

LEASE

THIS LEASE, made as of the 1st day of April, _____, 2025, by and between the TOWN OF GRANBY, a municipal corporation organized and existing under the laws of the State of Connecticut and having its territorial limits in the County of Hartford in said State, acting herein by Michael P. Walsh, its Town Manager, hereunto duly authorized (hereinafter the Lessor) and _____, of the Town of Granby, County, of Hartford and State of Connecticut (hereinafter the Lessee).

WITNESSETH:

Demised Premises:

In consideration of the terms herein reserved and of the covenants and agreements herein contained to be paid, performed and observed on the part of the Lessee, the Lessor does hereby demise and lease unto the Lessee, and the Lessee does hereby take and hire, upon and subject to the conditions hereinafter expressed, those certain premises known as and located at No. 83 Salmon Brook Street in the Town of Granby, including all buildings and improvements thereon, being shown as a parcel containing 65,443 square feet or 1.503 acres on a certain map entitled: "Parcel Map prepared for Upstream Properties, LLC Salmon Brook St. & Canton Rd. Granby, Connecticut," Scale 1"=100', Dated 3/21/18, Revised 3/19/20, Sheet No. 1 of 1, Prepared by Denno Land Surveying & Consulting, LLC, 2 Tunxis Rd. Ste. 203, Tariffville, CT 06081, which map is filed with the Town of Granby, Town Clerk as Map Number 2938-1.

Term:

The term of this Lease shall commence on April 1, _____ 1, 2025, and end on March 31, _____ 31, 2035, unless sooner terminated as herein provided.

Rental:

Subject to the further provisions of this Lease, the Lessee shall pay the Lessor, by the first day of each month that rent is due, the sum of Three Thousand Dollars (\$3,000.00) per month.

Annually beginning on April 1, 2030 and continuing through the term of the lease, the rent shall be increased by 2.5%.

It is the intention of the Lessor and the Lessee that the rent herein specified shall be net to the Lessor in each year during the term of this Lease; that all costs, expenses and obligations of every kind relating to the leased premises which may arise or become due during the term of this Lease shall be paid by the Lessee, and that the Lessor shall be indemnified by the Lessee against such costs, expenses and obligations. Such costs, expenses and obligations include, but are not limited to, the costs of all improvements to be made by the Lessee, the cost of any required building permits or other governmental permits, the cost of casualty insurance coverage as hereinafter required, the cost of all utilities serving the premises and the cost of all expenses for property maintenance, including the maintenance of any structures upon the premises.

It is further agreed that the rents herein provided for are in lieu of all municipal real estate taxes which might otherwise be assessed against the leased premises and the Lessor will hold the Lessee harmless from any such assessments during the initial and any extended lease term. Notwithstanding the foregoing, Lessee shall pay any and all personal property taxes attributable to the leased premises and its occupancy thereof. Further, Lessee shall be responsible for arranging for and payment of any and all utilities serving the leased premises.

In the event any payment of rent hereunder is not received within ten (10) days of the date on which it becomes due, the Lessee shall pay a late charge equal to five percent (5%) of such rent payment.

Deferral of Rent Payments; Capital Improvements and Repairs:

Notwithstanding anything in this Lease to the contrary, the Lessor and the Lessee acknowledge that the leased premises are in need of substantial capital repairs and replacements. The Lessor is willing to defer or reduce some of the monthly rental payments due hereunder in consideration of the Lessee's agreement to make certain of those capital repairs which shall include, without limitation, the roof of the structure, water infiltration into the basement and other repairs needed to the foundation, and repair or replacement of the walk-in cooler. The Lessor and the Lessee shall jointly determine the items requiring repair or replacement and the preliminary budget and schedule for making such repairs. Thereafter, the Lessee shall be solely responsible for ensuring that those repairs or replacements are conducted in a workmanlike manner. The Lessee shall notify the Lessor when any such repairs or replacements are to be conducted and the Lessor shall review and inspect any such work when it has been completed.

Subject satisfactory compliance with the provisions of this section and observance of the remaining terms of this Lease, the Lessor shall abate the rent due hereunder as follows: During the first ~~thirteen (13)~~eighteen (18) months of the term of the Lease, the rent due shall be zero dollars. During the following ~~thirty-five twelve (12)~~ (35) months of the term of the Lease, the rent each month shall be One Thousand Dollars (\$1,000.00). During the following ~~one twelve (12)~~ (1) months of the term of the Lease, the rent ~~each month~~ shall be Two Thousand Dollars (\$2,000.00). This schedule of abatement is subject to future adjustment based on mutually

acceptable changes to the budget and schedule for repairs and replacements, but in no event shall the Lessor be obligated to abate rent in an amount in excess of ~~One Hundred Twenty Five Seventy-Five~~ Thousand Dollars (\$~~127~~5,000.00) in the aggregate.

The Lessee shall also provide the Lessor with complete invoices marked "PAID" for any repair or replacement work covered by this section. The Lessee shall be responsible for ensuring that there are no mechanics' liens placed on the leased premises and shall promptly cause any such liens to be released.

In the event the Lessee shall fail to make the required repairs or replacements substantially in accordance with the budget and ~~by March 31, 2026~~~~schedule then in effect~~, the Lessor's agreement to abate the rent as provided herein may be terminated upon thirty (30) days' prior written notice to the Lessee. In the event the Lessee shall have expended less on repairs and replacements than the Lessor shall have granted in rent abatements at the time of such default, the Lessee shall pay such shortfall to the Lessor in five equal installments together with each of the next five rent payments in the required amount of \$3,000.00 each.

Quiet Enjoyment:

The Lessor covenants that it has good right and lawful authority to enter into this Lease and that, subject to all of the provisions of this Lease and any easements or restrictions to which the premises may be subject, and further subject to municipal zoning and inland wetlands regulations, the Lessee shall have the quiet and undisturbed possession of the demised premises so long as the Lessee shall not be in default hereunder.

Repairs and Maintenance:

The Lessee covenants that, throughout the term of this Lease, at the sole cost and expense of the Lessee, to take good care of the buildings and improvements now or at any time erected on the demised premises, the fixtures thereon, the sidewalks, curbs, parking spaces and landscaping and to make all necessary repairs thereto. "Repairs" shall be deemed to include replacements or renewals when necessary, and all such repairs shall, to the extent feasible, be equal in quality and class to the original work. The Lessee shall keep and maintain the premises in a clean and orderly condition, free of accumulated dirt and rubbish and shall keep sidewalks, driveways, parking areas and similar areas free from snow and ice. All improvements and alterations of the premises and all fixtures (other than kitchen and cooking appliances such as stoves, ovens, refrigerators and sinks) made or installed by the Lessee on the premises shall immediately, upon the completion or installation thereof, be and become the property of the Lessor.

Compliance with Law, Ordinances and Regulations:

The Lessee covenants throughout the term of this Lease to comply with and conform to all of the laws of the United States and the State of Connecticut and the ordinances and regulations of the Town of Granby, including but not limited to, those relating to health, nuisance, fire, highway, sidewalks and zoning, insofar as the demised premises may be concerned and insofar as such may be applicable to the Lessee as occupant of the demised premises, and to save the Lessor harmless from all fines, penalties and costs for violation or non-compliance with the same.

Surrender upon Termination:

The Lessee shall on the last day of the term (or upon the earlier termination) peaceably and quietly surrender the leased premises to the Lessor in a broom-clean condition, including all

buildings, alterations, replacements, changes or additions placed by the Lessee thereon in as good condition and repair as at the commencement of the term, and as any new buildings, structures, replacements, additions or improvements, constructed, erected, added or placed thereon by the Lessee are when completed, with the natural wear and tear thereof excepted.

Default and Remedies:

If the Lessee shall make default in payment of the rents due hereunder for a period of ten days after any of the same shall become due and payable, or if default shall be made by the Lessee in any of the other covenants and agreements herein contained to be kept and fulfilled on the part of the Lessee for a period of ten days after written notice of such default is given by the Lessor without action by the Lessee to remedy such default to conclusion with reasonable diligence; or if the Lessee shall file a voluntary petition in bankruptcy or take the benefit of any insolvency act or be dissolved pursuant thereto, or if a receiver is appointed for the Lessee's business or assets; or if the Lessee makes an assignment for the benefit of creditors; or if the Lessee's interests herein shall be sold under an execution; then and thereafter the Lessor shall have the right at its option and without prejudice to any other rights it may have hereunder to terminate the Lease and to re-enter and take possession of the premises, or without such re-entry, may recover possession of the premises in the manner prescribed by the statutes relating to summary process, and any demand for rent, re-entry for condition broken, and any and all notice to quit or other formalities of any nature to which the Lessee may be entitled, in such event, are specifically waived; and that after default is made in any of the covenants contained herein, the acceptance of rent or failure to reenter and take possession shall not be held a waiver of the Lessor's right to terminate this Lease and to re-enter and take possession of the premises.

Risk of Loss:

The Lessee shall maintain full replacement coverage casualty insurance on the premises which shall name the Lessor as an additional insured. Such insurance shall be of the type and in the amounts required by the Lessor, with an insurance company with an AM Best Rating of A-, VIII or better, licensed to write insurance in the State of Connecticut. In the event of destruction or damage to the leased premises or any portion thereof by fire or other covered casualty, the proceeds of such insurance shall be payable to the Lessor and the Lessee as their interests shall appear and be used to replace, repair or restore the premises, and the Lessee shall not be entitled to surrender possession of the leased property, to terminate the Lease, to violate any of its provisions or to cause any rebate or abatement in rent then due or thereafter becoming due under the terms hereof. The Lessee shall procure such other insurance coverages, including without limitation workers compensation coverage, in such amounts and on such terms as the Lessor may reasonably require. The Lessee shall provide evidence of compliance with the requirements herein contained on the Lessor's reasonable periodic request therefor.

Condemnation:

If the whole of the demised premises are taken by any public or other authority under any power of eminent domain or condemnation, then this lease shall forthwith terminate when title passes to said public or other authority, and the Lessee shall have no claim or interest in or to any award for damages to the Lessor on account of said taking. If a material portion of the demised premises is so taken and such taking shall prevent the Lessee from conducting business substantially in the manner currently conducted, the Lessee shall have the option to cancel and

terminate this Lease upon notice thereof within thirty days of such taking. If the Lessee shall not elect to so terminate, the Lease shall remain in full force and effect. In no event shall the Lessee be entitled to any portion of the award judgment or settlement received by the Lessor on account of such partial taking.

Condition of the Premises:

The demised premises are leased to the Lessee "as is." The Lessee represents that it is fully familiar with the physical condition of the premises and acknowledges that the Lessor has made no warranties or representations regarding the condition of the same.

Attorney's Fees:

The Lessee covenants and agrees, after any default by the Lessee, to pay all legal costs and charges, including attorneys' fees, lawfully and reasonably incurred by the Lessor in securing any of the Lessor's rights against the Lessee, including regaining possession of the premises, or in enforcing any covenant or agreement of the Lessee contained in this Lease.

Assignment and Subletting:

The Lessee shall not assign this Lease nor sublet the demised premises or any portion thereof without the prior written consent of the Lessor, provided however, that in the event of such assignment or sublease with the consent of the Lessor, the Lessee shall remain primarily liable for the fulfillment of the covenants of the Lessee under this Lease, so that, thereafter, the obligations of the Lessee and any such assignee or sublessee shall be the joint and several obligations of each.

Recording:

Lessee shall not record this Lease but will execute a Notice of Lease for recordation by the Lessor on the Land Records.

Lessee's Intention:

The Lessor and the Lessee acknowledge that the Lessee will operate a restaurant on the leased premises and that the use will not change without the prior consent of the Lessor. The Lessee is authorized to make substantial improvements to the premises, including landscaping, which will require the consent and approval of Lessor, which consent and approval will not be unreasonably withheld.

Lessee's Option to Purchase:

Provided that no event of default shall exist hereunder, at any time during the ~~first four years of the~~ term of this Lease the Lessee may notify Lessor in writing that Lessee wishes to exercise its option to purchase the demised premises. Absent a contrary agreement between Lessor and Lessee, the purchase price shall be the Fair Market Value as determined in accordance with this section.

Purchase of the demised premises shall be subject to a deed restriction in favor of the Lessor requiring, in perpetuity, use of the demised premises to be in conformity with all local codes, ordinances, rules, policies and procedures in place at the time of the purchase.

Each of Lessor and Lessee shall engage a licensed MAI appraiser employed by an appraisal firm of recognized competence in the northern Connecticut area with not less than ten

(10) years' experience in appraising and valuing properties of the general type, location and character as the demised premises. The two appraisers shall meet within ten (10) days after they are designated in an attempt to agree upon the Fair Market Value and, if within twenty (20) days after they shall have been designated, they do not agree upon the Fair Market Value, then each shall within ten (10) days thereafter deliver a written report to both Lessor and Lessee setting forth their determination of the Fair Market Value. If the appraisals are within ten percent (10%) of each other, they shall be averaged and that shall be the Fair Market Value. If the appraisals are not within ten percent (10%) of each other, the two appraisers shall jointly select a third appraiser who shall also provide a determination of the value of the demised premises. If the determination of the Fair Market Value of any two of the appraisers shall be identical, that shall be deemed to be the Fair Market Value. If the determinations of all three appraisers shall be different in amount, then the average of the two nearest in amount shall be deemed the Fair Market Value. Each party shall bear the cost of their own appraiser and the cost of the third appraiser shall be split equally.

Following the determination of the purchase price, the Lessor shall initiate the approval processes necessary to convey the demised premises to the Lessee. The obligation of the Lessor to convey the demised premises to the Lessee shall be conditioned upon Lessor's receipt of all necessary governmental approvals, including, without limitation, approval by a special town meeting. Upon the satisfaction of all such conditions, the sale shall take place in the office of the Town Manager on the thirtieth (30th) calendar day following receipt of the final approval.

Entire Agreement:

This Lease sets forth the entire agreement and understanding between the parties, all prior conversations and writings between them being merged herein and extinguished. No subsequent

amendment to this Lease shall be binding upon the parties unless reduced to writing and signed on their behalf.

IN WITNESS WHEREOF the parties have caused these premises to be signed on the _____ day of _____, 2025, at Granby, Connecticut.

Signed in the Presence of:

TOWN OF GRANBY, Lessor

By _____
Michael P. Walsh
Town Manager

_____, Lessee

By _____
