

# Summary of the tenant lease

## 304 Stokes Avenue, Ewing NJ 08638

### Lease Basics

- **Lease Term:** 20 years
  - **Start:** November 1, 2022
  - **End:** October 31, 2042
- **Premises Use:** Cannabis manufacturing facility (including office and warehouse use)

### Rent Details

- **Initial Rent:**
  - \$1,200/month for the first lease year (after "Rent Commencement Date")
  - \$2,400/month for the second lease year
  - \$2,546.16/month for the current rent (2026)
  - **Annual Increase:** 3% annually after year two
- **Late Fee:** 5% of any delinquent amount if payment is 5+ business days late
- **Taxes:** Tenant pays 50% of property taxes (monthly, 1/12th of annual amount)
- **Security Deposit:** \$4,800 (2 months' rent)

### Maintenance Responsibilities

- **Tenant Responsible:** Interior and exterior maintenance (everything from plumbing and HVAC to parking lot upkeep)
- **Lessor Responsible:** Roof, steel structure, foundation, and parking lot resurfacing — unless damage is caused by the tenant

### Alterations & Repairs

- Tenant can make alterations with Lessor's written consent
- Any installed fixtures/equipment remain Tenant's property (unless otherwise agreed)
- At lease end, Tenant must return the property in broom-clean condition

### Early Termination Rights

- **Lessor:** Can terminate after 10 years, and every 5 years after that, with 12 months' notice
- **Tenant:** Can terminate if cannabis-related licenses or permits are not obtained or are revoked

## Assignment/Subletting

- Tenant may not assign or sublease without Lessor's written consent
- Tenant remains liable after any approved assignment/sublease

## Insurance Requirements

- **Tenant must maintain:**
  - \$2M liability insurance (with Lessor named as additional insured)
  - Property insurance (100% of replacement value)
  - Workers' comp, business interruption, and plate-glass insurance

## Environmental Compliance

- Tenant is responsible for complying with all environmental laws (e.g., ISRA) if contamination occurs during their tenancy
- Tenant must remediate any contamination caused by their use

## Damage & Destruction

- If premises are totally destroyed → lease terminates
- If partially destroyed → rent is reduced proportionally, and Lessor must restore the premises

## Other Key Terms

- **Right of Entry:** Lessor can inspect, show, or repair with prior notice
- **Holdover:** Month-to-month at 150% of base rent
- **Guaranty:** Good Guy Guaranty required (see Exhibit A)
- **Legal Venue:** Mercer County, NJ
- **Estoppel Certificates:** Must be provided within 15 days of request