

AGREEMENT REGARDING LIQUOR LICENSE

This Agreement made as of the date of the last signature on _____,
by and between THE CITY OF NOVI, a municipal corporation, with offices located at
45175 W. Ten Mile Road, Novi, Michigan 48375, hereinafter known as "THE CITY", and
_____, owners of _____, whose address is _____, Novi,
Michigan _____, hereinafter known as "APPLICANT."

RECITALS:

A. The City Council of THE CITY, approved a Resolution to recommend to the
Michigan Liquor Control Commission, approval of the issuance of THE CITY'S Class C
Liquor License (hereinafter "License") from THE CITY'S quota for the APPLICANT, to be
located at _____, Novi, Michigan _____ (hereinafter
"PREMISES").

B. To assure that APPLICANT'S representations that were made to and relied
upon by the City Council of THE CITY in approving the Resolution were honored and
enforceable by THE CITY, its City Council separately directed that the signing and
delivery of the Resolution be deferred until the City Attorney had approved one or
more agreements guaranteeing the License would stay in THE CITY, with this Agreement
and the PREMISES.

IT IS THEREFORE AGREED:

1. In the event APPLICANT should cease operating its restaurant and/or
cease to use the License at the PREMISES for any reason whatsoever for a period in
excess of ninety (90) consecutive days without the written consent of THE CITY, then
APPLICANT shall immediately proceed to place the License in escrow as provided in
subsection (a), or return and request termination of the License under subsection (b) if it

has not been removed from escrow as provided in subsection (a) within five (5) years of being placed in escrow. In recognition that notwithstanding the requirements of this Agreement, the Michigan Liquor Control Commission could approve a transfer of the License to a location outside of THE CITY as currently provided in MCL 436.1521(1), as amended, if the License is required to be placed in escrow by this Agreement or the Michigan Liquor Control Act, APPLICANT agrees that after notice and an opportunity for APPLICANT to be heard, the City Council may object to renewal of the License by the Michigan Liquor Control Commission in accordance with the provisions of the Michigan Liquor Control Act and specifically MCL 436.1501(2), as amended.

- a. APPLICANT shall place the License into escrow with the Michigan Liquor Control Commission and maintain same in good standing with the Michigan Liquor Control Commission, conditioned on and with APPLICANT agreeing to take whatever steps are necessary to cause the License to remain in THE CITY, by APPLICANT using the License itself at another location within THE CITY, selling or transferring the License to the OWNER or a successor tenant for use at the PREMISES as provided in the attached Lease or selling or transferring the License to another entity for use at another location in THE CITY.
- b. APPLICANT shall return the License to the Michigan Liquor Control Commission and request that its rights to the License be terminated and that the License not be placed or continued in escrow but instead be returned to THE CITY to be added to its available quota Class C Licenses.

2. The parties also agree that in the event of a fire loss or some other type of event causing physical damage to the APPLICANT'S restaurant at the PREMISES and which results in a temporary closing of the APPLICANT'S business exceeding the ninety (90) consecutive days stated herein while the premises are being repaired or renovated, then same shall not be considered a violation of any of the conditions of this Agreement.

3. APPLICANT agrees that the City Council shall not approve the transfer of the License within three (3) years of the date of the original issuance of the License. The City Council may, but is not required to, excuse the above limitation for any of the following reasons:

- (1) If the License holder is a natural person, he or she dies or becomes incapacitated.
- (2) If the License holder is a corporation, the majority shareholder dies or becomes incapacitated, or the corporation dissolves for reasons other than to transfer the License.
- (3) If the License holder is a limited liability company, the company dissolves for reasons other than to transfer the License.
- (4) The License holder and the proposed License transferee establish that the transfer of the class License shall not result in profiteering.
- (5) The application of this limitation will subject the APPLICANT to financial hardship due to no fault of the APPLICANT, such as a change in the business climate, illness or death, labor or supply problems, and/or other factors outside the APPLICANT'S control.

Unless excused by the City Council as provided above, in the event a License is proposed for transfer within three (3) years from the date of issuance, the APPLICANT agrees that the Michigan Liquor Control Commission shall terminate the License and the City Council may approve the issuance of a new License to a new Applicant without any compensation to the Licensee who placed the License into escrow; provided, however, prior to the approval of such issuance to a new Applicant, the person or entity who placed the License into escrow shall be afforded written notice and an opportunity to be heard, and all objections raised at the hearing shall be resolved (at the Michigan Liquor Control Commission or in the circuit court if necessary) prior to issuance of the License to a new Applicant.

4. APPLICANT agrees that the recommendation of approval agreed upon by the City Council is not a property right and was approved upon the express and continuing condition that the requirements and conditions set forth in this Agreement shall be maintained and not violated by APPLICANT.

5. APPLICANT agrees that after notice and an opportunity for APPLICANT to be heard, a finding by the City Council that a violation of a requirement or condition set forth in this Agreement has occurred, shall be grounds for the City Council to request revocation and/or object to renewal of the License by the Michigan Liquor Control Commission in accordance with the provisions of the Michigan Liquor Control Act and specifically MCL 436.1501(2), as amended.

6. APPLICANT acknowledges that the agreements contained herein are unique and in the event it violates one or more of those agreements, THE CITY would not be adequately compensated by damages or resorting to the remedies described in Paragraph 5, and therefore agrees that the terms and conditions of this Agreement

shall be specifically enforceable by THE CITY by action for such relief in the Oakland County Circuit Court for the State of Michigan and that if THE CITY prevails in such an action, it shall be entitled to an award and judgment that APPLICANT pay THE CITY'S costs and attorney fees incurred.

Witnesses:

APPLICANT:

By:
Its:

Subscribed and sworn to before me
this ____ day of _____, 20__

Notary Public
_____ County, Michigan
Acting in _____ County, Michigan
My Commission expires: _____

Witnesses:

THE CITY:

By: Justin Fischer, Mayor

By: Cortney Hanson, Clerk

Subscribed and sworn to before me
this ____ day of _____, 20__

Notary Public
_____ County, Michigan
Acting in _____ County, Michigan
My Commission expires: _____