Patriot Act Compliance.** Neither Tenant nor any individual or entity having an interest in Tenant or controlled by Tenant (i) is in violation of any applicable anti-money laundering or anti-bribery laws and regulations, (ii) is a person or entity listed on the Specially Designated Nationals and Blocked Persons ("SDN") lists, (iii) is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in Executive Order No. 13224, 66 Fed. (September 25, 2001, page 49079) (the "Executive Order"), or (iv) is owned or controlled by, or acts for or on behalf of, any person or entity on the SDN lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions

contained in the Executive Order.

Tenant will use its good faith and commercially reasonable efforts to comply with the Patriot Act (as defined below) and all applicable requirements of governmental authorities having jurisdiction over Tenant including those relating to money laundering and terrorism.

For purposes hereof, the term Patriot Act refers to the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism ("USA PATRIOT") Act of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

11. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of New Jersey applicable to contracts wholly performed therein (regardless of where actually performed) without regard to principles of conflicts of laws.

12. **Who Is Bound.** Palsi 1, Palsi 2, Pinto, Tenant, and Landlord party hereto, their agents, servants, employees, and assigns are bound by this Agreement. Anyone who succeeds to any party's respective rights and responsibilities, such as heirs or the executor/executrix of an estate, is also bound. This Agreement is made for the benefit of the parties hereto and of all who succeed to their respective rights and responsibilities, including but not limited to heirs or the executor/executrix of an estate.

13. **Entire Agreement and Amendments.** This Agreement constitutes the entire understanding between and among the parties hereto, represents the final written expression of the parties with respect to the subject matter hereof, and may not be amended, altered, or modified except by a writing signed by all parties.

Tenant, Palsi 1, Palsi 2, and Pinto acknowledge that, in executing this document, they have not relied upon any statement, promise, or representation, oral or written, not set forth herein.

14. **Acknowledgment of Parties.** Each of the parties has carefully read and understands the terms and conditions of this Agreement and acknowledges that Landlord has been advised by counsel. Tenant, Palsi 1, Palsi 2, and Pinto acknowledge a full and complete understanding as to the meaning and legal implications of this Agreement and execute this document and all releases and conditions contained within knowingly and voluntarily.

15. **Miscellaneous Provisions.**

a) The Parties agree to take no action which is intended, or would reasonably be expected, to disparage each other, or to harm each other's reputation, or which would reasonably be expected to lead to unwanted or unfavorable publicity to any Party—except that the Landlord retains the disclosure exceptions described in Section 5 above.

b) If it is determined by any court of competent jurisdiction that any provision hereof is invalid, the remaining provisions shall remain in full force and effect.

16. **Signatures.** Each person signing this Agreement on behalf of a business or governmental entity warrants and represents that he is fully authorized by that entity to execute this Agreement and to bind the said entity to all of the terms and conditions of this Agreement.

17. **Relationship of the Parties.** Neither party shall have any right or authority, express or implied, to assume or create any obligation of any kind, or to make any representation or warranty, on behalf of the other party or to bind the other party in any respect whatsoever.

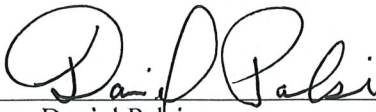
18. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed original, and together which shall constitute one in the same instrument. Electronically transmitted counterparts shall be deemed originals for all purposes.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have executed this Settlement Agreement and Release as of the date first written above.

**FOR TENANT—AND FOR PALS1 1, PALS1 2, AND PINTO INDIVIDUALLY AND PERSONALLY**

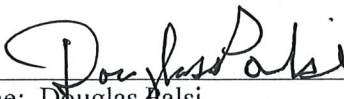
**PREMIUM FOOD & BEVERAGE LLC D/B/A REDD'S BIERGARTEN**

By:   
Name: Daniel Palsi

Date: 12/30/2022

Witness: 

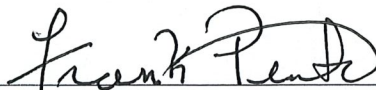
Date: 12/30/22

By:   
Name: Douglas Palsi

Date: 12-30-2022

Witness: 

Date: 12/30/22

By:   
Name: Frank Pinto

Date: 12/30/2022

Witness: 

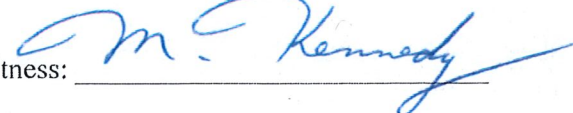
Date: 12/30/22

**FOR LANDLORD**

**NEW BRUNSWICK PARKING AUTHORITY**

By:   
Name: KEVIN McETERNAN  
Title: CHAIRMAN

Date: 12-19-2022

Witness: 

Date: 12/19/2022

[Signature Page to the Settlement Agreement and Release]