

AGENDA

Committee of the Whole AGENDA FOR AUGUST 22, 2022 AT 6:00 PM



Lansing City Hall, Tony Benavides Lansing City Council Chambers
124 W. Michigan Avenue, 10th Floor

To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.

UPDATED 8/19/2022 a.m.

Council Member Hussain, Chairperson
Council Member Wood, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - A. August 8, 2022
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Presentations:**
 - B. Red Cedar Drain Assessment Update- Public Service & Finance
6. **Discussion/Action:**
 - C. RESOLUTION - Liquor License; Old Bag of Nails Pub - Lansing, LLC for a new RDA Class C Liquor License, SDM Liquor License, Sunday AM Sales Permit, Sunday PM Sales Permit, and Outdoor Service Permit at 210 Cascade Blvd.
7. **Other**
8. **Adjourn**

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

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MINUTES **Committee of the Whole** **Monday, August 8, 2022 @ 5:30 p.m.** **Tony Benavides Lansing City Council Chambers**

CALL TO ORDER

Council President Hussain called the meeting to order at 5:30 p.m.

PRESENT

Councilmember Adam Hussain
Councilmember Carol Wood
Councilmember Peter Spadafore- excused
Councilmember Patricia Spitzley
Councilmember Jeremy Garza
Councilmember Brian T. Jackson
Councilmember Jeffrey Brown
Councilmember Brian Daniels

OTHERS PRESENT

Sherrie Boak, Council Office Manager
Jane DiSessa, Deputy Mayor
Jim Smiertka, OCA
Mark Lawrence, Mayor's Office
Lisa Hagen, OCA
Amanda O'Boyle, OCA
Mayor Schor- arrived at 5:50 p.m.
Brian McGrain, EDP Director
Elaine Fischhoff
Loretta Stanaway
Barb Kimmel, EDP
Robert Ruich

Council President Hussain explained that Council received word at 4:52 p.m. that the live stream is not working, however all other sources are working. Ms. DeSessa confirmed. Council Member Spitzley asked if the public was made aware, and Ms. DeSessa stated no, and Council President Hussain confirmed that he spoke to the Mayor about an immediate press release. Council Member Spitzley asked how long they have been working on this, and Council President Hussain confirmed he was informed it was an issue they have been working on but thought they would have it fixed. Council Member Wood asked the Administration to make decisions in the future by 1 pm at the latest to inform the public.

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Minutes

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM JULY 25, 2022 AS PRESENTED.

Council President Hussain noted that the issues with the BWL Rules of Procedures was sent back to BWL with a cover letter.

MOTION CARRIED 7-0

Public Comment

Ms. Fischhoff spoke on budget priorities and asked an item to recognize a climate emergency.

Ms. Stanaway spoke in opposition to the annexation of township properties from Lansing Township.

Mr. Ruich spoke in opposition to the annexation from the township.

Presentations

US Department of Housing and Urban Development Letter of Findings for Non-Compliance with CDBG Housing Rehabilitation Requirements of CDBG Program-

Council President Hussain referenced a letter from the State dated November 12, 2021, which Council was never aware of, and since then invited Mr. McGrain to attend this future meeting.

Mr. McGrain detailed the audit and the finding letters from January 31, 2022, and March 16, 2022.

Council Member Wood asked Mr. McGrain to explain the corrective actions.

Ms. Kimmel went through the findings beginning with finding 1 on procedures. The review exposed relaxed oversight, evaluating the quality of work, management, changes to include annual staff training, tracking performance of the contractors. The department corrected those items by updating and/or produced new policies for review.

Council Member Spitzley asked what was changed in policies for the contractors since there are issues with work at some residencies. And what was changed for contractor selection, and did a policy have to be established. Ms. Kimmel stated they updated the policy for solicitation of contractors, ongoing training, quarterly meetings, and created a contractor complaint process and practice. This includes tracking ongoing complaints.

Council Member Brown asked how long the program has been in existence and are these continual findings or have the standards changed. Ms. Kimmel stated the program has been in place since the 1970's in some form or another. HUD monitors CDBG, ESG, etc., and they can monitor certain issues and then issues findings and/or concerns that the City would need to respond in writing. She was not able to confirm or deny they have been monitored on these same items in the past.

Council Member Wood stated that Council should be informed that HUD is looking at something, and doesn't mean the Department is doing something wrong, but with Council approving the budget for CDBG, and not having this audit information until after they approved the budget. She recommended in the future Council be notified, because in this case Council was not aware of this until a constituent provided this to them until the budget was approved. Council Member Wood then spoke on the complaint process that was instituted, and someone that is consistently having issues with their work product, is the EDP setting aside a portion of

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the payment, or what is being done. Ms. Kimmel stated no final payment is not being paid until final sign off by homeowners, building safety and EDP. Council Member Wood asked what the guaranteed process. Ms. Kimmel stated a one-year warranty on workmanship, and sometimes extended for product. Council Member Wood asked what steps are done when contractor does not make repairs, and Ms. Kimmel stated they find a way to make repairs. Council Member Wood asked how many contractors were deemed not satisfactory, and Ms. Kimmel could not provide exact numbers, but they are doing what they can to make sure the workmanship is high standard.

Ms. Kimmel outlined Finding #2 and what they did to correct the finding. This included register all rental units and they worked to rectify it. Council Member Spitzley asked for details on this program itself. Ms. Kimmel outlined the program for CDBG housing rehabilitation on rental properties that are privately owned, and the program works with developers to invest funds to create affordable housing and are required to monitor those units to allow affordability for a period. They monitor to make sure landlord is not over charging, and the occupant qualifies per AMI. Council Member Wood asked with monitoring do they accept the landlord info, or what is the process. Ms. Kimmel stated they collect information from the tenants and then they verify with a 3rd party, in addition they get copies of leases and done annually. Currently they are working on getting all rental certification in-line, to do in June every year.

Council Member Garza asked what the process is for finding a contractor, status of frequency of complaints, and how many contractors have one -two strikes on them. Ms. Kimmel stated the HUD requirement of a policy has steps, and regarding issues with contractors there has been 2-3 over the last year, and regarding recruitment is sending recruitment postcards to all licensed to the three counties, reached out to unions, done cold calls to address the issue. Council Member Garza asked about tracking performance and if that is being shared with other communities. Ms. Kimmel stated when getting a contractor application, they reach out to other communities for work experience, background on better business bureau to find best contractors.

Ms. Kimmel spoke on Finding #3 stating there was a general complaint process, and HUD determined it was not strong enough and they developed a new practice to satisfy HUD, and instituted quarterly contractor meetings. Council Member Spitzley asked about the disposition statement and resolve. It was referred to the March letter which stated it was resolved. Ms. Kimmel stated they verified with HUD they did meet with contractors, they had to verify all contractors were trained, and provided with a contractor handbook. The city rehab staff was also trained, and evidence of that was provided to HUD.

Ms. Kimmel spoke to Finding 4 and solicitation of bids. In this case they adopted a policy and procedures to outlines the yearly contractor solicitation plan.

Council Member Wood noted that an earlier statement on how they tried to reach contractors and asked if they did a survey to ask them why people are not applying or wanting to work for the city. She then asked if the Builders Exchange, and Ms. Kimmel stated she has not, and was encouraged to network with them. Council Member Wood encourage them to look into apprenticeships.

Council Member Garza asked about life threatening situations and asked if the contractors are trained in safety. Ms. Kimmel stated HUD and the City is licensed and properly trained. Council Member Garza asked if anyone inspects if the actual person on the job site is qualified, and Ms. Kimmel stated they do.

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Discussion/Action

RESOLUTION – Reappointment; Kenric Hall, CVB Designee; LEPFA; Term to Expire June 30, 2025

Council President Hussain confirmed he is with the Radisson hotel and qualified to serve in the CVB Designee.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENT OF KENRIC HALL TO THE LEPFA BOAD WITH A TERM TO EXPIRE JUNE 30, 2025. MOTION CARRIED 7-0.

RESOLUTION – Appointment; Eric Schertzing; At Large Member Board of Review Term to Expire June 30, 2025

Council President Hussain briefly summarized the roll of the Board of Review.

Mr. Schertzing briefly spoke on his other Board appointments with the Landbank, Ingham County Treasurer and Drain Commission office. He then spoke on serving to give back to the community and with the Board of Review was an interest for their roll and with his 21 years with County Treasurer he feels he can bring his experience to the Board.

Council President Hussain asked for confirmation on when he moved to the city and asked the OCA to speak to residency in the city in a year. Mr. Smiertka stated duration of residency for Boards and Commissions, and there is an exemption for the Board of Review does not have a duration of residency.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF ERIC SCHERTZING AS AT LARGE MEMER OF THE BOARD OF REVIEW WITH A TERM TO EXPIRE JUNE 30, 2025. MOTION CARRIED 7-0.

RESOLUTION – Ballot Proposal; Lansing Township Residents Request Annexation to the City of Lansing, Area A

Council President Hussain stated that recently a request from the 119 residents of the Township to become part of the city. This is area is unique because it is completely surrounded by the city. For this ballot language to appear on the November ballot, Council has to take action by August 16, 2022. This would allow the people in that area to vote on the annexation but not residents of the City of Lansing. Questions from constituents, social media questions, and Council questions.

Mr. Smiertka confirmed the annexation law does not have a lot of activity in the courts and has its roots in the Home Rule City Act. Some issues common; land must be adjacent, there must be proportional, and in this case the request by the residents was a general petition, and what is controlling is the Charter Township Act. There are 4-5 sections in the Township Act, and what applies here it speaks to land surrounded by the city.

Council Member Wood stepped away from the meeting at 6:31 p.m.

Mr. Smiertka stated it does not require a petition but a resolution by Council by a 5 vote, it would be then submitted to the County Clerk for placement on the ballot.

Council President Hussain referenced the resolution language and if there is a method for City residents the opportunity to weigh in on the annexation. Mr. Smiertka stated under 42.34

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under Michigan Townships Act under petitions for a provision where the Twp and City could agree together, options of 20% of the area and electors of the City. There is an option with the State boundary petition, which is a resolution from Council or petition or 20% of the registered voters, or 10% of the entire population. A legal hazard with State Boundary Commission they can do other things with the property so there is a possibility to get things they did not intend. This is set forth out of the Michigan Townships Act, subsection 3 of 42.34.

Council Member Wood returned to the meeting at 6:35 p.m.

Council President Hussain voiced his concerns that Council is being asked to act in a short time period without educating the city residents.

Council Member Wood spoke on a handout from the Administration at 5:25 p.m. today before the meeting, which did not allow Council time to review.

Mayor Schor stated once they got the questions from Council, they worked on it up until the Committee meeting today.

Council Member Spitzley concurred with Council Member Wood, and noted it was referred two weeks ago and is in supportive of it, and the questions asked were reasonable questions and should have been information that should have been researched.

Mayor Schor stated they originally anticipated paying off the debt in 3 years, and debt repayment is over 18 years, per the County Treasurer. According to that Treasurer, there is an anticipate \$33 million total township debt that stays with the residents in addition \$13 million DDA TIFA that does not move with the residents. This area interested is 20% of the township, which makes it \$6.6 million, that over 18 years \$250,000 annually.

Mayor Schor then went through the questions and answers which is included in the packet. In his earlier communications he used "escrow" but confirmed that is not the correct language, so the questions and answers reflect the correct language and answers.

Council President Hussain referenced the rentals and the registration and inspections, and currently the city is struggling already with staffing and funding with what we have currently. Council Member Wood stated there could be legal issues if these properties are not treated the same as the currently rentals. And so there could be 100+ rentals not registered and inspected, so would need to be migrated in immediately. Mayor Schor said it would need to be inspected, and the same process. Council Member Wood acknowledged the figures, but Council needs a plan, if it passes that "December letters will go out to all rentals, they have until January to pay for registration and inspections, and then inspections will be coordinated by February" to demonstrate that the City is not treating these new residents differently then current City residents. Mayor Schor stated they will have a plan to notify and inspect.

Council Member Spitzley stepped away from the meeting at 6:56 p.m.

Council Member Daniels asked if communications with the Township that mutual aid will continue, and Mayor Schor acknowledged they have not spoken to them, but have not heard about any cancellation of those agreements.

The discussion continued with the question-and-answer sheet.

Council Member Spitzley returned to the meeting at 6:58 p.m.

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Council Member Wood noted the County and the roads and asked if the Administration has reached out to the County for future billing. Mayor Schor stated it does not change unless the ACT 51 formula changes, and right now the roads are the County roads and therefore no City funds. He concluded by stating that all in all the numbers in revenues are in favor of the City, but there are other issues they understand. Ms. DeSessa concurred that the Administration worked diligently on the project since they received the questions. Council President Hussain acknowledged the work, however noted that the Administration came out strongly supporting this and expected this research ahead of time.

Council Member Wood asked for clarification that this would be Lansing Township ballots and only these listed residents could vote on this, not any Lansing City residents. And if this is approved, it would be a month after the approval, that this would switch over to the City of Lansing. She also asked the OCA, if someone decided they wanted to leave the City, is it reversible. Mayor Schor stated there is a law called "detachment" which is extremely extensive.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION WITH THE BALLOT PROPOSAL LANGUAGE FOR THE ANNEXATION OF LANSING TOWNSHIP PROPERTIES IN GROESBECK AREA A.

Council Member Spitzley asked what Ward these properties will be in, and it was confirmed Ward 1.

MOTION CARRIED 7-0.

RESOLUTION – Ballot Proposal; Lansing Township Residents Request Annexation to the City of Lansing, Area B

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION WITH THE BALLOT PROPOSAL LANGUAGE FOR THE ANNEXATION OF LANSING TOWNSHIP PROPERTIES IN GROESBECK AREA b. MOTION CARRIED 7-0.

CLOSED SESSION

MOTION BY COUNCIL MEMBER WOOD TO GO INTO CLOSED SESSION AT 7:09 PM PURSUANT TO MCL 15.268 (e) TO CONSULT WITH THE CITY ATTORNEY IN CONNECTION WITH THE FOLLOWING SPECIFIC PENDING LITIGATION. AN OPEN MEETING WILL HAVE A DETRIMENTAL FINANCIAL EFFECT ON THE LITIGATING OR SETTLEMENT POSITION OF THE CITY OF LANSING CONCERNING THIS CASE. ROLL CALL VOTE, MOTION CARRIED 6-1.

RECONVENE

COUNCIL PRESIDENT HUSSAIN RECONVENED THE MEETING AT 7:20 P.M.

Other

DISCUSSION- Fiscal Year 2023/2024 Budget Priorities

Council President Hussain stated this is something done annually per the Charter due adopted by October 1, 2022. This will appear on all Committee agendas to review and work on.

Adjourn

The meeting adjourned at: 7:21p.m.

Respectfully Submitted by,

Sherrie Boak, Recording Secretary,

Lansing City Council

Approved by the Committee

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Montgomery Drain – Project Update as of 8/22/22

Status of Construction

The Montgomery Drain Project delivers the key elements of the Chapter 20 Board’s direction to satisfy the executed Drain Petition. It rehabilitates the pipes in the existing stormwater collection system and adds new elements which capture and treat polluted water, resulting in cleaner water being discharged to the Red Cedar River.

Two multi-year studies (performed by different consultants) identified a host of pollutants present at levels of concern in the drain. The drain project established improvement goals of pollution removal and system rehabilitation and in response to this pollution analysis a storm water recirculation system was designed to work in conjunction with a treatment train of rain gardens and ponds. These also add capacity to help manage localized flooding in conjunction with the addition of a new branch of the drain. The storm sewer throughout the system was televised and analyzed and selective pipe rehabilitation was designed to extend the life of the system while minimizing the impact on traffic in the area.

The work completed to date has already shown improvement in the water quality, but we still have a long way to go. The ponds, several rain gardens, and the pump station and force main for the recirculation system have been constructed, but several of the outlets for it have not been. Rehabilitation work still needs to be completed throughout the service area, and specific pieces required by contractual agreement are still yet to be done. Without funding for the final pieces of the project will remain visibly unfinished and pollution will continue to reach the river.

The Red Cedar Pond over a period of 4 days after a large rain/flooding event in August 2021



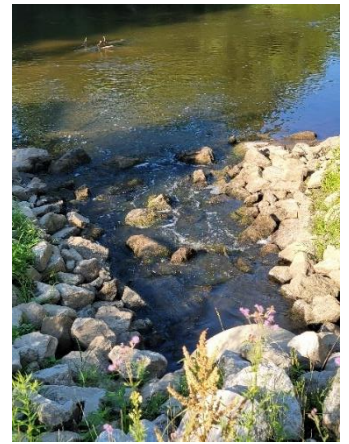
Preliminary water quality testing of the effluent in 2021 shows considerable reduction in E. coli, well below the TMDL limit for the Middle Grand River and Red Cedar River, and the drain outlets into the river are visibly less dirty. Initial water quality improvement is encouraging; however the full treatment system has not yet been completed.



DIVISIONS OF WORK COMPLETED (OR UNDER CONSTRUCTION AND NEARLY COMPLETE)

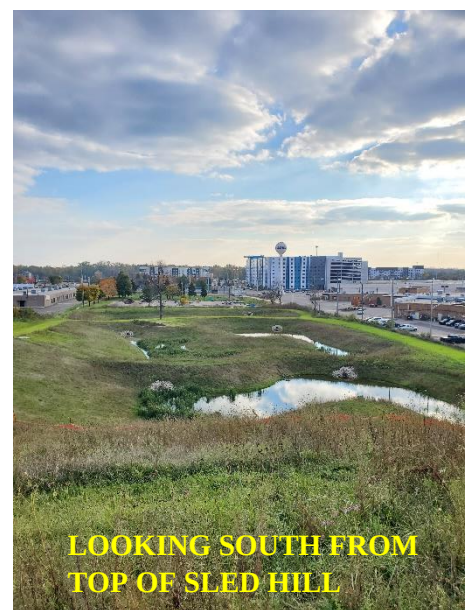
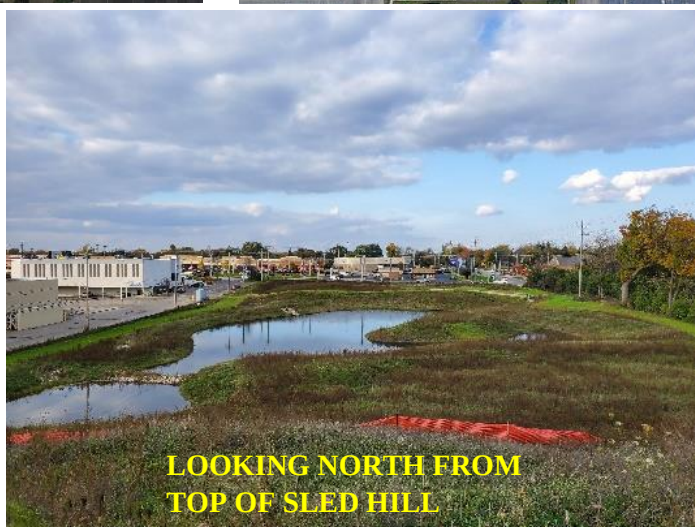
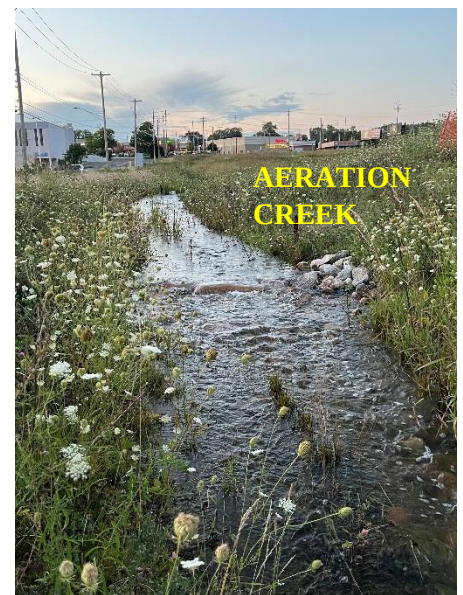
Division I: Red Cedar Pond

The Red Cedar Pond is a large pond at the downstream end of the drain service area that acts as a final staging point before the stormwater discharges to the Red Cedar River. The pond takes advantage of vegetation nutrient uptake and filtration and natural settling for pollutant removal and also acts as the intake source for the stormwater recirculation system. The pond also added storage capacity to the drainage system. During construction over 12,000 cubic yards of contaminated soil were removed from the floodway zone.



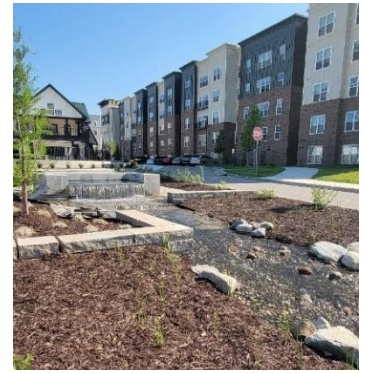
Division 2: Ranney Park – Phase I

Work for this division was the first of two phases of work on Ranney Park. A series of ponds were constructed in Ranney Park that, similar to the Red Cedar Pond, take advantage of vegetation nutrient uptake and filtration and natural settling for pollutant removal. The ponds also added storage capacity to the drainage system. Significant grading and earthwork was also done as part of this Division. All of the grading and earth shaping work in this division, along with the stormwater infrastructure installed, laid the foundational components for the second phase of work on Ranney Park (Div. 12) to take place. The work in Div. 12 is more surface work and construction above ground, while the work in Division 2 took care of most of the underground elements of the Drain construction on Ranney Park.



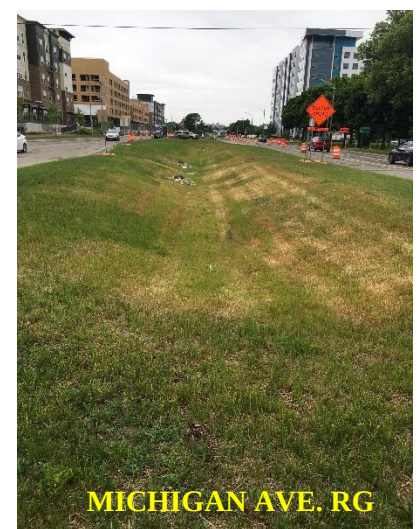
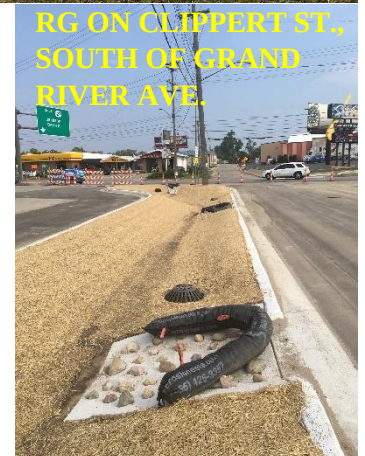
Division V: Stormwater Recirculation System

A recirculation system has been designed to cycle water from the Red Cedar Pond up to several different locations throughout the service area, allowing the stormwater to continuously flow through a treatment train of filtration, settling, mixing, and plant uptake for increased water quality. Division V saw the construction of the pump station, force main, and metering stations that moves and regulates the water flow at each location, but did not construct the outlets. The Red Cedar Development in conjunction with the Montgomery Drain has constructed several minor outlets that help oxygenate the water (See example image).



Division VII: Low Impact Design - Phase I

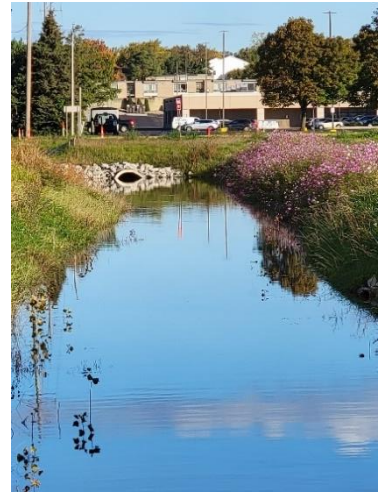
Several vegetated retention areas or rain-gardens have been constructed throughout the service area with cooperation from several landowners/businesses. Rain gardens were also constructed down the median of Michigan Ave. from Clippert St. east to Cowley Ave. in East Lansing. These rain gardens act as the first step in the treatment train for some of the stormwater, filtering out debris and pollutants and allowing for increased ground infiltration and storage, lessening the immediate flooding impact of high-volume rainstorms while also reducing the need to enlarge downstream pipes within the stormwater system. Most of these rain gardens were installed along City of Lansing road ROW's and the stormwater infrastructure was replumbed in these areas to take in that runoff from those adjacent roadways. All of the rain garden restoration, mulching and native plantings, is to be done as part of Division X.



Division IX: Drain and MDOT Improvements

Just north of the Red Cedar Pond, a section of the 2 main pipes that discharged all the water from the Montgomery Drain to the Red Cedar River were daylighted into an open channel. The open channel adds storage capacity to the system and provides further plant uptake pollutant removal capability. The construction of this channel also resulted in the removal of an additional 1,000 cubic yards of contaminated soil.

In addition to the open channel, Division IX also included the first phase of the construction of an additional storm sewer branch (paid for by MDOT) that once it is completed will help relieve some of the system upstream by providing a different path for the stormwater that crosses the freeway. It also included the removal of a sanitary overflow.



DIVISIONS OF WORK TO BE COMPLETED

Without completion of the remaining divisions the agreed upon project performance will not be met as stated in the “Alternatives Analysis” published in 2018, this project continues to be the lowest cost approach to meet the requirements of the drain petition

Division IV: Pipe Rehabilitation

Division IV involves lining over four thousand feet of cracked and failing pipes and heavy-duty cleaning and clearing in specific locations to remove built up debris. throughout the service area from Michigan Avenue to Chester Street. Several of the pipes are reaching their end of life and are developing cracks and showing signs of their age. By lining instead of replacing these pipes we can extend their useful life in a cost-effective manner without the need to dig them up and replace them, which minimizes impact to traffic and businesses. Leaving them in place as is will lead to eventual pipe failure and collapse which will cause flooding and dangerous sinkholes and require costly emergency repairs. This work is estimated to be \$1,110,000.



Division VI: Storm Water Plazas

Division VI will see the construction of two water quality plazas in Michigan Avenue. This work is important for the project to meet its water quality requirement, as well as to finish the intersection area currently being constructed by the Red Cedar development and the City of Lansing. This area will look unfinished if this work is not completed. One of the significant water quality issues in the Montgomery Drain is low levels of dissolved oxygen. Nearly all aquatic organisms require dissolved oxygen to live. Low oxygen levels mean that fish and other aquatic organisms can't survive. These plazas take water from the previously built recirculation system and release it across several stepped weirs to provide a wide surface area and turbulence to help oxygenate the water. The water will then flow into already constructed rain-gardens where biological uptake and filtration will remove pollutants from the stormwater. This work is estimated to be \$1,050,000

Division VIII: Frandora Hills Rehabilitation

This division covers the repair or replacement of old and failing pipes in the Frandora Hills residential subdivision. Many of the storm sewer pipes in Frandora Hills are reaching their end of life and are cracked and failing and beginning to collapse. This division replaces the worst pipes and lines some of the others to extend their useable life. Leaving them as is will lead to pipe failure which will cause flooding and could lead to sinkholes under the street and will require expensive emergency repair. Also included are 2 rain-gardens to help capture and treat runoff. The work is planned to be done in conjunction with a City of Lansing sanitary sewer replacement & road resurfacing project to share costs for traffic control and road restoration. The City will be unable to complete its project without Division VIII. The estimate for the drain portion of work is \$1,070,000.



Division X: Low impact Design Restoration - Phase II

The second phase of low impact design work establishes animal habitats and plant life in the rain-gardens and the ponds already constructed on the project. This is specialty work which will increase the functionality of the LID features previously installed and prevent it from failing to meet the water quality goals of the project. Without this work the LID elements built in phase I will have a diminished treatment capacity and will fail before the end of their designed lifecycle. This division is estimated at \$846,000.

Division XII: Ranney Park - Phase II

Construction of treatment system components at Ranney Park as designed at the upper end of the treatment circulation system. This includes the construction of a water quality wall and aeration stream. This must be done to achieve the water quality benefit outlined in the petition requirements. Failing to build this will significantly reduce the treatment efficacy of the drain and will make the goal of removing 50,000-70,000 lbs of pollution annually impossible. This division is estimated at \$3,030,000.

Division XIII: Red Cedar River – DNR AHG (Aquatic Habitat Grant) Project

This work involves re-alignment of the Red Cedar River within the project impact area along the entire reach of Red Cedar Park from the MSU Brody Hall complex to Kalamazoo St. This work involves a \$430,000 MDNR Aquatic Habitat Grant that was received in 2017 to adjust the cross-sectional profile of the Red Cedar River in order to improve fisheries habitat by increasing base flow within the river and promoting fish spawn habitat with exposing gravel along the bottom of the river, while reducing erosion along the banks but re-aligning the river based upon the principal of Natural Channel Design (NCD). This work involves work on both City Parks property and lands owned by Michigan State University. This division is estimated at \$620,000 (when applying the \$430,000 AHG to the \$1,050,000 estimated total cost) but the cost for this is already included in what is left on the remaining ‘cash on hand’.

Division XIV: Lighting

This division will install lighting along the paths throughout the project. It was negotiated with the City of Lansing in exchange for city drain right of way along paths. Estimated at \$726,000. This must be done to meet contractual requirements of the easements granted for the project. If this division is not completed the drain will have legal obligations to address.

REMAINING COST SUMMARY

Division IV – Pipe Rehabilitation	\$1,110,000
Division VI – Storm Water Plazas	\$1,050,000
Division VIII – Frandora Hills Rehabilitation	\$1,070,000
Division X – Low Impact Design Restoration	\$846,000
Division XII – Ranney Park - Phase II	\$3,030,000
Division XII Trails Grant (millage funded)	\$995,000
Division XIV – Pathway Lighting	\$726,000
Engineering/Surveying/Construction Management	\$1,657,830
Contingency (required)	\$1,750,000
Interest and Borrowing Fees	\$790,000
TOTAL PROJECT COSTS REMAINING	\$13,024,830
Less Millage Funded ‘Trails Grant’	(\$995,000)
Less County ARPA Request	(\$1,000,000)
TOTAL REMAINING FUNDING NEEDED	\$11,029,830

MONTGOMERY DRAIN (M12-64)

BUDGET HISTORY

6/22/2022

City of Lansing Supplemental
MDOT Supplemental
Continental Ferguson
Capital Area Transportation Authority
Board of Water and Light

		Project Funded To Date	Proposed Additional Project Funding	Proposed Total
ITEM		COST	ADDITIONAL COST (TOTAL)	TOTAL COST
1.	Layout & Design (MDOT - MDOT and CSO Relief Branches)	\$ -	\$ -	\$ -
	Design Engineering - To Date (CSO Relief, MDOT)	\$ -	\$ -	\$ -
	Design Engineering - To Date (Syphon Elimination Branch, MDOT)	\$ -	\$ -	\$ -
	Design Engineering - To Completion (MDOT for Syphon Elimination & CSO Relief)	\$ -	\$ -	\$ -
	Layout & Design (Montgomery Drain - Design Engineering, TOTAL)	\$ 7,047,785.48	\$ -	\$ 7,047,785.48
	Design Engineering - Other Vendors (Montgomery 610.5)	\$ 49,181.25	\$ -	\$ 49,181.25
	Design Engineering - To Date (Montgomery 610.1)	\$ 6,348,059.22	\$ -	\$ 6,348,059.22
	Design Engineering - To Completion (Montgomery)	\$ 650,545.01	\$ -	\$ 650,545.01
	Layout & Design (Montgomery Drain - SAW Grant & DNR Grant Expenses)	\$ 1,658,331.20	\$ -	\$ 1,658,331.20
	SAW Inspection (Z31-02 925-603)	\$ 145,685.25	\$ -	\$ 145,685.25
	SAW Inspection (Z31-02 801-603)	\$ 33,238.66	\$ -	\$ 33,238.66
	SAW Maintenance (Z31-02 925-604)	\$ 59,501.00	\$ -	\$ 59,501.00
	SAW Maintenance (Z31-02 801-604)	\$ 3,926.83	\$ -	\$ 3,926.83
	SAW Exempt Maintenance (Z31-02 925-605)	\$ 2,494.90	\$ -	\$ 2,494.90
	SAW Exempt Maintenance (Z31-02 801-605)	\$ 2,673.00	\$ -	\$ 2,673.00
	SAW Environmental Consulting (Z31-02 925-610.3)	\$ 6,133.80	\$ -	\$ 6,133.80
	SAW Maintenance Inspection (Z31-02 801-680.2)	\$ 40,559.77	\$ -	\$ 40,559.77
	SAW Grant Match and Televising (Z31-02 925-620.15)	\$ 66,285.50	\$ -	\$ 66,285.50
	SAW Grant Eligible Administrative (Z31-02 801-601)	\$ 4,463.50	\$ -	\$ 4,463.50
	SAW Grant Eligible Engineering (Z31-02 801-602)	\$ 421,415.63	\$ -	\$ 421,415.63
	SAW Grant Eligible Engineering (Z31-02 925-602)	\$ 175,562.36	\$ -	\$ 175,562.36
	SAW Grant Eligible Engineering (M12-64 602)	\$ 544,595.00	\$ -	\$ 544,595.00
	MDNR Grant Eligible ICDC Engineering - To Date (Z31-05 925-680.2)	\$ 231.00	\$ -	\$ 231.00
	MDNR Grant Eligible ICDC Engineering - To Completion	\$ -	\$ -	\$ -
	MDNR Grant Eligible Phase II Community Outreach (Z31-05 925-601)	\$ -	\$ -	\$ -
	MDNR Grant Eligible Fisheries Environmental Consulting - To Date (Z31-05 925-610.3)	\$ 27,500.00	\$ -	\$ 27,500.00
	MDNR Grant Eligible Fisheries Engineering - To Date (Z31-05 925-620.38)	\$ 16,712.00	\$ -	\$ 16,712.00
	MDNR Grant Eligible Fisheries Engineering - To Completion	\$ 107,353.00	\$ -	\$ 107,353.00
	Layout & Design (Montgomery Drain)	\$ 8,706,116.68	\$ -	\$ 8,706,116.68
	Layout & Design	\$ 8,706,116.68	\$ -	\$ 8,706,116.68
2.	Locating & Establishing Drain (ICDC - Total)	\$ 326,579.02	\$ -	\$ 326,579.02
	ICDC Administrative (925-601)	\$ 10,569.75	\$ -	\$ 10,569.75
	ICDC Staff - To Date (925-680.2)	\$ 211,497.52	\$ -	\$ 211,497.52
	To-Completion	\$ 104,511.75	\$ -	\$ 104,511.75
	Locating & Establishing Drain (DEQ Permits - Fees, Part 301/303 & Part 31, Streamside, Modeling, Engineering)	\$ 283,466.52	\$ -	\$ 283,466.52
	Permits (925-620.3)	\$ 44,885.10	\$ -	\$ 44,885.10
	MDEQ Permit (925-620.7)	\$ 95,918.96	\$ -	\$ 95,918.96
	MDEQ Engineering (925-620.27A)	\$ 129,882.00	\$ -	\$ 129,882.00
	MDEQ Environmental Consultant (925-620.27B)	\$ 5,407.98	\$ -	\$ 5,407.98
	MDEQ Legal (925-620.27C)	\$ 1,271.50	\$ -	\$ 1,271.50
	To-Completion	\$ 6,100.98	\$ -	\$ 6,100.98
	Locating & Establishing Drain (Easements - Legal, Engineering, Acquisition, Title Searches, Recording Fees)	\$ 975,149.86	\$ -	\$ 975,149.86
	Easement Acquisition & Research - Legal (925-620.32)	\$ 384,064.94	\$ -	\$ 384,064.94
	Title Searches (925-620.16)	\$ 14,900.00	\$ -	\$ 14,900.00
	Recording Fees (925-620.4)	\$ 627.00	\$ -	\$ 627.00
	Appraisals (925-620.7)	\$ 2,447.50	\$ -	\$ 2,447.50
	Easements - Engineering, Drafting, Surveying & Acquisition Costs - To Date (925-620.8)	\$ 356,971.11	\$ -	\$ 356,971.11
	Easements - To Completion	\$ 216,139.31	\$ -	\$ 216,139.31
	Locating & Establishing Drain (Wetland & Environmental Consulting, Habitat & Environmental Consulting)	\$ 1,314,291.94	\$ -	\$ 1,314,291.94
	Wetland & Environmental Consulting (925-610.3)	\$ 1,282,706.19	\$ -	\$ 1,282,706.19
	Habitat & Environmental Consulting (925-610.6)	\$ 25,835.75	\$ -	\$ 25,835.75
	To-Completion	\$ 5,750.00	\$ -	\$ 5,750.00
	Locating & Establishing Drain (Watershed Mngmt., Water Testing/Sampling)	\$ 530,554.22	\$ -	\$ 530,554.22
	Watershed Management (925-620.28)	\$ 16,210.25	\$ -	\$ 16,210.25
	Watershed Management - To Completion	\$ -	\$ -	\$ -
	Watershed Management Plan (925-620.30)	\$ 288.00	\$ -	\$ 288.00
	Water Testing (925-620.37)	\$ 514,055.97	\$ -	\$ 514,055.97
	Locating & Establishing Drain (Mapping & Utility Coordination/Relocation)	\$ 532,400.05	\$ -	\$ 532,400.05
	Mapping (925-620.1)	\$ 500,412.49	\$ -	\$ 500,412.49
	Copies of Plans (925-610.2)	\$ 6,559.24	\$ -	\$ 6,559.24
	Miscellaneous (925-620.12)	\$ 5,376.25	\$ -	\$ 5,376.25
	Utility Relocation (925-620.5)	\$ 15,419.00	\$ -	\$ 15,419.00
	To-Completion	\$ 4,633.07	\$ -	\$ 4,633.07
	Locating & Establishing Drain (Watershed Mngmt., Testing, Mapping, Utilities)	\$ 1,062,954.27	\$ -	\$ 1,062,954.27
	Locating & Establishing Drain	\$ 3,962,441.61	\$ -	\$ 3,962,441.61
3.	Construction (Montgomery Drain - DNR AHG)	\$ 1,050,000.00	\$ -	\$ 1,050,000.00
	MDNR Fisheries Grant Eligible Materials	\$ -	\$ -	\$ -
	MDNR Fisheries Grant Eligible Construction	\$ 1,050,000.00	\$ -	\$ 1,050,000.00
	Contract Price	\$ -	\$ -	\$ -
	Construction (Montgomery Drain, Tree Clearing)	\$ 86,904.39	\$ -	\$ 86,904.39
	Contract Price	\$ 86,904.39	\$ -	\$ 86,904.39
	Construction (Montgomery Drain)	\$ 14,579,839.89	\$ 8,802,789.87	\$ 23,382,629.76
	Division I (Contract Price) - Originally Described as "Red Cedar Stormwater Interception"	\$ 4,293,310.03	\$ -	\$ 4,293,310.03
	Additional Maintenance Contract	\$ 74,000.00	\$ -	\$ 74,000.00
	Division I Tree Clearing	\$ 46,000.00	\$ -	\$ 46,000.00
	Emergency Log Jam Removal	\$ 30,000.00	\$ -	\$ 30,000.00
	Division II (FD Estimate) - Originally Described as "Ranney Park Storm Water Treatment"	\$ 1,487,287.58	\$ -	\$ 1,487,287.58
	Division III Base (Bid Price) - Originally Described as "Capacity Improvements"	\$ -	\$ -	\$ -
	Division III Supplemental Bid 1 (Bid Price)	\$ -	\$ -	\$ -
	Division III Supplemental Bid 2 (Bid Price)	\$ -	\$ -	\$ -
	Division IV (Bid Price) - Originally Described as "In System Pipe Rehabilitation"	\$ 739,398.60	\$ 1,109,097.90	\$ 1,848,496.50
	Division V (Bid Price) - Originally Described as "Water Quality Return System"	\$ 3,909,140.30	\$ -	\$ 3,909,140.30
	Division VI (CD Estimate) - Originally Described as "Water Treatment Systems"	\$ -	\$ 1,025,000.00	\$ 1,025,000.00
	Division VII (CD Estimate) - Originally Described as "Restoration and Finishing"	\$ 2,594,932.08	\$ -	\$ 2,594,932.08
	Division VIII (CD Estimate From ENG) - Originally Described as "Frاندora Hills"	\$ -	\$ 1,068,862.83	\$ 1,068,862.83
	Division IX (Contract Price)	\$ 674,597.86	\$ -	\$ 674,597.86
	Division IX CKJ Related Costs	\$ -	\$ -	\$ -
	Division IX (Permanent Headwalls)	\$ 250,000.00	\$ -	\$ 250,000.00
	Division X (CD Estimate) "2021 Division 7 work"	\$ -	\$ 845,821.65	\$ 845,821.65
	Division XII (CD Estimate) "2021 Division 2 work"	\$ -	\$ 2,987,983.53	\$ 2,987,983.53
	Division XII Pathway Grant	\$ -	\$ 1,040,000.00	\$ 1,040,000.00
	Bond Sale Savings	\$ 481,173.44	\$ -	\$ -
	Division XIV - Lighting	\$ -	\$ 726,023.96	\$ 726,023.96
	Construction (Montgomery Drain - Misc., Fair Labor Monitoring)	\$ 34,235.62	\$ -	\$ 34,235.62
	Construction (Montgomery Drain - Const. Admin., Const. Eng., Inspection, Surveying, Staking, Material Testing)	\$ 4,111,524.19	\$ 1,657,830.04	\$ 5,769,354.23
	Construction (Montgomery Drain - Total)	\$ 19,862,504.09	\$ 10,460,619.91	\$ 30,323,124.00
	Construction (City of Lansing - Lighting)*	\$ -	\$ -	\$ -
	Construction (City of Lansing - Frاندora Hills)*	\$ -	\$ -	\$ -
	Construction (City of Lansing - sidewalks on Vine St. & Homer St.)*	\$ -	\$ 100,000.00	\$ 100,000.00
	Construction (City of Lansing - RCD)*	\$ 195,195.14	\$ -	\$ 195,195.14
	Division I	\$ 195,195.14	\$ -	\$ 195,195.14
	Division VII	\$ -	\$ -	\$ -
	Division XI	\$ -	\$ -	\$ -
	Construction (City of Lansing - Const. Admin., Const. Eng., Inspection, Surveying, Staking, Material Testing)*	\$ -	\$ -	\$ -
	Construction (City of Lansing - Total)*	\$ 195,195.14	\$ 100,000.00	\$ 295,195.14
	Construction (MDOT - MDOT Relief Branch)	\$ 1,061,710.91	\$ 2,847,772.58	\$ 3,909,483.49
	Division III	\$ -	\$ -	\$ -
	Division VA	\$ -	\$ 2,847,772.58	\$ -
	Division IX	\$ 1,061,710.91	\$ -	\$ 1,061,710.91
	Construction (MDOT - CSO Relief)	\$ -	\$ -	\$ -
	Construction Only (MDOT)	\$ 1,061,710.91	\$ 3,859,357.63	\$ 4,921,068.54
	Construction (MDOT - Const. Admin., Const. Eng., Inspection, Surveying, Staking, Material Testing)	\$ 324,143.51	\$ 990,000.00	\$ 1,314,143.51
	Construction and Administration (MDOT - Total)	\$ 1,385,854.42	\$ 4,849,357.63	\$ 6,235,212.05
	Division V - Continental Ferguson (Meter Station Panel Relocation)	\$ 7,587.31	\$ -	\$ 7,587.31
	Division VII - Capital Area Transportation Authority (Bus Stop)	\$ 1,018.40	\$ -	\$ 1,018.40
	Division VII - Board of Water and Light (Clippert Street Utility Improvements)	\$ 229,649.47	\$ -	\$ 229,649.47

	Additional Bid Estimate	\$ -	\$ -	\$ -
	Construction	\$ 21,681,808.83	\$ 15,409,977.54	\$ 37,091,786.37
4.	Chapter 20 Board Proceedings	\$ 5,000.00	\$ -	\$ 5,000.00
5.	Publication & Mailing	\$ 11,885.48	\$ -	\$ 11,885.48
6.	Legal/Litigation	\$ 1,026,906.23	\$ -	\$ 1,026,906.23
7.	Interest and Borrowing Expenditures - To Date (Montgomery Drain portion)	\$ 694,613.43	\$ -	\$ 694,613.43
	Interest and Borrowing Expenditures - To Date (MDOT portion)	\$ -	\$ -	\$ -
	Interest and Borrowing Expenditures - To Date (Total)	\$ 694,613.43	\$ -	\$ 694,613.43
	Interest and Borrowing Expenditures - To Completion (Montgomery Drain portion)	\$ 822,550.10	\$ 790,000.00	\$ 1,612,550.10
	Interest and Borrowing Expenditures - To Completion (City of Lansing portion)*	\$ 13,927.42	\$ -	\$ 13,927.42
	Interest and Borrowing Expenditures - To Completion (MDOT portion)	\$ -	\$ -	\$ -
	Interest and Borrowing Expenditures - To Completion (Total)	\$ 836,477.52	\$ -	\$ 836,477.52
	Estimated Interest Accrued Yet to Be Paid (Montgomery Drain Portion)	\$ 315,714.32	\$ -	\$ 315,714.32
	Estimated Interest Accrued Yet to Be Paid (MDOT Portion)	\$ -	\$ -	\$ -
	Estimated Interest Accrued Yet to Be Paid (Total)	\$ 433,717.20	\$ -	\$ 433,717.20
	Borrowing Expenditures - To Completion (City of Lansing Supplemental)	\$ 580,000.00	\$ -	\$ 580,000.00
	Interest and Borrowing Expenditures	\$ 2,244,808.15	\$ 790,000.00	\$ 3,034,808.15
8.	Interest Revenue and Grant Proceeds	\$ (1,920,599.69)	\$ -	\$ (1,920,599.69)
	SUBTOTAL	\$ 35,718,367.29	\$ 16,199,977.54	\$ 51,918,344.83
9.	Contingency (Montgomery Drain portion)	\$ 3,229,138.49	\$ 1,750,000.00	\$ 4,979,138.49
	Contingency (City of Lansing portion)*	\$ 692.74	\$ -	\$ 692.74
	Contingency (MDOT portion)	\$ 311,760.61	\$ 311,760.61	\$ 623,521.21
	Contingency (Total)	\$ 3,541,591.84	\$ 2,061,760.61	\$ 5,603,352.44
	TOTAL AMOUNT DRAIN PLUS SUPPLEMENTALS	\$ 39,259,959.13	\$ 18,261,738.15	\$ 57,521,697.27
	City of Lansing - Supplemental Total*	\$ 789,815.30	\$ 100,000.00	\$ 889,815.30
	MDOT Supplemental Total	\$ 1,697,615.03	\$ 5,161,118.24	\$ 6,858,733.26
	Continental Ferguson	\$ 7,587.31	\$ -	\$ 7,587.31
	Capital Area Transportation Authority	\$ 1,018.40	\$ -	\$ 1,018.40
	Board of Water and Light	\$ 229,649.47	\$ -	\$ 229,649.47
	Montgomery Drain Total Amount (for Benefit Derived)	\$ 36,534,273.62	\$ 13,000,619.91	\$ 49,534,893.53
Estimate Before Bids (November 2018), \$34,890,742.42				
Project Funded To Date (July 21, 2020), \$36,534,273.62				
Unencumbered Cash On Hand (6/30/2022) = \$2.75 Million				

Montgomery Drain Change Orders

	Change Order #	Authorized Project Amount	Net Change	New Authorized Project Amount	Description
Division I	1	\$ 4,502,155.03	\$ 9,200.00	\$ 4,511,355.03	Addition of Flared End Sections
	2	\$ 4,511,355.03	\$ 15,275.00	\$ 4,526,630.03	Mulch Blanket
	3	\$ 4,526,630.03	\$ (153,805.24)	\$ 4,372,824.79	Change Order 003: Final As-Constructed Balancing of Quantities and C-350 Blanket Removal and Reseeding
	SUBTOTAL		\$ (129,330.24)		
Division II	1	\$ 1,487,287.58	\$ (52,993.79)	\$ 1,434,293.79	Grading Changes
	2	\$ 1,434,293.79	\$ -	\$ 1,434,293.79	Completion Date Changes
	3	\$ 1,434,293.79	\$ (4,610.00)	\$ 1,429,683.79	Quantity Modifications
	4	\$ 1,429,683.79	\$ 4,410.00	\$ 1,434,093.79	Quantity Modifications
	5	\$ 1,434,093.79	\$ 13,500.00	\$ 1,447,593.79	Quantity Modifications
	6	\$ 1,447,593.79	\$ (21,472.20)	\$ 1,426,121.59	Balancing Change Order
	7	\$ 1,426,121.59	\$ 650.00	\$ 1,426,771.59	Balancing Change Order
	SUBTOTAL		\$ (60,515.99)		
Division V-A	1	\$ 2,249,493.50	\$ (93,702.50)	\$ 2,155,791.00	Remove Morgan Lane Metering Station
	2	\$ 2,155,791.00	\$ 3,000.00	\$ 2,158,791.00	Control Panel Changes
	3	\$ 2,158,791.00	\$ -	\$ 2,158,791.00	Increase In Electrical Service Capacity
	4	\$ 2,158,791.00	\$ 46,363.88	\$ 2,205,154.88	Ranney Park Metering Station Conduit
	5	\$ 2,205,154.88	\$ 7,587.31	\$ 2,212,742.19	Red Cedar #2 Metering Station Panel Changes (Paid for by RCD)
	6	\$ 2,212,742.19	\$ 128,870.00	\$ 2,341,612.19	Bulletin 7B for Force Main Operable State
	7	\$ 2,341,612.19	\$ 4,952.18	\$ 2,346,564.37	Repairing Damaged Electrical Conduit along Cascade Boulevard
	8	\$ 2,346,564.37	\$ 2,847,722.58	\$ 5,194,336.95	Adding items for 60 inch MDOT Relief Branch
Pending Draft	SUBTOTAL		\$ 2,944,843.45	(Includes \$7,587.31 for Continental Ferguson Funded Panel Change)	
Division V-B	1	\$ 1,846,746.70	\$ 47,250.00	\$ 1,893,996.70	Adding new items for 4" Ductile Crossing at Cascade and Michigan Intersection
	SUBTOTAL		\$ 47,250.00		
Division VII	1	\$ 2,367,367.59	\$ 37,664.40	\$ 2,405,031.99	Plan and Quantity Updates for Construction
	2	\$ 2,405,031.99	\$ -	\$ 2,405,031.99	VOID Change Order
	3	\$ 2,405,031.99	\$ 51,586.27	\$ 2,456,618.26	Quantity Modification and LBWL Water Main Updates
	4	\$ 2,456,618.26	\$ 12,242.85	\$ 2,468,861.11	Quantity Modification and Additional Work Items
	5	\$ 2,468,861.11	\$ 198,244.15	\$ 2,667,105.26	LBWL Changes
	6	\$ 2,667,105.26	\$ 8,496.75	\$ 2,675,602.01	LBWL Changes
	SUBTOTAL		\$ 308,234.42	(Includes \$229,649.47 for BWL Funded Clippert Street Utility Improvements, and \$1,018.40 for CATA Funded Bus Stop)	
Division IX	1	\$ 1,259,349.31	\$ 12,197.37	\$ 1,271,546.68	SESC Updates
	2	\$ 1,271,546.68	\$ 97,528.11	\$ 1,369,074.79	MDOT CSO Relief Branch
	3	\$ 1,369,074.79	\$ 4,714.10	\$ 1,373,788.89	MDOT CSO Relief Branch Sidewalk Replacement
	4	\$ 1,373,788.89	\$ 29,954.30	\$ 1,403,743.19	MDOT Relief Branch Outlet into Pond
	5	\$ 1,403,743.19	\$ 18,035.00	\$ 1,421,778.19	Montgomery Drain Outlet Into Open Channel Design Change
	6	\$ 1,421,778.19	\$ 33,164.10	\$ 1,454,942.29	Contaminated Soil Removal and Remediation
	7	\$ 1,454,942.29	\$ 7,200.17	\$ 1,462,142.46	DRAFT Balancing Change Order
	8	\$ 1,454,942.29	\$ 359,838.83	\$ 1,814,781.12	MDOT Michigan Ave 60 inch Storm Sewer Crossing (MDOT = \$340,280.32)
	9	\$ 1,814,781.12	\$ 18,950.00	\$ 1,833,731.12	Bagged Headwall Reinforcement
SUBTOTAL			\$ 581,581.98		
TOTAL			\$ 3,692,063.62		

Montgomery Drain Project Construction Totals:							
Division	Funded Amount	Awarded Project Amount	Bid Date	Change Order Net Change	Current Project Amount	Division Balance	Description of Change Orders
Division I - Red Cedar Treatment Pond and Outlet Improvements	\$ 4,293,310.03	\$ 4,502,155.03	2/24/2020	\$ (129,330.24)	\$ 4,372,824.79	\$ (0.02)	-Change in Pond Inlet -Additional SESC Measures -Balancing Change Order
Division II - Ranney Park Phase 1	\$ 1,487,287.58	\$ 1,487,287.58	5/15/2020	\$ (60,515.99)	\$ 1,426,771.59	\$ -	-Grading Changes -Quantity Changes -Balancing Change Order
Broken into 2 sub-divisions	\$ 6,616,046.78						
Division V-A - Force Main, Metering Stations, and MDOT Improvements (Draft Change Order)		\$ 2,249,493.50	5/20/2020	\$ 2,944,843.45	\$ 5,194,336.95	\$ 2,915,915.06	-Removal of Metering Station -Electric/Controls Changes (\$7,587.31) -Temporary Outlet -Conduit Changes/Repairs -MDOT Capacity Improvements Added
Division V-B - Pump Station		\$ 1,846,746.70	5/20/2020	\$ 47,250.00	\$ 1,893,996.70	\$ 178,556.46	-Force Main for Future Connection
Division VII - Low Impact Design Phase I	\$ 2,825,599.95	\$ 2,367,367.59	5/28/2020	\$ 308,234.42	\$ 2,675,602.01	\$ 97,066.00	-Quantity Changes -LBWL Water Main Work (\$229,649.47) and CATA (\$1,018.40)
Division IX - Drain and MDOT Improvements	\$ 1,263,831.94	\$ 1,259,349.31	11/25/2019	\$ 581,581.98	\$ 1,833,731.12	\$ 30,287.36	-Additional SESC Measures -MDOT CSO Relief Branch Added -Open Channel Inlet/Outlet Changes/Repairs -Contaminated Soil Remediation - MDOT Branch Added
Division XIII - River Restoration	\$ 1,050,000.00	\$ -	Not Bid Yet	\$ -	\$ -	\$ 1,050,000.00	-Not Yet Started
Total:	\$ 17,536,076.28	\$ 13,712,399.71		\$ 3,692,063.62	\$ 17,397,263.16	\$ 3,221,824.86	

Montgomery Drain Project Funding Gap Construction Totals:						
Division	Original Budget Amount	Bid/Estimate Amount	Bid Date	Bid Status	Current Estimated Amount	Notes
Division III - Capacity Improvements	\$ 7,461,983.78	\$ 11,043,939.76	4/6/2020	Rejected Bid - NOT TO BE REBID		Some work scope reduced from Montgomery Project, other work moved
Division IV - Pipe Rehabilitation	\$ 739,398.60	\$ 739,398.60	5/20/2020	Expired	\$ 1,109,097.90	
Division VI - Water Quality Plazas	\$ 500,000.00	\$ 973,963.95	4/20/2021	Expired - TO BE REBID	\$ 1,025,000.00	
Division VIII - Frandora Hills	\$ 430,000.00	\$ 994,415.61	5/5/2021	Expired - TO BE REBID	\$ 1,068,862.83	
Division X - Low Impact Design Phase II	\$ 650,000.00	\$ 815,720.38	5/14/2021	Expired - TO BE REBID	\$ 845,821.65	Some work moved to other divisions
Division XII - Ranney Park Phase II	\$ 1,665,000.00	\$ 4,352,983.53	5/12/2021	Expired - TO BE REBID	\$ 2,987,983.53	Work scope reduced from Montgomery Project
Division XII - Path Grants	\$ -	\$ -		Not Bid Yet	\$ 1,040,000.00	Work scope reduced from Montgomery Project
Division XIV - Lighting	\$ 750,000.00	\$ 726,023.96	Not Bid Yet	Estimated by Lighting Consultant	\$ 726,023.96	
Total:	\$ 12,196,382.38	\$ 19,646,445.79			\$ 8,802,789.87	

Montgomery Drain Update.

Daniel E. Danke, PE 8-12-22

I have reviewed the files to provide an update of the Montgomery Drain Project. Numerous requests for updates of the project were sent to the ICDC over the past 12 months, but none were provided. It is not known if or when the ICDC will rebid or construct the remaining improvements. Below is an update of the 12 divisions of the project.

Division I – Red Cedar Park Pond

- Construction of the large ponds in the Red Cedar Development
- Work completed.

Division II – Ranney Park

- Construction of the ponds, swales and sledding hill in Ranney Park
- Work Completed.

Division III -Storm Sewer Main

- Construction of storm sewer in Michigan Avenue, Homer Street, Howard Street and in Frandor.
- Includes relocation of a City sanitary sewer in Homer Street.
- Work has yet to be completed.

Division IV – Pipe Rehabilitation

- Pipe lining
- ICDC has proposed adding storm sewers in Frandora Hills.
- Work has yet to be completed.

Division V – Water Quality Return System

- Construction of force main to pump stormwater from the Red Cedar ponds to the swales and ponds in Ranney Park.
- Construction is complete.

Division VI – Water Quality Plazas

- Construction of the water quality features and information plaza in the Michigan Avenue/Cascade/Morgan Lane median.
- Work is waiting for completion of the intersection reconstruction.
- Intersection reconstruction all but completed.

Division VII – Low Impact Design Features

- Construction of rain garden type features in the following locations”
 - Michigan Avenue median
 - Clippert Street between Grand River and Saginaw (includes reconstruction of Clippert)
 - Vine Street between Homer and Clippert

- Sellers between Homer and Clippert
- Various locations in the Frandor parking lots
- Grand River Avenue
- Some work remains, most work completed.

Division VIII – Frandora Hills

- Repair of storm sewers and sanitary sewers in Frandora Hills. Repaving of all the roads.
- Most of the storm sewer was removed from this Division and added to Division IV Pipe Rehabilitation.
- The project was bid by the ICDC in 2021. Bids were significantly above the engineer's estimate. The bid was cancelled and has yet to be rebid.

Division IX – Drain construction on Red Cedar Development

- Construct new storm sewer from the Red Cedar Ponds in Red Cedar Parkway and Dori Lane. Open Ditch construction on the east side of the project.
- Work completed.

Division X – Plantings and Restoration

- Installation of plantings in the Ranney Park ponds.
- Work has yet to be performed.

Division XI – Supplemental Assessment

- Improvements (paths) around the Red Cedar ponds.
- Work is all but completed.

Division XII – Ranney Park

- Construction of pathways, water features and other improvements in Ranney Park.
- Project was bid. Bids were significantly higher than expected. Bid was not awarded. Has not been rebid.

Boak, Sherrie

From: Kirkland, Desiree A.
Sent: Thursday, August 18, 2022 2:48 PM
To: Boak, Sherrie
Cc: Lawrence, Mark; Kilpatrick, Andrew; Karl Dorshimer
Subject: FW: Red Cedar Assessment on Taxes - Update to Council
Attachments: Montgomery Drain update 8-12-22.docx

Greetings Sherri

Below and attached you will find the answers to the questions

Please let me know if you have any additional questions

Best Regards,

Desiree A. Kirkland, MA, MiCPT, CPFIM

Finance Director/Treasurer

City of Lansing

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[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [Census 2020 Website](#)



Andy Schor, Mayor



From: Karl Dorshimer <Karl@purelansing.com>

Sent: Wednesday, August 17, 2022 9:20 AM

To: Kirkland, Desiree A. <Desiree.Kirkland@lansingmi.gov>; Kilpatrick, Andrew <Andrew.Kilpatrick@lansingmi.gov>

Cc: Lawrence, Mark <Mark.Lawrence@lansingmi.gov>

Subject: RE: [EXTERNAL] Red Cedar Assessment on Taxes - Update to Council

Desiree,

Below are my responses to the questions on Red Cedar:

- Where the tax payer dollars are currently going for this assessment?

The increase property taxes generated by the development and paid by owner of the property, are being used to pay for the public and private infrastructure improvements that were constructed to support project.

- A project update?

The project is nearing completion with the last phase (Hotel) currently under construction and scheduled to open next year.

- Based on the proposal by the Drain Commissioner to the City, is the City receiving the amenities it was promised?

Yes, the amenities proposed by the Ingham County Drain Commission are nearing completion and should be ready for the public to enjoy in 2023.

Please let me know if you need more information.

Thanks

Karl

From: Kirkland, Desiree A. <Desiree.Kirkland@lansingmi.gov>

Sent: Monday, August 15, 2022 1:20 PM

To: Karl Dorshimer <Karl@purelansing.com>; Kilpatrick, Andrew <Andrew.Kilpatrick@lansingmi.gov>

Cc: Lawrence, Mark <Mark.Lawrence@lansingmi.gov>

Subject: FW: Red Cedar Assessment on Taxes - Update to Council

Karl,

Below are the Red Cedar questions from council. Can you please address and get back to me by Wednesday?

Andy, I would like to provide council with our answer by end of day Wednesday – if possible 😊

Thank you

Best Regards,

Desiree A. Kirkland, MA, MiCPT, CPFIM

Finance Director/Treasurer

City of Lansing

124 W. Michigan Ave. | Lansing, MI 48933

Office: 517-483-4112 | Email: Desiree.Kirkland@Lansingmi.gov

[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [Census 2020 Website](#)



280 N. Old Woodward
Suite 12
Birmingham, MI 48009
O 248.385.3112
C 248.835.2068
F 888.450.1682
jphowe@jphowe.com
www.jphowe.com

June 1, 2022

Ms. Sara Weber
Licensing Director
Michigan Liquor Control Commission
525 W. Allegan Street
Lansing, MI 48933

Re: Application for new Redevelopment (RDA) Class C Liquor License, SDM Liquor License, Sunday AM Sales Permit, Sunday PM Sales Permit, Sunday PM Sales Permit (Mixed Spirits Drinks), and Outdoor Service Permit
Applicant: The Old Bag of Nails Pub – Lansing, LLC
Address: 210 Cascade Blvd., Lansing, Michigan 48912

Dear Ms. Weber,

On behalf of The Old Bag of Nails Pub – Lansing, LLC, we hereby apply for a new Redevelopment (RDA) Class C Liquor License within the established Lansing Redevelopment Project Area. Our client, an established restaurant chain based in Columbus, Ohio, desires to utilize these licenses and permits at the first Old Bag of Nails Pub opening in the State of Michigan. The proposed licensed establishment meets the RDA license requirements insofar as the business will offer on-premise dining, and be open to the public at least 10 hours per day, 5 days per week.

In connection with this application, we have enclosed the following documents for your review:

1. Resolution from the Lansing City Council establishing the Redevelopment Project Area, Map of the Redevelopment Project Area, and Affidavit from the City Assessor certified by the City Clerk attesting to the amount of the investment in the Redevelopment Project Area (will be submitted via email directly to Ms. Michelle Mazurek);
2. Affidavit of attorney J. Patrick Howe attesting to the availability of escrowed on-premised liquor licenses in Wayne County (will be submitted via email directly to Ms. Michelle Mazurek);

3. LC-109b form on behalf of the Applicant;
4. LC-100 form on behalf of the Applicant;
5. LC-301 form for the Applicant;
6. Live Scan Form for Member Michal R. Purdum;
7. Live Scan Form for Member Timothy E. Miller;
8. Articles of Organization for the Applicant;
9. Operating Agreement for the Applicant;
10. Lease Agreement; and
11. Check payable to the State of Michigan in the amount of \$140.00 to cover the application fee.

We trust that the enclosed documents will allow you to authorize this application for investigation. Should you have any questions or concerns regarding this matter, please don't hesitate to contact me.

Very truly yours,

JPHOWE, PLLC

J. Patrick Howe

Enclosures



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Toll-Free: 866-813-0011 - www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC Use Only)

New On-Premises Redevelopment or Development District License Questionnaire

Complete and submit this questionnaire along with a fully completed On-Premises Retailer License & Permit Application (LCC-100a) with the documents required to be submitted with that form and any other documents required as listed below.

Part 1 - Applicant Information

Individuals, please state your legal name. Corporations or Limited Liability Companies, please state your name as it is filed with the State of Michigan Corporation Division.

Applicant name(s): The Old Bag of Nails Pub - Lansing, LLC		
Address to be licensed: 210 Cascade Blvd.		
City: Lansing, MI	Zip Code: 48912	
City/township/village where license will be issued: Lansing		County: Ingham
Contact Name: J. Patrick Howe	Phone: 248-385-3112	Email: jphowe@jphowe.com
Mailing address (if different from above): 1331 Walcutt Rd.		
City: Columbus, OH	Zip Code: 43228	

I am applying for the following on-premises redevelopment or development district license:

☒ **MCL 436.1521a(1)(a) - Redevelopment (RDA) License - Complete Parts 2a, 3, 4, & 5**

Select one: ☒ Class C ☐ B-Hotel ☐ Tavern ☐ A-Hotel

- The proposed licensed premises must be located in a redevelopment project area defined by the local governmental unit and the investment in the redevelopment project area must meet one (1) of following requirements:
 - Investment of not less than \$50 million in cities, townships, or villages having a population of 50,000 or more
 - Investment of not less than \$1 million per 1,000 people in cities, townships, or villages having a population of less than 50,000
- The licensed business must be engaged in activities related to dining, entertainment, or recreation and provide that activity not less than five (5) days per week
- The licensed business must be open to the public not less than ten (10) hours per day, five (5) days per week
- The initial enhanced license fee for a license issued under this section is \$20,000.00

☐ **MCL 436.1521a(1)(b) - Development District (DDA) License - Complete Parts 2b, 3, 4, & 5**

Select one: ☐ Class C ☐ B-Hotel ☐ Tavern ☐ A-Hotel

- The proposed licensed premises must be located in one of the development districts or areas listed in MCL 436.1521a(1)(b):
 - Tax Increment Finance Authority District Under Part 3 of Public Act 57 of 2018 (Formerly Public Act 450 of 1980)
 - Corridor Improvement Authority Act Development Area under Part 6 of Public Act 57 of 2018 (Formerly Public Act 280 of 2005)
 - Downtown Development Authority (DDA) District under Part 2 of Public Act 57 of 2018 (Formerly Public Act 197 of 1975)
 - Principal Shopping District under Public Act 120 of 1961
- The total investment in real and personal property within the development district or area shall not be less than \$200,000.00 over a period of the preceding five (5) years.
- The building may be new construction or the restoration or rehabilitation of an existing building.
- The building that will house the proposed licensed premises must have at least \$75,000.00 expended for new construction or the rehabilitation or restoration of the building over the preceding five (5) years or a commitment for a capital investment of at least \$75,000.00 in the building that must be expended before the license is issued.
- The licensed business must be engaged in activities related to dining, entertainment, or recreation.
- The licensed business must be open to the general public and have a seating capacity of not less than 25 persons.
- The initial enhanced license fee for a license issued under this section is \$20,000.00.

Please Note: Pursuant to MCL 436.1521a(8) a license issued under MCL 436.1521a cannot be transferred to another location and if the licensee goes out of business the license issued under MCL 436.1521a shall be surrendered by the licensee to the Commission and the Commission will terminate the license.

Part 2a - MCL 436.1521a(1)(a) - Redevelopment (RDA) License Required Documents

☒ Resolution from local governmental unit establishing the redevelopment project area
☒ Affidavit from the assessor, certified by the city, township, or village clerk, which states the following: • The amount of investment money expended for manufacturing, industrial, residential, and commercial development within the redevelopment project area during the preceding three (3) years (must specifically state start and end dates for the investment, i.e. January 1, 2013, to December 31, 2015). • Statement that the amount of commercial investment in the redevelopment project area constitutes not less than 25% of the total investment in real and personal property in the area.
☒ Legible map of the redevelopment project area which clearly labels all street names

Part 2b - MCL 436.1521a(1)(b) - Development District (DDA) License Required Documents

☐ Resolution from local governmental unit establishing the development district or area which specifically references the statute under which the area was established: • Part 3 of Public Act 57 of 2018 (Formerly Public Act 450 of 1980) for Tax Increment Finance Authorities • Part 6 of Public Act 57 of 2018 (Formerly Public Act 280 of 2005) for Corridor Improvement Authorities • Part 2 of Public Act 57 of 2018 (Formerly Public Act 197 of 1975) for Downtown Development Authorities • Public Act 120 of 1961 for Principal Shopping Districts
☐ Affidavit from the assessor, certified by the city, township, or village clerk, which states the following: • The total amount of public and private investment in real and personal property within the development district or area over a period of the preceding five (5) years (must specifically state start and end dates for the investment, i.e. January 1, 2011, to December 31, 2015).
☐ Legible map of the development district or area which clearly labels all street names

Part 3 - Available License Search

MCL 436.1521a(9) requires any person signing an application for an on-premises Redevelopment or Development District license to verify that he or she attempted to purchase any of the on-premises licenses that are in escrow that do not have a pending transfer on file with the MLCC within the county in which the applicant for the on-premises Redevelopment or Development District license proposes to operate.

You should not apply for an on-premises Redevelopment or Development District license if there is an available quota license in the local governmental unit in which the proposed licensed business will be located. You may verify the availability of quota licenses on the Commission's website using the [Local Government Quota search page](#).

☒ I verify that I have attempted to purchase any readily available on-premises escrowed licenses that do not have pending transfers on file with the MLCC in the county where the proposed licensed business will be located. • Applicant should provide a notarized affidavit outlining all attempts and responses (or lack thereof) to secure a readily available on-premises license. • Applicant should send certified letters of inquiry as to the availability of the license to each licensee at the address listed on the licensee listing report provided by the MLCC. • Applicant should submit copies of the letters sent, certified tags, signed certified return receipts, copies of any envelopes returned by the USPS, and copies of any correspondence received from the licensees. • Applicant should provide dates, the name of the person contacted, and a synopsis of the conversation if escrowed licensees are contacted by telephone. • Applicant should provide documentation regarding the fair market value of the license based on where the applicant will be located, if determinable, the size and scope of the proposed operation, and/or the existence of mandatory contractual restrictions or inclusion attached to the sale of the license when indicating to the MLCC that purchase of a license is not economically feasible or the license is not readily available.
☒ There are no readily available on-premises licenses in escrow in the county where the proposed licensed business will be located.
☒ There are no unissued, on-premises quota licenses readily available in the local governmental unit where the proposed licensed business will be located.

Part 4 - Local Governmental Approval

An applicant for a new on-premises Redevelopment or Development District license requires approval by the legislative body of the local governmental unit in which the licensed premises will be located. Applicants for a license in a city that has a population of 600,000 or more do not require local governmental approval. Please use the Local Governmental Unit Approval Form (LCC-106) or obtain a resolution from the local governmental unit that contains the same information required on the form. The form or a resolution from the city, village, or township must specifically state the applicant's legal name, if an individual person, or the corporate name of the business, the proposed licensed address, and contain a recommendation for the issuance of a license under one of the two following options:

- New Class C* license issued under the provisions of MCL 436.1521a(1)(a)
- New Class C* license issued under the provisions of MCL 436.1521a(1)(b)

**May substitute other license types such as Tavern, A-Hotel, or B-Hotel licenses*

Part 5 - Signature of Applicant

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing **false or fraudulent** information is a violation of the Liquor Control Code pursuant to MCL 436.2003.

I certify that I understand that pursuant to MCL 436.1521a(8) a license issued under MCL 436.1521a cannot be transferred to another location and that if the licensee goes out of business the license issued under MCL 436.1521a shall be surrendered by the licensee to the Commission and the Commission will terminate the license.

J. Patrick Howe, Authorized Agent

Print Name of Applicant & Title


Signature of Applicant

May 13, 2022

Date

Please return this completed form along with corresponding documents:
Michigan Liquor Control Commission
Mailing address: P.O. Box 30005, Lansing, MI 48909
Hand deliveries: Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Overnight packages: 2407 N. Grand River Ave., Lansing, MI 48906
Fax to: 517-763-0059



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Toll-Free: 866-813-0011 - www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC Use Only)

On-Premises Retailer License & Permit Application (LCC-100a)

Part 1 - Applicant Information

Individuals, please state your legal name. Corporations or Limited Liability Companies, please state your name as it is filed with the State of Michigan Corporation Division.

Applicant name(s): The Old Bag of Nails Pub - Lansing, LLC	
Address to be licensed: 210 Cascade Blvd.	
City: Lansing, MI	Zip Code: 48912
City/township/village where license will be issued: Lansing	County: Ingham
Federal Employer Identification Number (FEIN): [REDACTED]	

- | | |
|--|---|
| 1. Are you requesting a new license? | ☒ Yes ☐ No |
| 2. Are you applying ONLY for a new permit or permission? | ☐ Yes ☒ No |
| 3. Are you buying an existing license? | ☐ Yes ☒ No |
| 4. Are you transferring the classification of an existing on premises license? | ☐ Yes ☒ No |
| 5. Are you modifying the size of the licensed premises? | ☐ Yes ☒ No |
| If Yes, specify: ☐ Adding Space ☐ Dropping Space ☐ Redefining Licensed Premises | |
| 6. Are you transferring the location of an existing license? | ☐ Yes ☒ No |
| 7. Is this license being transferred as the result of a default or court action? | ☐ Yes ☒ No |
| 8. Do you intend to use this license actively? | ☒ Yes ☐ No |

Leave Blank - MLCC Use Only

Part 2 - License Transfer Information (If Applicable)

If transferring ownership of a license ONLY and not transferring the location of a license, fill out only the name of the current licensee(s)

Current licensee(s): N/A	
Current licensed address:	
City:	Zip Code:
City/township/village where license is issued:	County:

Part 3 - Licenses, Permits, and Permissions

Applicants for on premises licenses, permits, and permissions (e.g. restaurants, hotels, bars, etc.) must complete the attached Schedule A and return it with this application. Transfer the fee calculations from the Schedule A to Part 4 below.

Part 4 - Inspection, License, and Permit Fees - Make checks payable to State of Michigan

Inspection Fees - Pursuant to MCL 436.1529(4) a nonrefundable inspection fee of \$70.00 shall be paid to the Commission by an applicant or licensee at the time of filing of a request for a new license or permit, a request to transfer ownership or location of a license, a request to increase or decrease the size of the licensed premises, or a request to add a bar. Requests for a new permit in conjunction with a request for a new license or transfer of an existing license do not require an additional inspection fee.

License and Permit Fees - Pursuant to MCL 436.1525(1), license and permit fees shall be paid to the Commission for a request for a new license or permit or to transfer ownership or location of an existing license.

Inspection Fees: 140.00	License & Permit Fees: @ Annual	TOTAL FEES: 140.00
-------------------------	---------------------------------	--------------------

Schedule A - Licenses, Permits, & Permissions

Applicant name: _____

On-Premises License Type:	Base Fee:	Fee Code MLCC Use Only
New Transfer		
☐ ☐ B-Hotel License	\$600.00	
Number of guest rooms: _____		
☐ ☐ A-Hotel License	\$250.00	
Number of guest rooms: _____		
☒ ☐ Class C License	\$600.00	
☐ ☐ Tavern License	\$250.00	
☐ ☐ Resort License	Upon Licensure	
☒ ☐ DDA/Redevelopment License	Upon Licensure	
☐ ☐ Brewpub License	\$100.00	
☐ ☐ G-1 License	\$1,000.00	
☐ ☐ G-2 License	\$500.00	
☐ ☐ Aircraft License	\$600.00	
☐ ☐ Watercraft License	\$100.00	
☐ ☐ Train License	\$100.00	
☐ ☐ Continuing Care Retirement Center License	\$600.00	
☐ MCL 436.1545(1)(b)(i) ☐ MCL 436.1545(1)(b)(ii)		

B-Hotel or Class C Licenses Only:

☐ ☐ Additional Bar(s)
Number of Additional Bars: _____

B-Hotel or Class C licenses allow licensees to have one (1) bar within the licensed premises. A \$350.00 licensing fee is required for each additional bar over the one (1) bar initially issued with the license.

Licenses, permits, and permissions selected on this form will be investigated as part of your request. Please verify your information prior to submitting your application, as some licenses, permits, or permissions cannot be added to your request once the application has been sent out for investigation by the Enforcement Division.

Inspection, License, Permit, & Permission Fee Calculation

Number of Licenses: 2 x \$70.00 Inspection Fee

Total Inspection Fee(s): 140.00

Total License Fee(s): _____

Total Permit Fee(s): _____

TOTAL FEES DUE: 140.00

Please note that requests to transfer SDD licenses will require the payment of additional fees based on the seller's previous calendar year's sales. These fees will be determined prior to issuance of the license to the applicant.

Make checks payable to State of Michigan

On-Premises Permits:	Base Fee:	Fee Code MLCC Use Only
☒ Sunday Sales Permit (AM)*	\$160.00	
☒ Sunday Sales Permit (PM)**		
☐ Catering Permit	\$100.00	
☐ Social District Permit	\$250.00	
☐ Banquet Facility Permit - Complete Form LCC-200		
A Banquet Facility Permit is an extension of the license at a different location. It may have its own permits and permissions. It is not a banquet room on the licensed premises.		
☒ Outdoor Service	No charge	
☒ Dance Permit	No charge	
☒ Entertainment Permit	No charge	
☐ Extended Hours Permit:	No charge	
☐ Dance ☐ Entertainment Days/Hours: _____		
☐ Specific Purpose Permit:	No charge	
Activity requested: _____		
Days/Hours requested: _____		
☐ Living Quarters Permit	No charge	
☐ Topless Activity Permit	No charge	
☐ Off-Premises Storage	No charge	
☐ Direct Connection(s)	No charge	

Pursuant to MCL 436.1533, on-premises retailers may be issued a Specially Designated Merchant (SDM) license or a Specially Designated Distributor (SDD) license at the same location in conjunction with the on-premises license under certain circumstances.

Off-Premises License Type:	Base Fee:	Fee Code MLCC Use Only
New Transfer		
☒ ☐ SDM License	\$100.00	
☐ ☐ SDD License	\$150.00	
Off Premises Permits:	Base Fee:	
☐ SDD Sunday Sales Permit (PM)** For Spirit Products	\$22.50	
☐ SDM Sunday Sales Permit (PM)** For Mixed Spirit Drink Products	\$15.00	
☐ Motor Vehicle Fuel Pumps	No charge	

*Sunday Sales Permit (AM) allows the sale of spirits, mixed spirit drink, beer, and wine on Sunday mornings between 7:00am and 12:00 noon, if allowed by the local unit of government.

**Sunday Sales Permit (PM) allows the sale of spirits and mixed spirit drink on Sunday afternoons and evenings between 12:00 noon and 2:00am (Monday morning), if allowed by the local unit of government. No Sunday Sales Permit (PM) is required for the sale of beer and wine on Sunday after 12:00 noon. The Sunday Sales Permit (PM) fee is 15% of the fee for the license that allows the sale of spirits or mixed spirit drink. Additional bar fees and hotel room fees are also calculated as part of the permit fee. A separate Sunday Sales Permit (PM) is required for each license that will sell spirits or mixed spirit drink on Sunday after 12:00 noon.

Part 5a - Information on Individual Applicant, Stockholder, Member, or Limited Partner

Each individual, stockholder, member, or partner must complete Part 5a, 5b, and 5c. If a stockholder or member of an applicant company is a corporation or limited liability company, complete Part 5a and 5c and submit a completed [Form LCC-301](#).

For applications with multiple individuals, stockholders, members, or partners - each person or entity must complete a separate copy of this page.

Name: Michael R Purdum			
Home address: 2383 Cambridge Blvd			
City: Columbus		State: OH	Zip Code: 43221
Business Phone: 614.870.3273	Cell Phone: [REDACTED]	Email: mike.purdum@oldbagofnails.com	
Have you ever been licensed by the Michigan Liquor Control Commission (MLCC) or do you currently hold an interest in any other licenses issued by the MLCC? If Yes , please list business ID numbers below. If you hold interest in 2 or more locations under the same name, please also write "chain" below. Pursuant to MCL 436.1603, a retailer licensee <u>may not</u> hold interest in a manufacturer or wholesaler licensee. ☐ Yes ☒ No			
Do you hold 10% or more interest in the applicant entity? ☒ Yes ☐ No			
If you answered "no" to the first question and "yes" to the second question, you must submit fingerprints and undergo an investigation by the MLCC. Please see the attached instructions for submitting fingerprints to the MLCC. You must submit a copy of the completed and endorsed " Livescan Fingerprint Background Request " with your application.			

Part 5b - Personal Information (Individuals) - Must be at least 21 years of age, pursuant to administrative rule R 436.1105(1)(a).

Date of Birth: [REDACTED]	Social Security Number: [REDACTED]	Driver's License Number: [REDACTED]
Are you a citizen of the United States of America? ☒ Yes ☐ No		
Have you ever legally changed your name? ☐ Yes ☒ No		
If you answered "yes", please list your prior name(s) (including maiden):		
Spouse's full name (if currently married): Tara J. (Saccocio) Purdum		
Spouse's date of birth: [REDACTED]	Is your spouse a citizen of the United States of America? ☒ Yes ☐ No	
Do you or your spouse hold any position, either by appointment or election, which involves the duty to enforce any penal law of the United States of America, or the penal laws of the State of Michigan, or any penal ordinance or resolution of any municipal subdivisions of the State of Michigan? ☐ Yes ☒ No		
Does your spouse hold a retail, manufacturer, or wholesaler license issued by the MLCC? ☐ Yes ☒ No		
Have you ever been found guilty, pled guilty, or pled no contest to a criminal charge or any local ordinance violations? If Yes , list below (attach additional pages if necessary): ☐ Yes ☒ No		
Date	City/State	Charge
		Disposition
Has your spouse ever been found guilty, pled guilty, or pled no contest to a criminal charge or any local ordinance violations? If Yes , list below (attach additional pages if necessary): ☐ Yes ☒ No		
Date	City/State	Charge
		Disposition

Part 5c - Signature

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing **false** or **fraudulent** information is a violation of the Liquor Control Code pursuant to MCL 436.2003. (This form must be signed by the person whose information it contains).

Michael R Purdum

Print Name

Signature

Date

Part 5a - Information on Individual Applicant, Stockholder, Member, or Limited Partner

Each individual, stockholder, member, or partner must complete Part 5a, 5b, and 5c. If a stockholder or member of an applicant company is a corporation or limited liability company, complete Part 5a and 5c and submit a completed Form LCC-301.

For applications with multiple individuals, stockholders, members, or partners - each person or entity must complete a separate copy of this page.

Name: Timothy Miller		
Home address: 1266 CLAVIEN AVE N		
City: Columbus	State: OH	Zip Code: 43235
Business Phone: 614.221.2121	Cell Phone: [REDACTED]	Email: tmiller@isaacwiles.com
Have you ever been licensed by the Michigan Liquor Control Commission (MLCC) or do you currently hold an interest in any other licenses issued by the MLCC? If Yes, please list business ID numbers below. If you hold interest in 2 or more locations under the same name, please also write "chain" below. Pursuant to MCL 436.1603, a retailer licensee <u>may not</u> hold interest in a manufacturer or wholesaler licensee. ☐ Yes ☒ No		
Do you hold 10% or more interest in the applicant entity? ☒ Yes ☐ No		
If you answered "no" to the first question and "yes" to the second question, you must submit fingerprints and undergo an investigation by the MLCC. Please see the attached instructions for submitting fingerprints to the MLCC. You must submit a copy of the completed and endorsed "Livescan Fingerprint Background Request" with your application.		

Part 5b - Personal Information (Individuals) - Must be at least 21 years of age, pursuant to administrative rule R 436.1105(1)(a).

Date of Birth: [REDACTED]	Social Security Number: [REDACTED]	Driver's License Number: [REDACTED]	
Are you a citizen of the United States of America? ☒ Yes ☐ No			
Have you ever legally changed your name? ☐ Yes ☒ No			
If you answered "yes", please list your prior name(s) (including maiden):			
Spouse's full name (if currently married): Janet D. Miller			
Spouse's date of birth: [REDACTED]	Is your spouse a citizen of the United States of America? ☒ Yes ☐ No		
Do you or your spouse hold any position, either by appointment or election, which involves the duty to enforce any penal law of the United States of America, or the penal laws of the State of Michigan, or any penal ordinance or resolution of any municipal subdivisions of the State of Michigan? ☐ Yes ☒ No			
Does your spouse hold a retail, manufacturer, or wholesaler license issued by the MLCC? ☐ Yes ☒ No			
Have you ever been found guilty, pled guilty, or pled no contest to a criminal charge or any local ordinance violations? If Yes, list below (attach additional pages if necessary): ☐ Yes ☒ No			
Date	City/State	Charge	Disposition
Has your spouse ever been found guilty, pled guilty, or pled no contest to a criminal charge or any local ordinance violations? If Yes, list below (attach additional pages if necessary): ☐ Yes ☒ No			
Date	City/State	Charge	Disposition

Part 5c - Signature

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing false or fraudulent information is a violation of the Liquor Control Code pursuant to MCL 436.2003. (This form must be signed by the person whose information it contains).

Timothy E. Miller

Print Name



Signature

3/19/22

Date

Part 6 - Contact Information

Provide information on the contact person for this application. Please note that corporations and limited liability companies must provide documentation (e.g. meeting minutes, corporate resolution) authorizing anyone other than the applicant or an attorney of record to be the contact person. If an authorization is not provided, your contact person will not be acknowledged if they are anyone other than the applicant or attorney.

What is your preferred method of contact?		☐ Phone	☐ Mail	☒ Email	☐ Fax
What is your preferred method for receiving a Commission Order?		☐ Mail	☒ Email	☐ Fax	
Contact name: J. Patric Howe	Relationship: Attorney				
Mailing address: 280 N. Old Woodward Ave., Suite 12					
City: Birmingham		State: MI		Zip Code: 48009	
Phone: 248-385-3112	Fax number: 888-450-1682		Email: jphowe@jphowe.com		

Part 7 - Attorney Information (If You Have An Attorney Representing You For This Application)

Attorney name: J. Patrick Howe		Member Number: P- 68634	
Attorney address: 280 N. Old Woodward Ave., Suite 12, Birmingham, MI 48009			
Phone: 248-385-3112	Fax number: 888-450-1682	Email: jphowe@jphowe.com	
Would you prefer that we contact your attorney for all licensing matters related to this application?		☒ Yes ☐ No	
Would you prefer any notices or closing packages be sent directly to your attorney?		☒ Yes ☐ No	

Part 8 - Signature of Applicant

Be advised that the information contained in this application will only be used for this request. This section will need to be completed for each subsequent request you make with this office.

Notice: When purchasing a license, a buyer can be held liable for tax debts incurred by the previous owner. Prior to committing to the purchase of any license or establishment, the buyer should request a tax clearance certificate from the seller that indicates that all taxes have been paid up to the date of issuance. Obtaining sound professional assistance from an attorney or accountant can be helpful to identify and avoid any pitfalls and hidden liabilities when buying even a portion of a business. Sellers can make a request for the tax clearance certificate through the Michigan Department of Treasury.

Under administrative rule R 436.1003, the licensee shall comply with all state and local building, plumbing, zoning, sanitation, and health laws, rules, and ordinances as determined by the state and local law enforcements officials who have jurisdiction over the licensee. Approval of this application by the Michigan Liquor Control Commission does not waive any of these requirements. The licensee must obtain all other required state and local licenses, permits, and approvals for this business before using this license for the sale of alcoholic liquor on the licensed premises.

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing false or fraudulent information is a violation of the Liquor Control Code pursuant to MCL 436.2003.

The person signing this form has demonstrated that they have authorization to do so and have attached appropriate documentation as proof.

J. Patrick Howe, Authorized Agent

Print Name of Applicant & Title

Signature of Applicant

5/13/22

Date

Please return this completed form along with corresponding documents and fees to:
Michigan Liquor Control Commission
Mailing address: P.O. Box 30005, Lansing, MI 48909
Overnight deliveries: 2407 N. Grand River Avenue, Lansing, MI 48906
Fax to: 517-284-8557



Report of Stockholders, Members, or Partners (LCC-301)

Part 1 - Licensee Information

Please state your name as it is filed with the State of Michigan Corporation Division.

Licensee name(s): The Old Bag of Nails Pub - Lansing, LLC

Address: 210 Cascade Blvd.

City: Lansing

State: MI

Zip Code: 48912

Part 2a - Corporations - Please complete this section and attach more copies of this page if more room is needed.

Name and address of all stockholders:	No. of Shares Issued:	Date Issued/Acquired:

Name and address of Corporate Officers and Directors, pursuant to administrative rule R 436.1109:

Part 2b - Limited Liability Companies - Please complete this section and attach more copies of this page if more room is needed.

Name and address of all members:	Percent % Issued:	Date Issued/Acquired:
Michael Purdum, 2383 Cambridge Blvd., Columbus, OH 43221	90%	12/2/21
Timothy Miller, 1266 Clubview Blvd. N., Columbus, OH 43235	10%	12/2/21

Name and address of Managers and Assignees, pursuant to administrative rule R 436.1110:

The company is managed by the Members



Report of Stockholders, Members, or Partners (LCC-301) - Continued

Part 2c - Limited Partnerships - Please complete this section and attach more copies of this page if more room is needed.

Name and address of all partners:	Percent % Issued:	Date Issued/Acquired:

Name and address of Managers, pursuant to administrative rule R 436.1111:

Part 3 - Authorized Signers (Authorized in compliance with R 436.1109(1)(c) for a corporation or R 436.1110(1)(g) for a limited liability company)

Name & Title:	Michael Purdum, Member
Name & Title:	Timothy Miller, Member
Name & Title:	J. Patrick Howe, Authorized Agent
Name & Title:	
Name & Title:	

I certify that the authorized signers under Part 3 of this form have been authorized in compliance with R 436.1109(1)(c) for a corporation or R 436.1110(1)(g) for a limited liability company.

I certify that the information contained in this form is true and accurate to the best of my knowledge and belief. I agree to comply with all requirements of the Michigan Liquor Control Code and Administrative Rules. I also understand that providing **false** or **fraudulent** information is a violation of the Liquor Control Code pursuant to MCL 436.2003.

The person signing this form has demonstrated that they have authorization to do so and have attached appropriate documentation as proof.

J. Patrick Howe, Authorized Agent

Print Name of Applicant or Licensee & Title

Signature of Applicant or Licensee

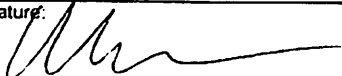
6/1/22

Date

Please return this completed form to:
Michigan Liquor Control Commission
Mailing address: P.O. Box 30005, Lansing, MI 48909
Hand deliveries: Constitution Hall - 525 W. Allegan, Lansing, MI 48933
Overnight packages: 2407 N. Grand River, Lansing, MI 48906
Fax to: 517-763-0059

LIVE SCAN FINGERPRINT BACKGROUND CHECK REQUEST

Purpose: To conduct a civil fingerprint-based background check for employment, to volunteer, or for licensing purposes as authorized by law.
Instructions: See page two.

I. Authorizing Information			
1. Fingerprint Reason Code LL	2. Requestor/Agency ID 1479J	3. Agency Name MI Dept of Licensing & Regulatory Affairs - Liquor Control	4. Individual ID (MNU-OA)
II. Applicant Information: Type or clearly print answers in all fields before going to be fingerprinted.			
1a. Last Name Purdum	1b. First Name Michael	1c. Middle Initial R	1d. Suffix
2. Any Alternative Names, Last Names, or Aliases		3. Social Security Number (Optional)	
4. Place of Birth (State or Country)	5. Date of Birth	6. Phone Number 614-361-9224	7. Driver's License / State OH
9. Home Address 2383 Cambridge Blvd	10. City Columbus	11. State OH	12. ZIP Code 43221
13. Sex M	14. Race W	15. Height	16. Weight
17. Eye Color		18. Hair Color	
III. Live Scan Information			
1. Date Printed 3/22/22	2. Picture ID Type Presented Ohio Drivers license	3. Transaction Control Number (TCN)	4. Live Scan Operator* Brittany John
* When an individual ID is provided, please enter the ID into the Miscellaneous Number (MNU) field on the Live Scan device. Select OA - Originating Agency Identifier and then enter the unique identifier in the Identification Code field.			
IV. Privacy Act Statement			
Authority: Acquisition, preservation, and exchange of fingerprints and associated information by the Federal Bureau of Investigation (FBI) is generally authorized under 28 U.S.C. 534. Depending on the nature of your application, supplemental authorities include Federal statutes, State statutes pursuant to Pub. L. 92-544, Presidential Executive Orders, and federal regulations. Providing your fingerprints and associated information is voluntary; however, failure to do so may affect completion or approval of your application. Principal Purpose: Certain determinations, such as employment, licensing, and security clearances, may be predicated on fingerprint-based background checks. Your fingerprints and associated information/biometrics may be provided to the employing, investigating, or otherwise responsible agency, and/or the FBI for the purpose of comparing your fingerprints to other fingerprints in the FBI's Next Generation Identification (NGI) system or its successor systems (including civil, criminal, and latent fingerprint repositories) or other available records of the employing, investigating, or otherwise responsible agency. The FBI may retain your fingerprints and associated information/biometrics in NGI after the completion of this application and, while retained, your fingerprints may continue to be compared against other fingerprints submitted to or retained by NGI. Routine Uses: During the processing of this application and for as long thereafter as your fingerprints and associated information/biometrics are retained in NGI, your information may be disclosed pursuant to your consent, and may be disclosed without your consent as permitted by the Privacy Act of 1974 and all applicable Routine Uses as may be published at any time in the Federal Register, including the Routine Uses for the NGI system and the FBI's Blanket Routine Uses. Routine Uses include, but are not limited to, disclosures to: employing, governmental or authorized non-governmental agencies responsible for employment, contracting, licensing, security clearances, and other suitability determinations; local, state, tribal, or federal law enforcement agencies; criminal justice agencies; and agencies responsible for national security or public safety.			
V. Procedure to Obtain a Change, Correction, or Update of Identification Records			
If, after reviewing his/her identification record, the subject thereof believes that it is incorrect or incomplete in any respect and wishes changes, corrections, or updating of the alleged deficiency; he/she should make application directly to the agency which contributed the questioned information. The subject of a record may also direct his/her challenge as to the accuracy or completeness of any entry on his/her record to the FBI, Criminal Justice Information Services (CJIS) Division, ATTN: SCU, Mod. D2, 1000 Custer Hollow Road, Clarksburg, WV 26306. The FBI will then forward the challenge to the agency which submitted the data requesting that agency to verify or correct the challenged entry. Upon the receipt of an official communication directly from the agency which contributed the original information, the FBI CJIS Division will make any changes necessary in accordance with the information supplied by that agency. (28 CFR § 16.34)			
VI. Consent			
I understand that my personal information and biometric data being submitted by Live Scan, will be used to search against identification records from both the Michigan State Police (MSP) and the FBI for the purpose listed above. I hereby authorize the release of my personal information for such purposes and release of any records found to the authorized requesting agency listed above.			
Signature: 		Date: 3-22-22	

RI-030 (01/2019)
Michigan State Police

LIVE SCAN FINGERPRINT BACKGROUND CHECK REQUEST

Purpose: To conduct a civil fingerprint-based background check for employment, volunteer, or for licensing purposes as authorized by law.
Instructions: See page two.

AUTHORITY: MCL 28.162, MCL 28.214, MCL 28.248, & MCL 28.273
COMPLIANCE: Voluntary. However, failure to complete this form will result in denial of request.

1. Fingerprint Reason Code LT		2. Requestor/Agency ID 1479J		3. Agency Name MI Dept of Licensing & Regulatory Affairs - Liquor Control		4. Individual ID (MNU-OA)	
II. Applicant Information: Type or clearly print answers in all fields before going to be fingerprinted.							
1a. Last Name Miller		1b. First Name Timothy		1c. Middle Initial E		1d. Suffix	
2. Any Alternative Names, Last Names, or Aliases		3. Social Security Number (Optional)					
4. Place of Birth (State or Country)		5. Date of Birth		6. Place of Birth		7. Issuing State	
9. Home Address		10. City		11. State		12. ZIP Code	
13. Sex M		14. Race White		15. Manner of Death		16. Manner of Death	
III. Live Scan Information							
1. Date Printed 3/22/2022		2. Picture ID Type Presented YES		3. Transaction Control Number (TCN)		4. Live Scan Operator DET. C. Mills	
IV. Privacy Act Statement When an individual ID is provided, please enter the ID into the Miscellaneous Number (MNU) field on the Live Scan device. Select OA - Originating Agency Identifier and then enter the unique identifier in the Identification Code field.							
V. Procedure to Obtain a Change, Correction, or Update of Identification Records If, after reviewing his/her identification record, the subject thereof believes that it is incorrect or incomplete in any respect and wishes changes, corrections, or updating of the alleged deficiency, he/she should make application directly to the agency which contributed the question information. The subject of a record may also direct his/her challenge as to the accuracy or completeness of any entry on his/her record to the FBI, Criminal Justice Information Services (CJIS) Division, ATTN: SCU, Mod. D2, 1000 Custer Hollow Road, Clarksburg, WV 26306. The FBI will then forward the challenge to the agency which submitted the data requesting that agency to verify or correct the challenged entry. Upon the receipt of an official communication directly from the agency which contributed the original information, the FBI CJIS Division will make any changes necessary in accordance with the information supplied by that agency. (28 CFR § 16.34)							
VI. Consent I understand that my personal information and biometric data being submitted by Live Scan, will be used to search against identification records from both the Michigan State Police (MSP) and the FBI for the purpose listed above. I hereby authorize the release of my personal information for such purposes and release of any records found to the authorized requesting agency listed above.							
Signature:		Date: 3/22/22					



DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	CERT	COPY
12/02/2021	202133602602	DOMESTIC FOR PROFIT LLC - ARTICLES OF ORG (LCP)	99.00	0.00	0.00	0.00

Receipt

This is not a bill. Please do not remit payment.

ISAAC WILES BURKHOLDER & TEETOR
TWO MIRANOVA PLACE, STE. 700
COLUMBUS, OH 43215

**STATE OF OHIO
CERTIFICATE**

**Ohio Secretary of State, Frank LaRose
4782154**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

OLD BAG OF NAILS PUB-LANSING, LLC

and, that said business records show the filing and recording of:

Document(s)

DOMESTIC FOR PROFIT LLC - ARTICLES OF ORG
Effective Date: 12/02/2021

Document No(s):

202133602602



United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the
Secretary of State at Columbus, Ohio this
2nd day of December, A.D. 2021.


Ohio Secretary of State



Articles of Organization for a Domestic Limited Liability Company

Filing Fee: \$99
Form Must Be Typed

CHECK ONLY ONE (1) BOX

(1) Articles of Organization for Domestic
☒ For-Profit Limited Liability Company
(115-LCA)

(2) Articles of Organization for Domestic
☐ Nonprofit Limited Liability Company
(115-LCA)

Name of Limited Liability Company **Old Bag of Nails Pub-Lansing, LLC**

(Name must include one of the following words or abbreviations:
"limited liability company", "limited", "LLC", "L.L.C.", "Ltd.", or "Ltd.")

Optional: Effective Date (MM/DD/YYYY) **12/2/2021**

(The legal existence of the limited liability company
begins upon the filing of the articles or on a later date
specified that is not more than ninety days after filing.)

Optional: This limited liability company shall exist for
Period of Existence

Optional: Purpose

** Note for Nonprofit LLCs

The Secretary of State does not grant tax exempt status. Filing with our office is not sufficient to obtain state or federal tax exemptions. Contact the Ohio Department of Taxation and the Internal Revenue Service to ensure that the nonprofit limited liability company secures the proper state and federal tax exemptions. These agencies may require that a purpose clause be provided. **

Original Appointment of Statutory Agent

The undersigned authorized member(s), manager(s) or representative(s) of

Old Bag of Nails Pub-Lansing, LLC

(Name of Limited Liability Company)

hereby appoint the following to be Statutory Agent upon whom any process, notice or demand required or permitted by statute to be served upon the corporation may be served. The complete address of the agent is:

TIMOTHY E. MILLER

(Name of Statutory Agent)

TWO MIRANOVA PLACE, SUITE 700

(Mailing Address)

COLUMBUS

(Mailing City)

OH

(Mailing State)

43215

(Mailing ZIP Code)

Acceptance of Appointment

The Undersigned,

TIMOTHY E. MILLER

(Name of Statutory Agent)

, named herein as the

Statutory agent for

Old Bag of Nails Pub-Lansing, LLC

(Name of Limited Liability Company)

hereby acknowledges and accepts the appointment of statutory agent for said limited liability company.

Statutory Agent Signature

TIMOTHY E. MILLER

(Individual Agent's Signature / Signature on Behalf of Business Serving as Agent)

By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

Required

Articles and original appointment of agent must be signed by a member, manager or other representative.

If the authorized representative is an individual, then they must sign in the "signature" box and print his/her name in the "Print Name" box.

If the authorized representative is a business entity, not an individual, then please print the entity name in the "signature" box, an authorized representative of the business entity must sign in the "By" box and print his/her name and title/authority in the "Print Name" box.

TIMOTHY E. MILLER

Signature

By (if applicable)

Print Name

Signature

By (if applicable)

Print Name

Signature

By (if applicable)

Print Name

THE OLD BAG OF NAILS PUB - LANSING, LLC

Operating Agreement

THIS OPERATING AGREEMENT ("Agreement") is effective on this 2nd day of December, 2021, by and between the undersigned persons who are to become the members of The Old Bag of Nails Pub - Lansing, LLC, an Ohio limited liability company (the "Company").

SECTION I DEFINED TERMS

Many of the terms contained in this Agreement are hereafter specifically defined in Appendix A. Those terms, as well as other terms which may be defined in the text of this Agreement, shall, throughout this Agreement, have the meanings respectively ascribed to them.

SECTION II FORMATION AND NAME; OFFICE; PURPOSE; TERM

2.1 Organization. The parties hereby organize a limited liability company pursuant to the Act and the provisions of this Agreement and, for that purpose, have caused Articles of Organization to be prepared, executed and filed with the Ohio Secretary of State ("OSOS") on December 2, 2021.

2.2 Name of the Company. The name of the Company shall be **The Old Bag of Nails Pub- Lansing, LLC**. The Company may do business under that name and under any other name or names upon which the Members agree. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file trade name registrations or fictitious name certificates as required by law. The Company will also be doing business in the State of Michigan. Accordingly, the Company will register to do business in that state and any other state in which it does business.

2.3 Purpose. The purpose of the Company is to (i) manage and operate restaurants/bars and to do any and all things necessary, appropriate, convenient, or incidental to those purposes, and (ii) engage in any lawful act, activity, or business not contrary to and for which a limited liability company may be formed under the laws of the State of Ohio.

2.4 Term. The term of the Company began upon the filing of the Articles of Organization with OSOS and shall have perpetual existence, unless its existence is sooner terminated pursuant to Section VII of this Agreement.

2.5 Principal Office. The principal office of the Company shall be located Columbus, Ohio, or at any other place within the State of Ohio upon which the Members select.

2.6 Statutory Agent. The name and address of the Company's statutory agent in the State of Ohio shall be:

Timothy E. Miller, Esq.
ISAAC, WILES & BURKHOLDER, LLC
Two Miranova Place, Suite 700
Columbus, Ohio 43215

2.7 Members. The name, present mailing address, taxpayer I.D. number, the Membership Units, Percentage and Initial Capital Contribution of each Member are as follows:

<u>Name, Address and Taxpayer I.D. Number</u>	<u>Units/Percentages</u>	<u>Initial Capital Contribution</u>
Michael Purdum 2383 Cambridge Blvd. Columbus, OH 43221	900/90%	\$90.00
Timothy E. Miller 1266 Clubview Blvd. N. Columbus, OH 43235	100/10%	\$10.00

SECTION III MEMBERS, CAPITAL, CAPITAL ACCOUNTS

3.1 Initial Capital Contributions. Upon the execution of this Agreement, the Members shall contribute to the Company, as capital, cash in the amounts set forth opposite their respective names in Section 2.7 above.

3.2 No Additional Capital Contributions Required. No Member shall be required to contribute any additional capital to the Company. No Member shall have any personal liability for any obligations of the Company.

3.3 No Interest on Capital Contributions. Interest Holders shall not be paid interest on their Capital Contributions.

3.4 Return of Capital Contributions. Except as otherwise provided in this Agreement, no Interest Holder shall have the right to receive the return of any Capital Contribution.

3.5 Form of Return of Capital. If an Interest Holder is entitled to receive a return of a Capital Contribution, the return of the Capital Contribution shall be in cash and the Interest Holder shall not be entitled to any of the property or assets of the Company.

3.6 Capital Accounts. A separate Capital Account shall be maintained for each Interest Holder.

3.7 Loans. Any Member may, at any time, make or cause a loan to be made to the Company in any amount and on those terms upon which the Company and the Member agree in writing. Such loan shall be evidenced by a promissory note and such other documents or security, as the Members agree. This provision shall have no impact upon the Company's ability to make loans.

SECTION IV PROFIT, LOSS, AND DISTRIBUTIONS

4.1 Distributions of Cash Flow and Capital Proceeds. Cash flow for each taxable year of the Company and/or distributions of Capital Proceeds shall be distributed to the Interest Holders in proportion to their percentages as stated in Section 2.7. All distributions shall be made no later than seventy-five (75) days after the end of the taxable year.

4.2 Allocations of Profit or Loss. Profit or Loss of all types, including but not limited to Profit and Loss resulting from Capital Transactions, shall be allocated to the Interest Holders in proportion to their percentages as stated in Section 2.7.

4.3 General.

4.3.1. Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the unanimous consent of the Members, except the Company shall make minimum distributions, in accordance with Section 4.1, in each taxable year equal to the amount of taxes each Member will owe as a result of the Profit allocated to each Member for that taxable year.

4.3.2. All Profit and Loss shall be allocated, and all distributions shall be made to the Persons shown on the records of the Company to have been Interest Holders, as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year.

SECTION V MANAGEMENT: RIGHTS, POWERS, AND DUTIES

5.1 Management. The Company shall be managed by one General Manager, who may, but need not, be a Member. The decision as to who shall serve as the General Manager shall be made by a vote of not less than ninety-five percent (95%) of the Percentages then held by all Members. Michael Purdum is hereby designated to serve as the initial General Manager and shall serve as the General Manager until his successor is duly elected and qualified. The General Manager shall have the

authority to manage the day-to-day business of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's day-to-day business including purchasing of inventory, production and sale of food items, hiring, supervision and termination of employees, payment of all bills and expenses incurred in the day-to-day operation of the Company, and deposit of revenue into the Company's account.

5.2 General Powers. The General Manager shall manage and operate the day-to-day business of the Company for the purposes herein stated, and to make all decisions affecting such business and affairs, including the power to:

5.2.1 acquire by purchase, lease, or otherwise, any personal property, tangible or intangible;

5.2.2 construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any personal property;

5.2.3 sell, dispose, trade, or exchange Company assets in the ordinary course of the Company's business;

5.2.4 enter into agreements and contracts and to give receipts, releases, and discharges;

5.2.5 purchase liability and other insurance to protect the Company's properties and business;

5.2.6 borrow money for and on behalf of the Company in amounts not to exceed \$50,000;

5.2.7 execute or modify leases with respect to any part or all of the assets of the Company;

5.2.8 prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals, or modifications of such mortgages or deeds of trust;

5.2.9 execute any and all other instruments and documents which may be necessary or in the opinion of the General Manager desirable to carry out the intent and purpose of this Agreement;

5.2.10 make any and all expenditures which the General Manager, in his sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of its obligations and responsibilities under this Agreement,

including, without limitation, all legal, accounting, and other related expenses incurred in connection with the organization and financing and operation of the Company;

5.2.11 enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

5.2.12 invest and reinvest Company reserves in short-term instruments or money market funds;

5.2.13 make loans for and on behalf of the Company in amounts not to exceed \$50,000;

5.2.14 pay current operating expenses, pay or establish reasonable reserves for future expenses, debt payments, and capital improvements as determined by the General Manager in his sole discretion prior to making any distributions to the Members in accordance with Article IV of this Agreement; and

5.2.15 make capital expenditures not to exceed \$50,000.

5.3 Extraordinary Transactions. Notwithstanding anything to the contrary in this Agreement, the following transactions shall be performed by the unanimous consent of the Members, and the General Manager shall not undertake any of the following without the prior approval of all of the Members:

5.3.1 the admission of additional Members to the Company;

5.3.2 the Company's engaging in business in any jurisdiction which does not provide for the registration of limited liability companies;

5.3.3 construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate owned by the Company;

5.3.4 expansion of the business of the Company to other locations;

5.3.5 the sale or disposition of all or substantially all of the assets of the Company.

5.4 Limitation on Authority of Members. No Member is an agent of the Company solely by virtue of being a Member, and no Member has authority to act for the Company solely by virtue of being a Member.

5.5 Removal and Replacement of General Manager. The General Manager may be removed at any time and from time to time and for any reason by a vote of not less than ninety-five percent (95%) of the Percentages then held by all Members. A vote of not less than ninety-five percent (95%) of the Percentages then held by all Members is required for the election of a new General Manager. In addition, the powers and authority of the General Manager may be changed

from time to time and for any reason by a vote of ninety-five percent (95%) or more of the Percentages then held by all Members.

5.6 Meetings of and Voting by Members. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place designated within the State by the Person calling the meeting. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice will hereby waive such requisite notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or the Member is in attendance or present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of Members holding at least a majority of the Percentages then held by Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by his duly authorized attorney in fact.

5.6.1. In lieu of holding a meeting, and upon unanimous approval of all Members, the Members may vote or otherwise take action by a written instrument.

5.6.2. The Members may participate in and act at any meeting of the Members through the use of a conference telephone or other telecommunications equipment by means of which all persons participating in the meeting can hear each other. Participation at such meeting shall constitute attendance.

5.6.3. Except as otherwise provided in this Agreement and except those acts that require unanimous consent as set forth in the Act, wherever the consent of the Members is required to approve or take action, the affirmative vote of Members holding a majority or more of the Percentages then held by Members shall be required to approve the matter.

5.7 Arbitration of Deadlock. If any vote is required on any matter under this Agreement, and the requisite Consent to approve or disapprove the matter is not obtained ("Deadlock"), the Deadlock will be resolved as follows. The Members will first attempt to resolve the Deadlock. In the event the Members agree that they are unable to resolve the Deadlock or have not resolved the Deadlock within seven days of the vote that produced the Deadlock, either party may request that the matter be submitted to arbitration in accordance with the rules of the American Arbitration Association. Any arbitration pursuant to this provision shall be held in Franklin County, Ohio, and each Member consents to any required jurisdiction required to enforce this provision. The Members agree that the result of any arbitration under this section shall be binding.

5.8 Personal Services. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by a vote of ninety-five percent (95%) or more of the Percentages then held by all Members or unless as otherwise stated herein, no Member shall be entitled to compensation for services performed for the Company. In any event,

upon substantiation of the amount and purpose thereof, the Members shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of the Company.

5.9 Duties of Parties.

5.9.1. Each member shall devote such time to the business and affairs of the Company as is necessary to carry out the Member's duties set forth in this Agreement.

5.9.2. Nothing in this Agreement shall be deemed to restrict in any way the rights of any Member, or of any Affiliate of any Member, to conduct any other business or activity whatsoever, competitive or non-competitive, and the Member shall not be accountable to the Company or to any Member with respect to that business or activity. The organization of the Company shall be without prejudice to their respective rights to maintain, expand, or diversify such other interests and activities and to receive and enjoy profits or compensation therefrom. Each Member waives any rights the Member might otherwise have to share or participate in such other interests or activities of any other Member or the Member's Affiliates. Further, it is agreed that Mike Purdum's and/or Timothy Miller's ownership and affiliation with any of The Old Bag of Nails Pubs, Pig Iron BBQs, Pour House Taverns, Chubby's bars and/or any other restaurants owned or operated by the Members are not in violation of the duties of the Members under this paragraph 5.9.

5.9.3. Each Member understands and acknowledges that the conduct of the Company's business may involve business dealings and undertakings with other Members and their Affiliates. In any of those cases, those dealings and undertakings shall be at arm's length and on commercially reasonable terms.

5.9.4. The Members and Interest Holders specifically covenant and agree that they will not reveal or disclose in any way, nor at any time, trade secrets, recipes, marketing practices, Confidential Information or customer/supplier lists of the Company to any other persons, for any reason whatsoever, regardless of whether or not they are in the restaurant business. The Members acknowledge and agree that the term "Confidential Information" includes, but is not limited to, all conversations, records, correspondence, files, lists, data, recipes and any other information relative to any aspect of the Company, its business, its operations and practices, its customers and clients, its suppliers, and its pricing and marketing practices, including all business and financial records. The Members and Interest Holders acknowledge that they have been given access to the Company's trade secrets and its Confidential Information for the purpose of enabling the Members to successfully provide services to the Company as the duties of their relationship demand; and that the confidentiality of such information is necessary to the Company's ability to compete and maintain a business reputation, client relationships and confidences. The Members and Interest Holders further acknowledge that the Company is engaged in a highly competitive business and that the trade secrets and Confidential Information are of great significance in enabling it to compete successfully in the restaurant industry. The Members and Interest Holders acknowledge and agree that all such Confidential Information and other trade secrets are, and shall be, the sole and exclusive property of the Company, and should never be used by any Member or Interest Holder for any purpose whatsoever, except in the furtherance of the Company's business or in the furtherance

of any of The Old Bag of Nails Pubs, Pig Iron BBQs, Pour House Taverns, Chubby's bars and/or any other restaurants owned or operated by the Members.

5.9.5. The Members and Interest Holders acknowledge and agree that the aforementioned restrictions are reasonable and necessary in order to protect the legitimate interests of the Company and that any violation would result in irreparable injury to the Company. The prohibitions regarding the non-disclosure of trade secrets and Confidential Information shall survive the term and termination of this Agreement.

5.10 Liability and Indemnification.

5.10.1. A Member shall not be liable, responsible, or accountable, in damages or otherwise, to any other Member or to the Company for any act performed by the Member with respect to Company matters, except for fraud, gross negligence, reckless conduct, intentional misconduct or a knowing violation of the law.

5.10.2. The Company shall indemnify each Member for any act performed by the Member with respect to Company matters, except for fraud, gross negligence, reckless conduct, intentional misconduct or a knowing violation of the law.

**SECTION VI
TRANSFER OF INTERESTS AND WITHDRAWALS OF MEMBERS**

6.1 Transfers.

6.1.1. No Person may Transfer all or any portion of or any interest or rights in the Person's Membership Rights or Membership Interest unless the following conditions ("Conditions of Transfer") are satisfied:

6.1.1.1. The Transfer will not require registration of Membership Interests or Membership Rights under any federal or state securities laws;

6.1.1.2. The transferee delivers to the Company a written instrument agreeing to be bound by the terms of Section VI of this Agreement;

6.1.1.3. The Transfer will not result in the termination of the Company pursuant to Code Section 708;

6.1.1.4. The Transfer will not result in the Company being subject to the Investment Company Act of 1940, as amended; and

6.1.1.5. The transferor or the transferee delivers the following information to the Company: (i) the transferee's taxpayer identification number; (ii) the transferee's initial tax basis in the Transferred Interest; and (iii) the transferee's address and telephone number; and

6.1.1.6. The Transfer complies with and is subject to the provisions set forth in Section 6.1.4 and 6.1.5, as the case may be.

6.1.2. If the Conditions of Transfer are satisfied, then a Member or Interest Holder may Transfer all or any portion of that Person's Membership Interest. The Transfer of a Membership Interest pursuant to this Section 6.1 shall not result, however, in the Transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Membership Interest shall have no right to: (i) become a Member; (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of a Membership Interest; or (iii) act as an agent of the Company. The transferee shall only be admitted as a Member upon the unanimous consent of the Members.

6.1.3. Each Member hereby acknowledges the reasonableness of the prohibition contained in this Section 6.1 in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Membership Interests in violation of the prohibition contained in this Section 6.1 shall be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this Section shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company, or have any other rights in or with respect to the Membership Rights.

6.1.4 Right of First Refusal.

6.1.4.1 If a Member (individually, a "Transferor") attempts to Transfer to any Person other than another Member (a "Transferee") all or any portion of or any interest or rights in the Transferor's Membership Rights (the "Transferor Interest"), then, prior to any Transfer of the Transferor Interest, the Transferor shall give the Company written notice (the "Transfer Notice I") containing each of the following:

6.1.4.1.1 the Transferee's identity;

6.1.4.1.2 the terms and conditions of the Transfer, including the compensation to be paid to, or received by, the Transferor for the Transferor Interest; and

6.1.4.1.3 the Transferor's offer (the "Offer") to sell the Transferor Interest to the Company for a price equal to the compensation Transferor is to receive, as set forth above (the "Transfer Purchase Price").

6.1.4.2 The Offer shall be and remain irrevocable for a period (the "Offer Period") ending at 11:59 p.m., local time at the Company's principal office, on the thirtieth (30th) day following the date the Transfer Notice I is given to the Company. At any time during the Offer Period, the Company may accept the Offer by giving written notice to the Transferor of its acceptance (the "Offeree Notice"). The Transferor shall not be deemed a Member for the purpose of the vote on whether the Company shall accept the Offer. If the Company accepts the Offer, the

Offeree Notice shall fix a closing date (the "Transfer Closing Date") for the purchase, which shall be no more than ninety (90) days after the expiration of the Offer Period.

6.1.4.3 If the Company accepts the Offer, the Transfer Purchase Price shall be paid in immediately available funds on the Transfer Closing Date unless the Company elects prior to the Transfer Closing Date to pay the Transfer Purchase Price in installments pursuant to the provisions of Section 6.7 of this Agreement.

6.1.4.4 If the Company rejects or fails to accept the Offer or any part thereof (within the time and in the manner specified in this *Section*) then the Transferor shall give the other Members (the "Remaining Members") written notice (the "Transfer Notice II") containing each of the following:

6.1.4.4.1 The Transferee's identity;

6.1.4.4.2 The terms and conditions of the Transfer, including the compensation to be paid to, or received by, Transferor for the Transferor Interest; and

6.1.4.4.3 The Transferor's offer (the "Offer") to sell the Transferor Interest to the Remaining Members for a price equal to the total compensation Transferee is to receive, as set forth above (the "Transfer Purchase Price").

6.1.4.5 The Offer shall be and remain irrevocable for a period (the "Offer Period II") ending at 11:59 P.M. local time at the Company's principal office on the thirtieth (30th) day following the date the Transfer Notice II is given to the Remaining Members. At any time during the Offer Period II, a Remaining Member may accept the Offer by notifying the Transferor in writing that the Remaining Members intend to purchase all, but not less than all, of the Transferor Interest. If two (2) or more Remaining Members desire to accept the Offer, then, in the absence of an agreement between or among them, each such Remaining Member shall purchase the Transferor Interest in the proportion that his or her respective Percentage bears to the total Percentages of all of the Remaining Members who desire to accept the Offer. The closing of the purchase of the Transferor Interest shall occur on a date within 90 days of the expiration of the Offer Period II (the "Transfer Closing Date").

6.1.4.6 If any Remaining Member accepts the Offer, the Transfer Purchase Price shall be paid in immediately available funds on the Transfer Closing Date unless the Remaining members elect prior to the Transfer Closing Date to pay the Transfer Purchase Price in installments pursuant to the provisions of Section 6.7 of this Agreement.

6.1.4.7 If no Remaining Member accepts the Offer (within the time and in the manner specified in this *Section*), then the Transferor shall be free for a period (the "Free Transfer Period") of thirty (30) days after the expiration of the Offer Period II to Transfer the balance of Transferor Interest to the Transferee, for the same or greater price and on the same terms and conditions as set forth in the Transfer Notices. The Transfer shall be subject, however, to the Conditions of Transfer. If the Transferor does not Transfer the Transferor Interest within the Free

Transfer Period, the Transferor's right to Transfer the Transferor Interest pursuant to this Section shall cease and terminate.

6.1.4.8 Any Transfer by the Transferor after the last day of the Free Transfer Period or without strict compliance with the terms, provisions and conditions of this Section and the other terms, provisions, and conditions of this Agreement, shall be null and void and of no force or effect.

6.1.5 Purdum's Option to Purchase.

6.1.5.1 Michael Purdum hereby has the right to acquire any Member's Membership Rights, at any time, by giving that Member notice of his intent to purchase such Membership Rights. When exercising this right, Michael Purdum must purchase all of the Membership Rights and Membership Interests from the particular Member who receives the notice to purchase contemplated in this Section. The closing on this purchase shall occur within 30 days of the date the Member receives notice of Purdum's intention to purchase, and the Purchase Price, as set forth below, shall be paid in immediately available funds on the closing date. The Purchase Price shall be equal to the following:

6.1.5.1.1 if purchased within the first year of the date of this Agreement, the Purchase Price shall be 125% of the Book Value thereof, as defined in Sections 6.6;

6.1.5.1.2 if purchased within the second year of the date of this Agreement, the Purchase Price shall be 150% of the Book Value thereof, as defined in Sections 6.6;

6.1.5.1.3 if purchased within the third year of the date of this Agreement, the Purchase Price shall be 175% of the Book Value thereof, as defined in Sections 6.6;

6.1.5.1.4 if purchased within the fourth year of the date of this Agreement or after, the Purchase Price shall be 200% of the Book Value thereof, as defined in Sections 6.6.

6.1.6 Transfers to Members and Family. Notwithstanding anything set forth in this Agreement to the contrary, but provided that the Conditions of Transfer (excluding Sub-section 6.1.1.6) are satisfied, any Member may at any time, and from time to time, Transfer all, or any portion of, or any interest or rights in, the Member's Membership Interest or Membership Rights to (i) any other Member, or (ii) the Member's spouse, or (iii) trusts or other estate planning vehicles for the exclusive benefit of a Member.

6.1.7 Admission of Transferee as Member. Other than Transfers completed in accordance with Sections 6.1.4 or 6.1.5 or 6.1.6, the transferee of all or any portion of or any interest or rights in any Membership Right shall not be entitled to become a Member or exercise any rights of a Member and shall only be admitted as a Member upon the unanimous consent of the Members. The transferee shall be entitled to receive, to the extent transferred, only the distributions to which the transferor would be entitled.

6.2 Purchase for Investment

6.2.1. Each Member hereby represents and warrants that his acquisition of Membership Rights is made as principal for his account for investment purposes only and not with a view to the resale or distribution of the Membership Right or Membership Interest.

6.2.2. Each Member agrees that he will not sell, assign or otherwise transfer his Membership Right or Membership Interest or any fraction thereof to any Person who does not similarly represent, warrant and agree to the same restriction on the transfer of the Membership Right or Membership Interest.

6.3 Voluntary Withdrawal. No Member shall have the right or power to voluntarily withdraw from the Company, except as otherwise provided by this Agreement.

6.4 Involuntary Withdrawal. Immediately upon the occurrence of an Involuntary Withdrawal (as such term is defined in Appendix A), the successor of the Withdrawn Member shall thereupon become an Interest Holder but shall not become a Member. The successor Interest Holder shall have all the rights of an Interest Holder, and nothing more, and shall be subject to the Buy-out provisions set forth in Section 6.5.

6.5 Optional Buy-out in Event of Involuntary Withdrawal. For purposes of this Section 6.5, the "Company" shall include a nominee of the Company.

6.5.1 Immediately upon the occurrence of an Involuntary Withdrawal, the Withdrawn Member shall be deemed to offer for sale (the "Withdrawal Offer") to the Company all of the Membership Rights owned of record and beneficially by the Withdrawn Member (the "Withdrawal Interest").

6.5.2 The Withdrawal Offer shall be and remain irrevocable for a period (the "Withdrawal Offer Period") ending at 11:59 P.M., local time at the Company's principal office on the sixtieth (60th) day following the date the Members elect to continue the Company. At any time during the Withdrawal Offer Period, the Company may accept the Withdrawal Offer by notifying the Withdrawn Member (the "Withdrawal Notice") of its acceptance. The Withdrawn Member shall not be deemed a Member for the purpose of the vote on whether the Company shall accept the Withdrawal Offer.

6.5.3 If the Company accepts the Withdrawal Offer, the Withdrawal Notice shall fix a closing date (the "Withdrawal Closing Date") for the purchase that shall be not earlier than ten (10) or later than ninety (90) days after the expiration of the Withdrawal Period.

6.5.4 If the Company accepts the Withdrawal Offer, the Company shall purchase the Withdrawal Interest for a price equal to the Withdrawn Member's Percentage times the Book Value (the "Withdrawal Purchase Price"). The Withdrawal Purchase Price shall be paid in immediately available funds on the Withdrawal Closing Date unless the Company elects prior to the Withdrawal

Closing Date to pay the Withdrawal Purchase Price in installments pursuant to the provisions of Section 6.7 of this Agreement.

6.5.5 If the Company fails to accept the Withdrawal Offer, then the Withdrawing Member or the Withdrawing Member's successor, as the case may be, upon the expiration of the Withdrawal Offer Period, thereafter shall be treated as the unadmitted assignee of a Member.

6.6 Book Value.

6.6.1 The term "Book Value" means the book value, computed in accordance with generally accepted accounting principles, consistently applied, of the Company as of the end of the last full taxable year immediately preceding the year in which the event giving rise to the purchase and sale of the Membership Rights or Interest occurred (the "Book Value"). Notwithstanding anything contained in this Agreement to the contrary, the computation of Book Value shall be subject to the following provisions:

6.6.1.1 Book Value shall not include any proceeds collected or collectible by the Company under any policy or policies of life or disability insurance insuring the life or disability of a Member, as a result of the death or disability of a Member.

6.6.1.2 No additional allowance of any kind shall be made for the goodwill, trade names, or any other intangible asset or assets of the Company other than the aggregate dollar amount for any of those intangible assets appearing on the most recent balance sheet of the Company prior to the date on which Book Value is to be determined.

6.6.1.3 Reserves for contingent liabilities shall not be treated as a liability for purposes of determining Book Value.

6.6.1.4 No adjustment shall be made to Book Value as a result of any event occurring subsequent to the date as of which Book Value is to be determined.

6.6.1.5 Anything contained in this Agreement to the contrary notwithstanding, Book Value shall be calculated for the purposes of this Agreement on an accrual basis even if the Company shall have used different accounting principles for that or any prior period.

6.6.2 Book Value shall be determined by an independent accountant agreed upon by all the Members. The determination of the accountant shall, for the purposes of this Agreement, be binding and conclusive upon all parties.

6.7 Installment Buy-outs. If the Company or any of the Remaining Members, as the case may be (the "Purchaser"), elect to pay one of the Purchase Prices on an installment basis, the Purchaser shall pay 25% of the Purchase Price in cash on the Closing Date and pay the balance over a period not to exceed five (5) years by executing and delivering its or their Promissory Note to the Withdrawn Member or the Transferor (the "Payee"), together with interest at the rate of six percent

(6%) per year. Such Promissory Note shall allow for the prepayment of the note without penalty but shall be secured by a mortgage on all of the Company's real estate, if any, and a lien on all of the Company's assets.

SECTION VII DISSOLUTION, LIQUIDATION, AND TERMINATION OF THE COMPANY

7.1 Events of Dissolution. The Company shall be dissolved upon the happening of any of the following events:

- 7.1.1. upon the unanimous written agreement of the Members; or
- 7.1.2. upon an entry of a decree of judicial dissolution; or
- 7.1.3. upon the occurrence of an Involuntary Withdrawal (as such term is defined in Appendix A), unless the remaining Members, within ninety (90) days after the event or occurrence of the Involuntary Withdrawal, unanimously elect to continue the business of the Company pursuant to the terms of this Agreement.

7.2 Procedure for Winding Up and Dissolution. If the Company is dissolved, the remaining Members shall wind up its affairs. On winding up of the Company, the assets of the Company shall be distributed,

- (i) to creditors of the Company, in accordance with their priority, including Interest Holders who are creditors, in satisfaction of the liabilities of the Company;
- (ii) to Interest Holders and former Interest Holders in satisfaction of unpaid distributions;
- (iii) to Interest Holders for the return of Capital Contributions; and
- (iv) to Interest Holders in proportion to their respective Capital Accounts.

No Interest Holder shall have an obligation to restore a negative Capital Account.

7.3 Filing of Certificate of Dissolution. If the Company is dissolved, the Members shall promptly file a Certificate of Dissolution with OSOS. If there are no remaining Members, the Certificate shall be filed by the last person to be a Member.

SECTION VIII RIGHTS AND OBLIGATIONS OF MEMBERS

Limitation on Liability of Members. The liability of each Member shall be limited to his Capital Contribution and any return of his Capital Contribution received within the preceding year.

No Member shall have any other liability to contribute money to, or in respect to the liabilities or obligations of, the Company, nor shall any Member be personally liable for any obligations of the Company.

SECTION IX BOOKS, RECORDS, ACCOUNTING, AND TAX ELECTIONS

9.1 **Bank Accounts.** All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The Members shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the persons who will have authority with respect to the accounts and the funds therein.

9.2 **Books and Records.** The Members shall keep or cause to be kept complete and accurate books and records of the Company, including all such documentation required by Section 1705.28(A). The books and records shall be maintained in accordance with sound accounting principles and practices and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

9.3 **Annual Accounting Period.** The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the Members, subject to the requirements and limitations of the Code.

9.4 **Reports.** Within ninety (90) days after the end of each taxable year of the Company, the Members shall cause to be sent to each person who was a Member at any time during the taxable year then ended a complete accounting of the affairs of the Company for the taxable year then ended. In addition, within ninety (90) days after the end of each taxable year of the Company, the Members shall cause to be sent to each person who was an Interest Holder at any time during the taxable year then ended, that tax information concerning the Company which is necessary for preparing the Interest Holder's income tax returns for that year.

SECTION X GENERAL PROVISIONS

10.1 **Assurances.** Each Member shall execute all such certificates and other documents and shall do all such filing, recording, publishing, and other acts as the Members deem appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

10.2 **Notifications.** Any notice, demand, consent, election, offer, approval, request, or other communication (collectively, a "notice") required or permitted under this Agreement must be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested to the Member's address in Section 2.7. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice

to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; and, thereafter, notices are to be directed to those substitute addresses or addressees.

10.3 Specific Performance. The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act which would constitute a breach; or (ii) compelling the performance of any obligation which, if not performed, would constitute a breach.

10.4 Complete Agreement. This Agreement constitutes the complete and exclusive statement of the agreement between the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members. Oral agreements which purport to amend this agreement shall not be enforceable.

10.5 Applicable Law. All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Ohio.

10.6 Section Titles. The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

10.7 Binding Provisions. This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

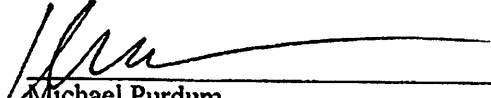
10.8 Jurisdiction and Venue. Any suit involving any dispute or matter arising under this Agreement may only be brought in the courts in the State of Ohio, Franklin County, or such other county in Ohio where the Company may relocate its principal place of business. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

10.9 Terms. Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the person may in the context require.

10.10 Severability of Provisions. Each provision of this Agreement shall be considered severable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

10.11 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

IN WITNESS WHEREOF, the parties have executed, or caused this Agreement to be effective, under seal, as of the date set forth hereinabove.



Michael Purdum



Timothy Miller

THE OLD BAG OF NAILS PUB - LANSING, LLC

Appendix A to Operating Agreement

DEFINED TERMS

The following capitalized terms shall have the meanings specified in this Appendix A. Other terms are defined in the text of this Agreement and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

"Act" means the Ohio Limited Liability Company Act, Ohio Revised Code Chapter 1705 as amended from time to time.

"Agreement" means this Agreement, as amended from time to time.

"Capital Account" means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

- (i) an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (or which are secured by Company property distributed to the Interest Holder), the Interest Holder's distributive share of Profit, and any item in the nature of income or gain specially allocated to such Interest Holder pursuant to the provisions of Section IV; and
- (ii) an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder, the amount of any liabilities of the Interest Holder assumed by the Company (or which are secured by property contributed by the Interest Holder to the Company), the Interest Holder's distributive share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of Section IV.

If any Membership Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Membership Interest. If the book value of Company property is adjusted, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under IRS Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed or to which the assets are subject.

"Capital Proceeds" means the gross receipts received by the Company from a Capital Transaction.

"Capital Transaction" means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

"Cash Flow" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any non-cash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the General Manager in his sole discretion. Cash Flow shall not include Capital Proceeds but shall be increased by the reduction of any reserve previously established.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

"Company" means the limited liability company formed in accordance with this Agreement.

"Interest Holder" means any person who holds a Membership Interest, whether as a Member or an unadmitted assignee of a Member.

"Involuntary Withdrawal" means, with respect to any Member, the occurrence of any of the following events:

- (i) the Member makes an assignment for the benefit of creditors;
- (ii) the Member files a voluntary petition of bankruptcy;
- (iii) the Member is adjudged bankrupt or insolvent;
- (iv) the Member files a petition or answer seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
- (v) the Member files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any proceeding described in subsection (iv);

- (vi) any proceeding against the Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, continues for one hundred twenty (120) days after the commencement thereof, or the appointment of a trustee, receiver, or liquidator for the Member of all or any substantial part of the Member's properties without the Member's agreement or acquiescence, which appointment is not vacated or stayed for ninety (90) days or, if the appointment is stayed, for ninety (90) days after the expiration of the stay during which period the appointment is not vacated;
- (vii) if the Member is an individual, the Member's death or adjudication by a court of competent jurisdiction as incompetent to manage the Member's person or property;
- (viii) if the Member is acting as a Member by virtue of being a trustee of a trust, the termination of the trust;
- (ix) if the Member is a partnership or limited liability company, the dissolution and commencement of winding up of the partnership or limited liability company;
- (x) if the Member is a corporation, the dissolution of the corporation or the revocation of its charter; or
- (xi) if the Member is an estate, the distribution by the fiduciary of the estate's entire interest in the limited liability company.

"Member" means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

"Membership Interest" means an Interest Holder's share of the Profits and Losses of, and the right to receive distributions from, the Company.

"Membership Rights" means all of the rights of a Member in the Company, including a Member's: (i) Membership Interest; and (ii) the rights granted to members under this Agreement or under the Act.

"OSOS" means the Ohio Secretary of State.

"Percentage" means, as to a Member, the percentage set forth after the Member's name in Section 2.7, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Membership Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Membership Interest.

"Person" means and includes any individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

"Profit" and "Loss" means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with IRC Section 703(a), with the following adjustments:

- (i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss; and
- (ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included in computing taxable income or loss; and
- (iii) any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted from taxable income or loss; and
- (iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes; and
- (v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation computed based upon the adjusted book value of the asset.

"Transfer" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

"Voluntary Withdrawal" means a Member's dissociation with the Company by means other than a Transfer or an Involuntary Withdrawal.

JPHOWE, PLLC
280 N. Old Woodward Ave.
Suite 12
Birmingham, MI 48009

509

9-32/720

6/1/22
Date

Pay to the
Order of

State of Michigan

\$ 140.00

Chas. A. Feltz 09/10

Dollars

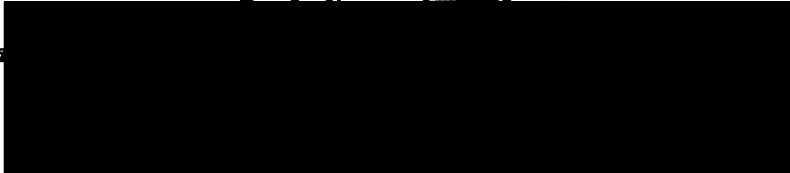


Security
Features
Visible on
Back

J.P. Morgan Chase

For

Old Bay & Nuts





On-Premises Alcohol Sales Application

Instructions	Application Information	Attachments	Approvals
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Non-Refundable License Fees

- 1. Application Fee: \$1450 for New Location, \$400 for Transfer of Ownership

Materials Required

- 1. Notary Statement
- 2. Attachment of Michigan Liquor Control Commission Application
- 3. Treasury Form(s)
- 4. Floor Plans, if not already on file

(City Codified Ordinances - Chapter 830)

Business Information

I am applying for: * ☒ New Location ☐ Transfer of Ownership

License(s) for which I am seeking Local Government Approval * Old Bag of Nails Pub - Lansing, LLC is applying for a new RDA Class C Liquor License, SDM Liquor License, Sunday AM Sales Permit, Sunday PM Sales Permit, and Outdoor Service Permit for a new Old Bag of Nails Pub located at 210 Cascade Blvd., Lansing, MI 48912

Business Name * Old Bag of Nails Pub - Lansing, LLC

Does Business As Old Bag of Nails Pub

Address *

Street Address

210 Cascade Blvd.

Address Line 2

City

Lansing

State / Province / Region

Michigan

Postal / Zip Code

48912

Country

USA

Phone *

248-835-2068

XXX-XXX-XXXX

Email

jphowe@jphowe.com

name@domain

Applicant Information

Applicant Name *

Old Bag of Nails Pub - Lansing, LLC

Address *

Street Address

1331 Walcutt Rd.

Address Line 2

City

Columbus

State / Province / Region

Ohio

Postal / Zip Code

43228

Country

United States

Phone *

614-296-3089

XXX-XXX-XXXX

Email *

abigail.purdum@oldbagofnails.c

name@domain

Business Owner Information

Type of Ownership *☐ Single Owner☒ Multiple Owners

Provide the names, addresses and ages of the persons entitled to share in the profits thereof, or, in the case of a corporation, the objects for which the corporation is organized, the names, addresses and ages of the officers and directors and, if a majority interest in the stock of such corporation is owned by one person or his or her nominee, the name, address, and age of such person:

Name

Position

Address

age

Michael R. Purdum

90% Member

2383 Cambridge Blvd., Columbus, OH 43260

Timothy E. Miller

10% Member

1266 Clubview Blvd. N, Columbus, OH 43260

Character of Business *

What Character of business do you intend to operate?

Restaurant and Bar

Length of Time *

What is the length of time your business has been of that character, or in the case of a corporation, the date when its charter was issued?

Old Bag of Nails is a restaurant chain with 15 restaurants that opened its first restaurant in 1985.

Similar Licenses *

Have you made applications for a similar or other license on premises other than those described in this application?

☒ Yes

☐ No

Disposition *

What is the disposition of any such earlier application?

Liquor license applications approved by applicable state and local boards in other jurisdictions.

Are Building Plans on File? *

☒ Yes

☐ No

I (we) have never been convicted of a felony and is (are) not disqualified to receive a license by reason of any item contained in this chapter of the laws of the State.

☒ I Agree

I (we) will not violate any State or Federal laws or any ordinance of the City in the conduct of this business.

☒ I Agree

I (we) or my (our) agent(s) do not owe any personal property taxes.

☒ I Agree

The copy of the Michigan Liquor Control Commission application submitted with this application is a true copy of what I (we) intend to submit to the Michigan Liquor Control Commission.

☒ I Agree

Fees Due

\$ 1,450.00

Methods for payment are on the first page of this document, under "**Payments.**" Processing this application will not proceed until payment is received.

Electronic Signature Agreement

By checking the "I agree" box below, you agree and acknowledge that 1) your application will not be signed in the sense of a traditional paper document, 2) by signing in this alternate manner, you authorize your electronic signature to be valid and binding upon you to the same force and effect as a handwritten signature, and 3) you may still be required to provide a traditional signature at a later date.

☒ I Agree

I hereby certify that this application is complete and accurate to the best of my knowledge, information and belief. I understand that a false statement on this application may result in either a denial of this application or subsequent revocation if this license is granted.

Signature

J. Patrick Howe

Date Submitted

7/5/2022

Previous

Next

Comments



On-Premises Alcohol Sales Application

Instructions	Application Information	Attachments	Approvals
--------------	-------------------------	-------------	-----------

Instructions to City Clerk: Note: this license cannot be issued without approval by City Council. You may attach Council documents in the Attachment page or copy them later to the repository. Following a review of details and approval by council, choose an approval decision on the Clerk Approval row, and click **Submit**.

License Desk Approval	☒ Approved	☐ Denied
Police Approval	☒ Approved	☐ Denied
Fire Marshal Approval	☒ Approved	☐ Denied
Zoning Approval	☒ Approved	☐ Denied
Building Safety Approval	☒ Approved	☐ Denied
Treasury Approval	☒ Approved	☐ Denied
Treasurer Approval	☒ Approved	☐ Denied
Clerk Approval*	☐ Approved	☐ Denied

Previous

Next

Comments

UNIVERSITY EDGE - LANSING

RESTAURANT LEASE

Dated as of February 7, 2022,

by and between

RED CEDAR STUDENT HOUSING I HOLDINGS, LLC

and

THE OLD BAG OF NAILS PUB-LANSING, LLC
d/b/a The Old Bag of Nails Pub

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EXHIBITS

Exhibit A - Legal Description of Project

Exhibit B - Site Plan

Exhibit C - Construction

Exhibit D - Guaranty

Exhibit E - Renewal Options

Exhibit F - Prohibited Uses

Exhibit G - Landlord's Financed Personal Property

RESTAURANT LEASE

This RESTAURANT LEASE is entered into as of February 7, 2022 (this "Lease") by and between the Landlord and the Tenant hereinafter named.

ARTICLE I DEFINITIONS AND CERTAIN BASIC PROVISIONS

Section 1.1

- (a) Landlord: Red Cedar Student Housing I Holdings, LLC, an Ohio limited liability company
Tax ID#: 84-3132386
- (b) Landlord's Address: c/o Continental Real Estate Companies
150 East Broad Street, Suite 800
Columbus, Ohio 43215
- (c) Tenant: The Old Bag of Nails Pub-Lansing, LLC
Tax ID#: 87-3771818
- (d) Tenant's Mailing Address: 1331 Walcutt Rd.
Columbus, Ohio 43228
- (e) Trade Name: The Old Bag of Nails Pub
- (f) Project: That certain development on the land described on Exhibit A, consisting of, as of the Effective Date, a residential development commonly known as University Edge Student Living, a retail area on the first floor of the residential development consisting of approximately 16,147 square feet of leasable area as of the date of this Lease (the "Retail Area"), the Restaurant Site and the Common Area, together with such additions and other changes as Landlord may from time to time designate as included within or excluded from the Project or any portion thereof.
- (g) Restaurant Site: "Restaurant Site" is the property containing the Premises (including the Patio), the exterior of the building in which the Premises is located (which combined with the Premises is the "Restaurant Building") and the portion of Common Area, if any, immediately adjacent to the Restaurant Building and not part of any publicly dedicated areas. It is anticipated that the Restaurant Site will ultimately be a separate real estate parcel with a separate Tax ID Number, but as of the date of this Lease, the Restaurant Site is a portion of the land described on Exhibit A. In the event the Restaurant Site becomes a separate real estate parcel, the Common Area, if any, of the Restaurant Site will be any Common Area contained within such separate real estate parcel. The Restaurant Site is shown on Exhibit B (the "Site Plan").
- (h) Premises: approximately 7,420 square feet in the location shown on the Site Plan and being all of the interior of the Restaurant Building. Actual square footage of the Premises shall include all floors, basements and mezzanines of the Premises measured to the center line of all walls common to other tenant premises and the exterior faces of all other walls without deduction or exclusion for any space occupied or used by columns, stairs, sprinkler risers, roof drains, structural braces, shafts, expansion joints, shear walls or other interior construction or equipment within the Premises. The parties acknowledge that the square footage set forth herein shall be deemed to be the actual square footage of the Premises for purposes of calculating all rental and other charges and construction allowances, if any, under this Lease, unless, within 90 days after the Commencement Date, either party, at its

own cost, causes its architect to measure the Premises and such architect certifies a different square footage. If such architect certifies a different square footage of the Premises within such 90 days, once both parties agree on such different square footage, all rental and charges and construction allowances, if any, hereunder that are expressed herein as being based on the size of the Premises shall be adjusted to reflect such actual square footage, and the parties shall amend this Lease to reflect such changes. If the parties cannot agree on the adjusted square footage, then the parties shall jointly select a third-party architect to measure the Premises, and such architect's measurement shall be binding upon the parties, and the parties shall each pay one-half of the fee charged by said third party architect to measure the Premises.

The Premises shall include the area designated "patio" on the Site Plan (or, if not specifically designated on the Site Plan, as set forth on Tenant's Plans or as otherwise agreed to and memorialized by Landlord and Tenant – the first floor patio area is shown on the Site Plan, the second floor patio/terrace area is not) (the "Patio"), provided the Patio is permitted under Laws. Notwithstanding the foregoing, the square footage of the Patio is not, and shall not be, included in the calculation of the square footage of the Premises as set forth in the previous paragraph. Except with respect to work to be performed by Landlord as part of Landlord's Work, Tenant shall be solely responsible for all costs associated with the construction of the Patio, which shall be constructed in the location, manner and using materials mutually agreed upon by Landlord and Tenant. Tenant shall be solely responsible for any destruction, damage, theft or vandalism of or to any personal property of Tenant or any of Landlord's Financed Personal Property used or stored on the Patio and Tenant shall be solely responsible for the cleaning of any such personal property of Tenant or any of Landlord's Financed Personal Property used on the Patio and the removal of any trash and debris generated as the result of the use of the Patio by Tenant and Tenant's customers. Tenant may use the Patio as set forth above only during those hours when the Premises are open for business. Tenant's use of the Patio shall comply with all Laws, including, but not limited to, compliance with any Laws pertaining to the sale and service of alcoholic beverages on the Patio, and Tenant shall be responsible for obtaining all operational permits required to use the Patio.

- (i) Term: Ten Lease Years. "Lease Year" means the period that commences on the first day of the first full month following the Commencement Date or each anniversary of such date, and terminates 12 months thereafter. If the Commencement Date occurs on a day other than the first day of a calendar month, the first Lease Year shall include the period from the Commencement Date through the end of the calendar month in which the Commencement Date occurs.
- (j) Estimated Completion Date: within 120 days after the date of this Lease.
- (k) Percentage Rental: as set forth in Article IV.
- (l) Construction Allowance: up to \$700,000.00.
- (m) Permitted Use: The Premises shall be occupied and used solely for the operation of a full-service "Old Bag of Nails" restaurant consistent with the operations at a majority of the other "Old Bag of Nails" restaurant locations operated by Tenant or an affiliate, subsidiary, franchisee, parent company or entity or any entity that controls, is controlled by or is under common control with Tenant as of the date of this Lease with such changes as have occurred at a majority of such "Old Bag of Nails" restaurants, and for no other purpose and further subject to the prohibited uses set forth on Exhibit F and the other provisions of this Lease.

Section 1.2 Each of the foregoing definitions and basic provisions shall be construed in conjunction with and limited by references thereto in other provisions of this Lease.

ARTICLE II GRANTING CLAUSE

In consideration of the obligation of Tenant to pay rent and other charges as herein provided and in consideration of the other terms, covenants and conditions hereof, Landlord hereby demises and leases to Tenant, and Tenant hereby accepts from Landlord, the Premises TO HAVE AND TO HOLD said Premises for the Term, all upon the terms and conditions set forth in this Lease. Tenant acknowledges that Tenant's leasehold interest in the Premises is subject to (i) covenants, conditions, restrictions, easements, mortgages, and other matters of record, (ii) the effect of all laws, ordinances, codes, rules, regulations and orders of all federal, state, county and city and other local governments and the appropriate departments, commissions, boards and offices thereof that are enforceable at the time in question in respect of the matter to which such term refers in this Lease (collectively, "Laws"), and (iii) general and special taxes not delinquent.

ARTICLE III CONSTRUCTION; TENANT'S OPENING

Section 3.1 Landlord's Work. (a) Landlord shall perform the work described as "Landlord's Work" on Exhibit C with such minor deviations as Landlord deems advisable and shall be obligated to perform no other work unless otherwise expressly stated herein. The Premises shall be deemed to be delivered to, and ready for occupancy by, Tenant on the date Landlord's Work is substantially complete and Landlord notifies Tenant of same in writing (the "Delivery Date"). If Landlord provides such notice after the date Landlord's Work is substantially complete, the Delivery Date shall be the date such notice is given to Tenant. Landlord may give such notice prior to the date Landlord's Work is substantially complete provided such notice sets forth the anticipated Delivery Date and is given no more than ten days prior to the Delivery Date. The Delivery Date shall occur as set forth above notwithstanding that Tenant does not take possession of the Premises at such delivery or that Tenant does not have keys to the Premises.

(b) If the Delivery Date has not occurred on or before the Estimated Completion Date, Landlord shall not be deemed to be in default hereunder or otherwise liable in damages to Tenant, nor shall the Term be affected, except that if the Delivery Date does not occur within 12 months following the Estimated Completion Date, Tenant may at its option terminate this Lease by notice to Landlord delivered at any time thereafter but prior to the Delivery Date, in which event neither party shall have any further liabilities or obligations hereunder.

(c) Landlord's liability for latent defects in Landlord's Work shall not extend beyond one year after the Delivery Date unless Tenant notifies Landlord in writing of such defect within such one-year period.

Section 3.2 Tenant's Work. (a) Within 60 days after the date of this Lease, Tenant shall submit to Landlord for approval any additional construction plans and specifications for the work described as "Tenant's Work" in Exhibit C, if any, in addition to the Landlord Construction Plans and the Tenant Construction Plans (as defined in Exhibit C) in compliance with such exhibit and in compliance with the requirements for submission of such plans for a building permit in the applicable jurisdiction. Landlord shall not unreasonably withhold its approval of such plans and specifications. If Landlord disapproves such plans and specifications, Tenant shall revise and resubmit them to Landlord within ten days and shall repeat this process until Landlord approves such plans and specifications. Landlord may approve such plans and specifications with or without qualification or comment, and such plans and specifications as approved by Landlord in writing, in addition to the Construction Plans, are referred to herein as "Tenant's Plans". If such plans and specifications are approved with qualifications or comments by Landlord, and agreed to by Tenant with such qualifications or comments (which agreement Tenant shall provide in writing), then "Tenant's Plans" shall be deemed to have been revised to incorporate such qualifications and comments whether or not Tenant has actually had them revised. In the event of any conflict between the description or scope of Landlord's Work or Tenant's Work set forth in Exhibit C and the description or scope of such work as set forth in Tenant's Plans, the description

and scope set forth in Tenant's Plans shall control to the extent of such conflict. Tenant's Work shall also include the installation of Landlord's Financed Personal Property.

(b) Upon the Delivery Date, Tenant shall proceed with due diligence to perform Tenant's Work in accordance with Tenant's Plans and to install its fixtures, furniture and equipment. Tenant shall pay all costs associated with Tenant's Work including all construction costs, equipment and fixtures, fees, permits, signs, professional services, insurance, and utilities. Tenant shall reimburse Landlord for the cost of any services or construction beyond Landlord's Work provided by Landlord at Tenant's request. Tenant shall contract directly with Landlord's roofing contractor, at Tenant's expense, for the performance of any of Tenant's Work that involves any work on or to the roof of the Premises, including any venting, opening, sealing, waterproofing or any altering of the roof (collectively, "Roof Work"). Tenant shall provide Landlord with a certificate from Landlord's roofing contractor that all Roof Work has been performed in compliance with all roof warranties. Tenant hereby holds Landlord harmless from any damage to the Premises or any other portion of the Restaurant Building resulting, directly or indirectly, from any Roof Work.

In the event of any dispute as to work performed or required to be performed by Landlord or Tenant, the certificate of Landlord's architect or engineer shall be conclusive. By initiating Tenant Work in the Premises, Tenant shall be deemed to have accepted the same and to have acknowledged that the same fully comply with Landlord's obligations hereunder. Tenant further agrees that, if requested by Landlord, Tenant will furnish Landlord with a written statement that Tenant has accepted the Premises and that Landlord has fully complied with Landlord's obligations hereunder. Tenant agrees to furnish to Landlord a Certificate of Occupancy from applicable local authorities upon the Commencement Date.

Section 3.3 Construction Allowance. Tenant agrees to contribute \$250,000.00 toward the cost of Tenant's Work, except that said sum shall not in any event be applied toward Tenant's personal property, trade fixtures, signs and architect fees, except for the cost of any of Landlord's Financed Personal Property ("Tenant's Construction Contribution"). Following Tenant's Construction Contribution, Landlord agrees to contribute an amount up to the Construction Allowance toward the actual cost of Tenant's Work, except that said sum shall not in any event be applied toward Tenant's personal property, trade fixtures, signs and architect fees except for any such items specifically set forth on Exhibit G (the "Landlord's Financed Personal Property") and the Liquor License. If the cost of Tenant's Work (including the cost of Landlord's Financed Personal Property) is less than \$950,000.00, Landlord will contribute, as the Construction Allowance, the actual amount of the cost of Tenant's Work (including the cost of Landlord's Financed Personal Property) minus Tenant's Construction Contribution, provided, however, Landlord shall not be required to contribute to cost of Landlord's Financed Personal Property until the final payment of the Construction Allowance in accordance with Section 3.3(c) below and otherwise in accordance with Exhibit G). If the cost of Tenant's Work (including the cost of Landlord's Financed Personal Property) exceeds \$950,000.00, such excess amount shall be borne solely by Tenant. Following Tenant's Construction Contribution, which shall be accompanied by such reasonable supporting documentation as Landlord or its mortgagee may require, Landlord shall pay Tenant (a) one-third of the Construction Allowance amount within ten days after written request from Tenant, but in no event sooner than the Delivery Date; (b) one-third of the Construction Allowance within ten days after written request from Tenant and Landlord's receipt of invoices from Tenant showing reimbursable expenditures for Tenant's Work equaling or exceeding the first one-third of the Construction Allowance, with such reasonable supporting documentation as Landlord or its mortgagee may require and (c) the remaining amount, if any, of the Construction Allowance within 30 days after the date Tenant has opened for business and delivered to Landlord the following:

- (i) An invoice from Tenant for the Construction Allowance, which invoice shall show actual itemized expenditures and costs directly incurred in connection with Tenant's Work and the Liquor License, with such reasonable supporting documentation as Landlord or its mortgagee may require (including Landlord's Financed Personal Property).
- (ii) An executed estoppel certificate in the form prescribed in Section 27.9.
- (iii) A copy of the "Certificate of Occupancy" issued by the applicable building department in the city in which the Premises is located.

- (iv) A complete list of the names, addresses, telephone numbers and contract amounts for all contractors, subcontractors, vendors and/or suppliers providing materials and/or labor for Tenant's Work.
- (v) All mechanic's lien releases and other lien releases on account of Tenant's Work which shall be notarized, unconditional, bearing original signatures and in recordable form and otherwise in such form as Landlord shall have approved.
- (vi) Copies of all building permits, indicating inspection and approval by the issuer of said permits.
- (vii) A certification from Tenant's architect that the Premises have been constructed in accordance with Tenant's approved plans and are 100 percent complete in accordance with such plans.

The cost of any additional work performed by Landlord for the benefit of Tenant as well as any rentals owing under this Lease shall be deducted from the Construction Allowance before the Construction Allowance is paid to Tenant. If Tenant is in default under this Lease, Landlord shall not be obligated to pay Tenant the Construction Allowance. If Landlord terminates this Lease and Tenant's right to possession of the Premises, pursuant to any right to do so under this Lease, Tenant shall pay to Landlord (in addition to any damages recoverable by Landlord pursuant to this Lease) the unamortized cost of the Construction Allowance, amortized on a straight-line basis over the Term.

The Landlord's Financed Personal Property shall be Landlord's property and shall not be removed by from the Premises by Tenant at any time during the Term of this Lease or otherwise. Tenant shall be entitled to use Landlord's Financed Personal Property during the Term of this Lease provided Tenant is not in default under this Lease and maintain and repair Landlord's Financed Personal Property in a commercially reasonable manner. Tenant shall cause any purchase orders or bills of sale for Landlord's Financed Personal Property to be in Landlord's name, and if not, Tenant shall execute whatever documents are necessary to convey Landlord's Financed Personal Property to Landlord. In no event shall Tenant finance any of Landlord's Financed Personal Property with any purchase money or other type of financing; use Landlord's Financed Personal Property as collateral or permit a lien upon Landlord's Financed Personal Property. Following the first two Lease Years, in the event any of the Landlord's Financed Personal Property requires replacement, upon providing Landlord with bills of sale and reasonable supporting documentation for such replacement property, any such replacement property shall be the property of Tenant. In the event any of Landlord's Financed Personal Property requires replacement during the first two Lease Years, Landlord shall replace it at Landlord's cost, and such replacements shall remain Landlord's Financed Personal Property, provided, however, shall not be required to replace any Landlord's Financed Personal Property as a result of Tenant's negligence or failure to maintain such Landlord's Financed Personal Property in a commercially reasonable manner, ordinary wear and tear excepted.

Section 3.4 Tenant's Opening. Tenant agrees to open the Premises to the public on or before the Commencement Date. The Commencement Date of this Lease shall be the earlier of (i) 180 days after the Delivery Date, and (ii) the date upon which Tenant opens the Premises to the public for business. Occupancy of the Premises by Tenant prior to the Commencement Date shall be subject to all of the terms and provisions of this Lease excepting only those requiring the payment of rent. Landlord and Tenant each agree that at the request of either they will, following the Commencement Date, execute and deliver an unrecordable short form Lease containing the basic provisions of this Lease, acknowledging that Tenant has accepted possession, and reciting the exact Commencement Date and termination date of this Lease.

ARTICLE IV MONTHLY PERCENTAGE RENTAL

The total monthly Percentage Rental shall accrue hereunder from the Commencement Date and shall be payable at the place designated for delivery of notices to Landlord at the time of payment, without demand and without set-off or deduction, for any reason whatsoever, except as herein provided. Tenant shall pay to Landlord for each Lease Year during the Term, as percentage rental, an amount equal to seven and one-half percent (the "Percentage Rental Rate") multiplied by Tenant's Gross Sales for each Lease Year (the "Percentage Rental"). The Percentage Rental shall be paid in monthly installments as follows: on or before the 15th day of each calendar month during the Term, Tenant shall pay to Landlord an amount equal to the product of the percentage rate specified multiplied by the total Gross Sales made in or from the Premises during such preceding month. If the total of the monthly payments of Percentage Rental for any Lease Year is not equal to the Percentage Rental computed on the amount of Gross Sales for such Lease Year in accordance with the specified rate, then Tenant shall pay to Landlord any deficiency or Landlord shall refund to Tenant any overpayment, as the case may be, within 60 days after the end of such Lease Year.

If the Commencement Date is not the first day of a calendar month or this Lease terminates on a date other than the last day of a calendar month, Percentage Rental for such fractional part of the calendar month following the Commencement Date or preceding the termination date, as the case may be, shall be paid at the specified rate for all Gross Sales made during such fractional part, such Percentage Rental to be paid in monthly installments as provided above with respect to full Lease Years.

"Gross Sales" shall mean the total amount of all sales of food, beverages, including alcoholic beverages, merchandise or services from, or completed at, the Premises by Tenant or any sublessee, licensee or concessionaire of Tenant and any other person or entity operating in the Premises (for purposes of this paragraph only, collectively, "Tenant"), including, but not limited to, any carryout or "to-go" sales, whether for cash, credit or otherwise, including redemption of gift certificates and gift cards (regardless of where or how such gift certificates and gift cards were purchased). Tenant shall record, at the time of each Gross Sale, all receipts from such sale, whether for cash, credit or otherwise, in a cash register or cash registers, or in such electronic or computer device which records sales in a manner which is generally acceptable by industry standards.

Notwithstanding the foregoing, and provided that Tenant is not default under the Lease and is open and operating Tenant's business in the Premises in accordance with the terms of Section 7.1(a) (except where the Premises are rendered untenable by reason of fire, casualty, or permitted repairs or alterations), the Percentage Rental Rate shall be reduced from seven and one-half percent to six percent at such time as Tenant's total Percentage Rental payments equal or exceed the amount of the Construction Allowance plus interest of five percent per annum.

ARTICLE V SALES REPORTS AND RECORDS

Section 5.1 Monthly/Annual Sales Reports. On or before the 15th day of each calendar month during the Term, Tenant shall prepare and deliver to Landlord at the place designated by Landlord a statement of Gross Sales made during the preceding calendar month. In addition, within 60 days after the expiration of each calendar year and within 60 days after termination of this Lease, Tenant shall prepare and deliver to Landlord at the place designated by Landlord a statement of Gross Sales during the preceding calendar year (or partial calendar year), certified to be correct by an independent certified public accountant. Tenant shall furnish similar statements for its licensees, concessionaires and subtenants, if any. All such statements shall be in such form as Landlord may require. If any such certified statement discloses error in the calculation of Percentage Rental for any period, appropriate adjustment of the Percentage Rental shall be made, subject, however, to Landlord's rights under Section 5.3.

Section 5.2 Tenant's Records. Tenant shall keep in the Premises or at some other location in the continental United States a permanent, accurate set of books and records of all sales of merchandise and

revenue derived from business conducted in and from the Premises, and all supporting records such as tax reports, banking records, cash register tapes, sales slips and other sales records. All such books and records shall be retained and preserved for at least 36 months after the end of the calendar year to which they relate, and shall be subject to inspection and audit by Landlord and its agents at all reasonable times.

Section 5.3 Landlord's Audit. Landlord shall have the right from time to time to have its auditors audit all books and records, wherever located, pertaining to sales made in or from the Premises. If any monthly or annual statements of Gross Sales are found to be incorrect to an extent of more than two percent over the figures submitted by Tenant, Tenant shall pay for such audit. Tenant shall promptly pay to Landlord any deficiency or Landlord shall promptly refund to Tenant any overpayment, as the case may be, that is established by such audit. If it shall be determined as a result of an audit that there has been a deficiency in the payment of Percentage Rental, then such deficiency shall become immediately due and payable with interest in accordance with Article XXV from the date when said payment was due. In addition, if Tenant understates Gross Sales by more than six percent and if Landlord is entitled to any additional Percentage Rental as a result, or if an audit shows that Tenant has failed to maintain the books of account and records as required or fails to appear for and/or cooperate with Landlord's audit representative and, as a result, Landlord is unable to verify the accuracy of Tenant's statement, then Tenant shall, in addition to and not in lieu of any other of Landlord's rights and remedies set forth in this Lease, pay to Landlord all reasonable costs and expenses incurred by Landlord in conducting such audit and collecting any underpayment.

ARTICLE VI COMMON AREA

The "Common Area" is the part of the Project and areas surrounding the Project (whether or not owned by Landlord but to which Landlord has the right to allow use by tenants of the Project pursuant to easements or other agreements), designated by Landlord from time to time for the common use and enjoyment of tenants or occupants of the Retail Area, the Restaurant Site (i.e. Tenant) or other portions of the Project. The Common Area may include, among other facilities, parking area, sidewalks, elevators, escalators and stairs (not contained within leased areas), landscaping, curbs, loading areas, private streets and alleys, lighting facilities, drinking fountains, hallways, malls, restrooms, storm and sanitary sewer systems, utility lines and other areas and improvements provided by Landlord for the common use of all tenants, all of which shall be subject to Landlord's management and control and shall be operated and maintained in such manner as Landlord, in its discretion, shall determine, including Landlord's right to designate portions of the Common Area as available for the exclusive use by tenants of the Restaurant Site (i.e. Tenant), by the Retail Area tenants and other areas for the exclusive use by tenants of other portions of the Project. Landlord reserves the right to change from time to time the dimensions and location of the Common Area as well as the location, dimensions, identity and type of any building and to construct additional buildings or additional stories on existing buildings or other improvements in the Project, and to eliminate buildings. No changes by Landlord to the Project shall reduce the parking spaces below the number of parking spaces required by Laws. Tenant and its employees, customers, subtenants, licensees and concessionaires shall have the nonexclusive right and license to use the Common Area as constituted from time to time, including the parking areas contained therein, such use to be in common with Landlord, other tenants of the Retail Area, other occupants of the Project and other persons permitted by Landlord to use the same, and subject to such reasonable rules and regulations governing use as Landlord may from time to time prescribe, including the right to restrict parking for Tenant's customers and employees to designated areas within the Common Area and impose limitations on the duration of such parking. Parking for Tenant and Tenant's employees in any parking area designated by Landlord shall be free of charge (or reimbursed or validated by Landlord). Tenant will furnish to Landlord upon request a complete list of license numbers of all automobiles operated by Tenant, Tenant's employees, subtenants, licensees and concessionaires. Tenant shall not solicit business or display merchandise within the Common Area, or distribute handbills therein, or take any action that would interfere with the rights of other persons to use the Common Area. Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to prevent the public from obtaining prescriptive rights or to make repairs or alterations.

ARTICLE VII
USE AND CARE OF PREMISES

Section 7.1 Use and Continuous Operation. (a) The Premises may be used only for the Permitted Use, and for no other purpose or purposes without the prior written consent of Landlord. Tenant shall use in the transaction of business in the Premises the Trade Name and no other trade name without the prior written consent of Landlord. Tenant shall not at any time leave the Premises vacant, but shall in good faith continuously throughout the Term conduct and carry on in the entire Premises the type of business for which the Premises are leased. Tenant shall operate its business in an efficient, high class and reputable manner so as to produce the maximum amount of sales from the Premises, and shall, except during reasonable periods (not to exceed five days in any calendar year) for repairing, cleaning and decorating keep the Premises open to the public for business with adequate and competent personnel in attendance on all days and during all hours (including evenings) reasonably established by Landlord from time to time, except to the extent Tenant may be prohibited from being open for business by Law.

(b) Because of the difficulty or impossibility of determining Landlord's damages by way of loss of the anticipated Percentage Rental from Tenant, or by way of loss of value in the property because of diminished salability or mortgageability or adverse publicity or appearance by Tenant's action, if Tenant: (i) fails to take possession and open for business in the Premises fully fixtured, stocked and staffed on the Commencement Date except to the extent prevented from so doing by strikes, fire, casualty or other causes beyond Tenant's control; (ii) abandons, leaves, vacates or deserts the Premises; or (iii) ceases operating or conducting Tenant's business therein in accordance with the terms of Section 7.1(a) (except where the Premises are rendered untenable by reason of fire, casualty, or permitted repairs or alterations); then and in any of such events (hereinafter collectively referred to as "failure to do business"), Landlord shall have the right, in addition to any and all other rights or remedies Landlord may have under this Lease or at law or in equity, at Landlord's option, to collect additional rent as follows:

(i) until such time as Tenant opens for business in the Premises fully fixtured, stocked and staffed and operates pursuant to the Permitted Use for 24 consecutive months, except to the extent prevented from so doing by strikes, fire, casualty or other causes beyond Tenant's control, \$150,000.00 per Lease Year, computed at a daily rate for each day or part thereof during the period of Tenant's failure to do business and due and payable on a monthly basis payable at the place designated for delivery of notices to Landlord at the time of payment on or before the first day of each calendar month;

(ii) after Tenant has opened and operated for at least 24 consecutive months, except to the extent prevented from so doing by strikes, fire, casualty or other causes beyond Tenant's control, if Tenant thereafter abandons, leaves, vacates or deserts the Premises or ceases operating or conducting Tenant's business therein in accordance with the terms of Section 7.1(a) (except where the Premises are rendered untenable by reason of fire, casualty, or permitted repairs or alterations), an amount per Lease Year equal to the monthly average of the Percentage Rental or the Renewal Rental (if applicable) for the previous six months immediately prior to failure to do business multiplied by 12, computed at a daily rate for each day or part thereof during the period of Tenant's failure to do business and due and payable on a monthly basis payable at the place designated for delivery of notices to Landlord at the time of payment on or before the first day of each calendar month.

Any payments made by Tenant or any Guarantor of this Lease pursuant to this Section 7.1(b) shall first be applied toward the repayment of the unamortized portion of the Construction Allowance.

Section 7.2 Other Uses Restrictions. The following provisions of this Section 7.2 shall apply notwithstanding the Permitted Use and in the event of a conflict these provisions shall control:

(a) Tenant shall not keep anything within the Premises for any purpose that increases the insurance premium cost or invalidates any insurance policy carried on the Premises or other part of the Restaurant Building. Tenant shall pay as additional rental, upon demand of Landlord, any such increased premium cost due to Tenant's use or occupation of the Premises. All property kept, stored or maintained within the Premises by Tenant shall be at Tenant's sole risk.

(b) Tenant shall not conduct within the Premises any fire, auction or bankruptcy sales or operate within the Premises a "wholesale" or "factory outlet" store, a cooperative store, a "second hand" store, a "surplus" store or a store commonly referred to as "discount house". Tenant shall not advertise that it sells products or services at "discount," "cut-price," or "cut-rate" prices. Tenant further agrees that it will not operate its business in the Premises under any trade name containing the words "Outlet", "Discount" or "Wholesale". Tenant shall not permit any odors to emanate from the Premises (other than the aromas of preparing or cooking food emanating into the Common Area or other outdoor area generally immediately adjacent to the Restaurant Building), place or permit any radio, television, loud-speaker or amplifier on the roof or outside the Premises or where the same can be seen or heard from outside the Premises (other than reasonable background music on the Patio that cannot be heard other than in the immediate area adjacent to the Restaurant Building), place an antenna, awning or other projection on the exterior of the Premises or Restaurant Building, solicit business or distribute leaflets or other advertising material in the Project, the Common Area or any public area generally immediately adjacent to the Premises, or take any other action that in the exclusive judgment of Landlord would constitute a nuisance or unreasonably interfere with the use of the Common Area, nor do anything that would tend to injure the reputation of the Project. Notwithstanding the foregoing, in the event Tenant has background music on the Patio, Landlord reserves the right, in its exclusive judgment and sole discretion, to require Tenant to stop playing background music on the Patio.

(c) Tenant shall not, and shall not direct, suffer or permit any of its agents, contractors, employees, licensees, subtenants or invitees (collectively, the "Tenant Entities") to at any time handle, use, manufacture, store or dispose of in or about the Premises or the Restaurant Building any (collectively "Hazardous Materials") flammables, explosives, radioactive materials, hazardous wastes or materials, toxic wastes or materials, or other similar substances, petroleum products or derivatives or any substance subject to regulation by or under any federal, state and local laws and ordinances relating to the protection of the environment or the keeping, use or disposition of environmentally hazardous materials, substances, or wastes, presently in effect or hereafter adopted, all amendments to any of them, and all rules and regulations issued pursuant to any of such laws or ordinances (collectively "Environmental Laws"), nor shall Tenant suffer or permit any Hazardous Materials to be used in any manner not fully in compliance with all Environmental Laws, in the Premises or the Restaurant Building and appurtenant land or allow the environment to become contaminated with any Hazardous Materials. Notwithstanding the foregoing, Tenant may handle, store, use or dispose of products containing small quantities of Hazardous Materials (such as aerosol cans containing insecticides, toner for copiers, paints, paint remover and the like) to the extent customary and necessary for the use of the Premises for general office and retail purposes, and for restaurant use pursuant to the Permitted Use; provided that Tenant shall always handle, store, use, and dispose of any such Hazardous Materials in a safe and lawful manner and never allow such Hazardous Materials to contaminate the Premises, Restaurant Building or appurtenant land or the environment. Tenant shall protect, defend, indemnify and hold Landlord and its agents, contractors, employees, licensees and invitees harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of any actual or asserted failure of Tenant to fully comply with all applicable Environmental Laws, or the presence, handling, use or disposition in or from the Premises of any Hazardous Materials by Tenant or any Tenant Entity (even though permissible under all applicable Environmental Laws or the provisions of this Lease), or by reason of any actual or asserted failure of Tenant to keep, observe, or perform any provision of this section.

(d) Tenant shall not sell lottery tickets or conduct other games of chance on or from the Premises. Notwithstanding the foregoing, Tenant shall be permitted to offer "KENO" in accordance with applicable Laws.

(e) Tenant shall not use, occupy, suffer or permit any portion of the Premises to be used as office (other than incidental office used in connection with the Permitted Use), living, sleeping, or lodging quarters.

(f) Tenant shall not use or permit to be used the Premises for the sale or display of pornography, nudity, graphic violence, drug paraphernalia or for a massage parlor, adult bookstore or for the sale or rental of pornographic videos or videos rated "X" or having a similar rating.

(g) Tenant shall not use the Premises for anything that would violate the prohibited uses set forth on Exhibit F.

Section 7.3 Care of the Premises. Tenant shall take good care of the Premises and keep the same free from waste at all times. Tenant shall keep the Premises and sidewalks, service-ways and loading areas adjacent to the Premises neat, clean and free from dirt, rubbish, insects and pests at all times. Tenant shall store all trash and garbage within the Premises until Tenant transfers it to a trash receptacle in a location designated by Landlord, and, if the so-designated trash receptacle is for Tenant's exclusive use, then Tenant shall arrange for the regular pickup of such trash and garbage from such trash receptacle at Tenant's sole expense. Alternatively, if Landlord provides a trash receptacle for use by Tenant in common with other tenants or occupants of the Project, Tenant shall store all trash and garbage within the area designated by Landlord for trash pickup and removal and only in the receptacles prescribed by Landlord, and Tenant shall pay to Landlord, as additional rent, in excess of Percentage Rental, Tenant's share of the costs associated with such trash pickup and removal, based on the volume of trash generated by Tenant as a restaurant operator, as reasonably determined by Landlord ("Tenant's Common Trash Payment"); and during each month of the Term, Tenant shall pay Landlord monthly an amount equal to 1/12 of the Tenant's Common Trash Payment that is estimated by Landlord to be due and payable for that particular year and each such monthly Tenant's Common Trash Payment shall be due and payable at the same time and manner of the payment of Percentage Rental as provided in this Lease. If Tenant's total payments for the estimated Tenant's Common Trash Payment for any calendar year are less than the actual amount due for Tenant's Common Trash Payment, Tenant shall pay to Landlord upon demand the difference; if at the end of any calendar year, Tenant's total payments for the estimated Tenant's Common Trash Payment are more than the actual amount due for Tenant's Common Trash Payment, Landlord shall pay to Tenant upon demand the difference, or, at Tenant's option, Landlord shall retain such excess and credit it to Tenant's Common Trash Payment due for the following year. Receiving and delivery of goods and merchandise and removal of garbage and trash shall be made only in the manner and areas from time to time prescribed by Landlord. Tenant shall not operate an incinerator or burn trash or garbage within the Project.

Section 7.4 Display Windows. Tenant shall maintain all display windows in a neat, attractive condition, and shall keep all display windows and exterior electric signs in front of the Premises lighted from dusk until at least 10:00 p.m., every day, including Sundays and holidays.

Section 7.5 Advertising. Tenant shall include the address and identity of its business activities in the Premises in all advertisements made by Tenant in which the address and identity of any similar local business activity of Tenant is mentioned.

Section 7.6 Permits/Compliance with Laws. Tenant shall procure, at its sole expense, any permits and licenses required for the transaction of business in the Premises and otherwise comply with all Laws. Tenant further agrees not to use or occupy or suffer or permit the Premises or any part thereof to be used in any manner or occupied for any purpose contrary to Laws, restrictions of record or the rules or regulations of any public authority or in any manner deemed a fire hazard or so as to increase the cost of insurance maintained by Landlord over and above the normal cost of such insurance for the type and location of the building of which the Premises are a part. If an increase in the cost of such insurance is caused by Tenant's use of the Premises, Tenant shall immediately pay to Landlord, as additional rent, the amount of any such increase.

ARTICLE VIII MAINTENANCE AND REPAIR OF PREMISES

Section 8.1 Repairs by Landlord. Landlord shall keep the foundation, the exterior portions of the exterior walls (except store fronts, plate glass windows, doors, door closure devices, window and door frames, molding, locks and hardware and painting or other treatment of interior and exterior walls), plumbing and sewage facilities within the Premises under the floor slab and roof of the Premises in good repair, except that Landlord shall not be required to make any repairs occasioned by the act or negligence of Tenant, its agents, employees, subtenants, customers, licensees and concessionaires, which repairs shall be made by

Tenant. If the Premises become in need of repairs required to be made by Landlord hereunder, Tenant shall give immediate written notice thereof to Landlord and Landlord shall not be responsible in any way for failure to make any such repairs until a reasonable time shall have elapsed after delivery of such written notice. Landlord's obligation hereunder is limited to repairs specified in this Section 8.1 only, and Landlord shall have no liability for any damages or injury arising out of any condition or occurrence causing a need for such repairs. Tenant hereby waives the benefit of any Laws providing a right of Tenant to make repairs and deduct the cost thereof from rent hereunder.

Section 8.2 Repairs by Tenant. Tenant shall, at its sole cost and expense, (i) keep the Premises in good, clean condition, (ii) make all needed repairs and replacements to the Premises, including the exterior and interior portions of all doors, door checks, security gates, windows, glass, utility facilities, plumbing and sewage facilities within the Premises including free flow up to the main sewer line (except to the extent under the floor slab), fixtures, heating, exterior mechanical equipment, exterior utility facilities and exterior electrical equipment exclusively serving the Premises and interior walls, floors, ceilings and Landlord's Financed Personal Property in accordance with Section 3.3, except for repairs and replacements required to be made by Landlord under Section 8.1, Article XV or any warranty work with respect to Landlord's Work, and (iii) keep all plumbing units, pipes and connections free from obstruction and protected against ice and freezing. If any repairs required to be made by Tenant hereunder are not made within ten days after written notice delivered to Tenant by Landlord or such longer period as is necessary under the circumstances given the nature of the repairs, provided Tenant commences such repairs within such ten days and diligently prosecutes such repairs to completion, Landlord may, at its option, make such repairs without liability to Tenant for any loss or damage that may result to its stock or business by reason of such repairs, and Tenant shall pay to Landlord immediately upon demand as additional rental hereunder the cost of such repairs plus ten percent of the amount thereof and failure to do so shall constitute an event of default hereunder. At the expiration of the Term, Tenant shall surrender the Premises in good condition, reasonable wear and tear and loss by fire or other casualty excepted and shall surrender all keys for the Premises to Landlord and shall inform Landlord of all combinations on locks, safes and vaults, if any, in the Premises. Tenant shall furnish, maintain and replace all electric light bulbs, tubes and tube casings. The Premises shall further be delivered clean and free of all contents, save those contents to remain under the provisions of this Lease. If the Premises are not clean and free of all such contents upon termination or expiration of this Lease, Tenant hereby authorizes Landlord as agent to remove any contents from the Premises to dispose of such contents, and make such changes and/or repairs as may be necessary to restore the Premises to their original condition, ordinary wear and tear excepted. In such event, Tenant shall pay to Landlord the amount of such repairs, the intent being that costs suffered by Landlord through the breach of this covenant shall survive the termination or expiration of this Lease.

Tenant shall make any modifications or replacements to the Premises required by any governmental authority during the Term unless dealing with Landlord's Work. Tenant shall keep the Premises and the sidewalks in front of and areas adjoining the Premises in a clean and safe condition. Tenant shall clean the snow and ice from the sidewalks and doorways of the Premises and provide or cause to be provided janitorial services in and to the Premises.

Section 8.3 HVAC. Maintenance, repair and replacement of the heating, ventilating and air conditioning equipment solely serving the Premises shall be Tenant's sole responsibility throughout the Term. Tenant shall contract for, in its own name, and shall pay for a qualified service contractor to inspect, adjust, clean and repair air-conditioning, heating and ventilating equipment including changing filters on a quarterly basis. Heating, ventilating and air-conditioning units shall be set for continuous fan operation during the hours the Premises are required to be open and such units' dampers shall be adjusted to a minimum ten percent outside air setting. If Tenant's use of the Premises results in special exhaust requirements, Tenant shall have the exhaust fans interlocked with the make-up air units. A copy of such contract shall be delivered to Landlord at least 15 days prior to Tenant's occupancy of the Premises. Tenant shall continue said contract or like contract in force throughout the Term. Any change of contract or mechanical contractor shall be made known to Landlord by Tenant and a copy of Tenant's new contract shall be delivered to Landlord so that Landlord shall at all times have a copy of the contract currently in effect. Upon request by Landlord, Tenant shall provide Landlord with a copy of the most recent service invoice from said mechanical contractor to Tenant indicating dates of service and services performed. If Tenant refuses or neglects to enter into a

contract with a mechanical contractor for the quarterly preventive maintenance and repair of all heating, ventilating and air conditioning equipment servicing the Premises, then Landlord may, but shall not be obligated to, perform and complete said maintenance and repair and Tenant shall pay the cost thereof to Landlord, as additional rent hereunder, upon demand.

Section 8.4. Grease Trap. If Tenant's use of the Premises requires a grease trap, Tenant shall contract for, in its own name, and shall pay for a qualified service contractor to inspect, clean and repair such grease trap at such intervals as may be required by Tenant's use, but in no event less frequently than once a month. Tenant shall promptly furnish to Landlord a copy of the inspection and service report. If such grease trap services Tenant and other tenants in the Project, Landlord may elect to perform such inspection, cleaning and repairing, and Tenant shall pay to Landlord its proportionate share of the cost thereof based upon the number of tenants serviced by such grease trap. Tenant's proportionate share of such cost shall be due and payable within ten days after billings therefor are rendered to Tenant. Any such payments for such grease trap inspection, cleaning and repair services shall be separate from and in addition to Percentage Rental.

ARTICLE IX ALTERATIONS

Section 9.1 Alterations. Tenant shall not make any alterations, additions or improvements to the Premises, except for the installation of unattached, movable trade fixtures that may be installed without drilling, cutting or otherwise defacing the Premises. All alterations, additions, improvements and fixtures (other than unattached, movable trade fixtures) that may be made or installed by either party upon the Premises shall remain upon and be surrendered with the Premises and become the property of Landlord at the termination of this Lease, unless Landlord requests their removal in which event Tenant shall remove the same and restore the Premises to their original condition at Tenant's expense. Any linoleum, carpeting or other floor covering that may be cemented or otherwise affixed to the floor of the Premises is a permanent fixture and shall become the property of Landlord without credit or compensation to Tenant.

Section 9.2 Standard of Tenant's Work. All construction work done by Tenant within the Premises shall be performed in a good and workmanlike manner, in compliance with all Laws and the requirements of any contract or deed of trust to which Landlord may be a party and in such manner as to cause a minimum of interference with other construction in progress and with the transaction of business in the Project. Tenant shall pay or cause to be paid all costs of labor, services, and materials supplied in the prosecution of any work done in the Premises, and Tenant shall keep the Premises free and clear of all mechanics' liens and other liens arising out of any work done for Tenant or persons claiming under Tenant. Nothing in the preceding sentence shall be construed to alter, reduce or eliminate Landlord's obligations to pay the Construction Allowance under this Lease. Tenant shall promptly notify Landlord of any such lien filed against the Premises, the Restaurant Site, the Project and any adjacent land owned by Landlord or an affiliate of Landlord, or the Landlord's Financed Personal Property or claim of lien or the commencement of any action affecting the title thereto. Tenant agrees to defend, indemnify and hold harmless Landlord against any claim, loss, liability or damage resulting from such work, and Tenant shall, if requested by Landlord, furnish a bond or other security satisfactory to Landlord against any such claim, loss, liability or damage. In the event Tenant fails to "bond off" or immediately discharge any such liens or claims, Landlord may, but is not obligated to, pay off or discharge such liens or claims. The amount so paid by Landlord, together with interest at the lesser of 12 percent per annum and the highest annual rate allowable by law, shall be deemed additional rent due Landlord from Tenant under this Lease and shall be due and payable with the monthly installment of Percentage Rental on the first day of the month immediately following Landlord's payment.

Section 9.3 Roof. Tenant agrees that all venting, opening, sealing, waterproofing or any altering of the roof above the Premises shall be performed by Landlord's roofing contractor at Tenant's expense and that when completed Tenant shall furnish to Landlord a certificate from Landlord's roofing contractor that all such alterations approved by Landlord have been completed in accordance with the plans and specifications therefor approved by Landlord and in compliance with all roof warranties.

ARTICLE X
LANDLORD'S RIGHT OF ACCESS; USE OF ROOF

Section 10.1 Access. Landlord shall have the right to enter upon the Premises at any reasonable time for the purpose of inspecting the same, or of making repairs to the Premises, or of making repairs, alterations or additions to adjacent premises, or of showing the Premises to prospective purchasers, lessees or lenders.

Section 10.2 Use of Roof. Use of the roof above the Premises is reserved to Landlord, except to the extent necessary for Tenant to perform its obligations under this Lease (in accordance with Sections 3.2 and 9.3 hereof). Landlord shall not charge Tenant for access to the roof to perform its obligations pursuant to this Lease.

ARTICLE XI
SIGNS

Tenant shall install and maintain at least one exterior sign affixed to the Premises ("Tenant's Sign", whether one or more). Tenant shall cause Tenant's Sign to comply with the sign specifications of Landlord, the sign location designated by Landlord and Laws. Tenant agrees that, for purposes of quality control, Tenant's Sign shall be designed and constructed by such sign contractor as shall be selected by Tenant as shall be reasonably approved by Landlord. Tenant shall obtain all necessary permits or licenses with respect to Tenant's Sign, maintain Tenant's Sign in a good state of repair and save Landlord harmless from any loss or damage resulting from the erection, maintenance or removal of Tenant's Sign. Tenant shall repair any damage that may be caused by the erection, existence, maintenance or removal of Tenant's Sign. At the end of the Term, Tenant shall remove Tenant's Sign and repair any damage caused thereby. Tenant may not erect any sign or other advertising materials on the exterior of the Premises other than Tenant's Sign in accordance with the terms of this Article XI.

Notwithstanding anything contrary herein, Tenant's Sign shall not: (i) be flashing, moving or audible; (ii) employ exposed raceways (unless any such exposed raceways comply with applicable Laws and are approved by Landlord, such approval not to be unreasonably withheld), exposed neon tubes, exposed ballast boxes, or exposed transformers; (iii) made of paper, cardboard or similar material or consist of stickers or decals, or (iv) be a temporary sign; provided, however, that the foregoing shall not prohibit the placement at the entrance of the Premises of a small sticker or decal that indicates hours of business, emergency telephone numbers, credit cards accepted and other similar information or that contains the words "No Solicitation" or words of like import.

ARTICLE XII
UTILITIES

Tenant shall promptly pay all charges for electricity, water, gas, telephone service, sewerage service and other utilities furnished to the Premises and shall promptly pay any maintenance charges therefor. The installation of sub-meters or private meters at the Premises shall be as provided in Exhibit C. Landlord may, if it so elects, furnish one or more utility services to Tenant, and in such event Tenant shall purchase the use of such services as are tendered by Landlord, and shall pay on demand as additional rental the rates established therefor by Landlord, which shall not exceed the rates that would be charged for the same services if furnished directly by the local public utility companies. Landlord may at any time discontinue furnishing any such service without obligation to Tenant other than to connect the Premises to the public utility, if any, furnishing such service. Landlord shall not be liable for any interruption or failure whatsoever in utility services. Tenant shall keep the temperature of the Premises sufficiently high to prevent freezing of water in pipes and fixtures.

ARTICLE XIII
INDEMNITY AND COVERAGE INSURANCE

Section 13.1 Indemnity. Tenant shall defend, indemnify, save and hold harmless Landlord and/or any fee owner or ground or underlying landlords of the Restaurant Site, (i) against and from any and all claims, liabilities, demands, fines, suits, actions, proceedings, orders, decrees and judgments of any kind or nature by, or in favor of, anyone whomsoever that arise from or in connection with the possession, use, occupation, management, repair, maintenance or control of the Premises, or any portion thereof, and any sidewalks adjoining same, and (ii) against and from any and all costs, damages and expenses, including attorneys' fees, resulting from, or in connection with, loss of life, bodily or personal injury or property damage arising, directly or indirectly, out of, or from, or on account of any accident or other occurrence in, upon or from the Premises, or occasioned in whole or in part through the use and occupancy of the Premises or any improvements therein or appurtenances thereto, or by any act or omission of Tenant or any subtenant, concessionaire or licensee of Tenant, or their respective employees, agents, contractors or invitees in, upon, at or from the Premises.

Section 13.2 Tenant's Insurance. (a) Tenant shall procure and maintain throughout the Term:

(i) (x) Commercial General Liability Insurance with a limit of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate per Location Endorsement, including, in both instances, Personal and Advertising Injury coverages with a limit of not less than \$1,000,000.00 per occurrence and Fire Legal Liability coverage; (y) Liquor liability or so-called "dram-shop" insurance with minimum limits of \$2,000,000.00, if the sale of alcohol is permitted from the Premises; and (z) automobile insurance with respect to all automobiles used by Tenant in the conduct of its business from the Premises with limits of not less than the \$1,000,000.00 for bodily injury, arising out of any one occurrence, and \$500,000.00 for damage to property arising out of any one occurrence or a combined single limit policy of \$1,000,000.00;

(ii) Special Form Property coverage, including Sprinkler Leakage Legal Liability coverage (if the property contains a sprinkler system), in an amount adequate to cover the full replacement value of all improvements made by Tenant;

(iii) Special Form Property coverage, including Sprinkler Leakage Legal Liability coverage (if the property contains a sprinkler system), in an amount to cover the full replacement value of Tenant's merchandise, trade fixtures, furnishings, wallcovering, carpeting, drapes, equipment and all other items of personal property of Tenant located within the Premises, and Business Interruption Insurance with a limit of liability representing loss of at least 12 months of income;

(iv) plate glass insurance covering all plate glass in the Premises;

(v) if there is a boiler or air conditioning equipment serving the Premises (whether installed in, adjoining, above or beneath the same), broad form Boiler and Machinery Insurance in the amount adequate to cover full replacement value of all improvements and betterments but in no event less than \$100,000.00; and

(vi) Workmen's Compensation Insurance (or other comparable insurance) under Laws and in accordance with applicable statutory minimums covering all persons employed by Tenant in connection with any work done in or about the Premises.

(b) All insurance policies required under Section 13.2(a)(i) shall name Landlord and its designees as additional insureds and all insurance policies required under Sections 13.2(a)(ii) through (v) shall be issued in the names and for the benefit of Landlord, its designee(s) and Tenant. Such policies shall be issued by one or more responsible insurance companies rated A or better by Best's Insurance Guide or otherwise satisfactory to Landlord and licensed to do business in the state in which the Restaurant Building is located.

At Tenant's option, such insurance may be carried under a blanket policy covering the Premises and any other of Tenant's stores provided the provisions of such blanket policy comply with the terms of this Lease and coverage with respect to the Premises is as provided in Section 13.2(a). The Commercial General Liability Insurance shall specifically insure Tenant's liability under Section 13.1. All insurance policies required under this Section 13.2 shall contain endorsements: (i) that such insurance may not be canceled or amended with respect to Landlord except upon 30 days' prior notice from the insurance company to Landlord; and (ii) that Tenant shall be solely responsible for the payment of all premiums under such policy and that Landlord shall have no obligation for the payment thereof.

In the event of payment of any loss covered by any property damage policy, Landlord shall be paid first by the insurance company for its loss. The policies or duly executed certificates for the insurance required herein shall be deposited with Landlord on the Commencement Date and upon renewals of such policies, not less than 15 days prior to the expiration of the term of such coverage. Tenant shall, within 30 days of the Commencement Date and each renewal date of such policies, provide Landlord with satisfactory evidence of payment of the premium thereof. If Tenant fails to comply with such requirements, Landlord may (but shall not be obligated to) obtain such insurance and keep the same in effect and Tenant shall pay Landlord the premium cost thereof, as additional rent, upon demand. The minimum limits of any insurance coverage to be maintained by Tenant hereunder shall not limit Tenant's liability under Section 13.1 or elsewhere in this Lease.

Section 13.3 Release of Claims. Each party hereto (the "Releasing Party") hereby releases the other (the "Released Party") from any loss, damage, claim or liability that the Released Party would, but for this Section 13.3, have had to the Releasing Party arising out of or in connection with any damage to the property of the Releasing Party to the extent such damage or the cause thereof (i) is covered by insurance maintained by the Releasing Party, or (ii) is required to be insured by the Releasing Party pursuant to this Lease. Such insurance coverage maintained or required to be maintained shall be deemed to include any deductible or self-insured retention in effect or permitted pursuant to this Lease. SUCH RELEASE SHALL EXTEND TO ANY LOSS, DAMAGE, CLAIM OR LIABILITY THAT MAY HAVE RESULTED IN WHOLE OR IN PART FROM ANY ACT OR NEGLIGENCE OF THE RELEASED PARTY, ITS OFFICERS, AGENTS OR EMPLOYEES. Each party hereto shall immediately give to each insurance company that has issued to it property insurance policies written notice of the terms of such mutual releases and have such insurance policies properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such releases.

ARTICLE XIV NONLIABILITY FOR CERTAIN DAMAGES

Landlord and Landlord's agents and employees shall not be liable to Tenant or any other person or entity whomsoever for any injury to person or damage to property caused by the Premises or other portions of the Project becoming out of repair or by defect in or failure of equipment, pipes or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Premises, nor shall Landlord be liable to Tenant or any other person or entity whomsoever for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of the Project or of any other persons or entities whomsoever. Tenant shall defend, indemnify and hold harmless Landlord from any loss, cost, expense or claims arising out of such injury or damage referred to in this Article XIV.

ARTICLE XV DAMAGE BY CASUALTY

Section 15.1 Notice by Tenant. Tenant shall give immediate written notice to Landlord of any damage caused to the Premises by fire or other casualty.

Section 15.2 Damage to Premises. (a) If the Premises are damaged to such an extent that it would take more than 240 days from the date of such damage to restore the Premises (a "Substantial Damage") by any insured casualty or damaged by any uninsured casualty or the insurance proceeds are not available to

Landlord by Landlord's mortgagee, Landlord shall have the option to rebuild or terminate this Lease to be exercised by notice to Tenant given not more than three months from the date of such damage. If Landlord elects to rebuild, Landlord shall, at its expense, proceed with so much of the restoration of the Premises as was included in Landlord's Work pursuant to Exhibit C and the Tenant's Work that was included in the Construction Allowance. All repairs and restorations of the Premises not so included shall be performed by Tenant in conformance with Exhibit C. The parties shall promptly commence and diligently proceed with their restoration obligations hereunder.

(b) If the Premises are damaged to the extent of less than a Substantial Damage, by fire or other casualty covered by Landlord's property coverage and the proceeds of such coverage are made available to Landlord, during the Term, except for the last two Lease Years, then Landlord shall, at its expense, proceed with so much of the restoration of the Premises as was included in Landlord's Work pursuant to Exhibit C and the Tenant's Work that was included in the Construction Allowance. All repairs and restorations of the Premises not so included shall be performed by Tenant in conformance with Exhibit C. The parties shall promptly commence and diligently proceed with their restoration obligations hereunder. If such an event occurs during the last two Lease Years, then Landlord shall have the option to rebuild or terminate this Lease to be exercised by notice to Tenant given not more than three months from the date of such damage.

(c) Notwithstanding anything contrary in this Section 15.2, in the event of any damage to the Premises by fire or other casualty, Tenant shall have the right to terminate this Lease if Landlord does not restore the Premises to the condition described as included in Landlord's Work pursuant to Exhibit C and the Tenant's Work that was included in the Construction Allowance within 365 days after the date of such damage. If exercised, Tenant shall terminate this Lease by written notice to Landlord on or before the earlier of (i) the date such restoration is substantially complete, and (ii) 30 days after the expiration of such 365 days. The provisions of this Article XV shall constitute Tenant's sole and exclusive remedies in the event of damage or destruction to the Premises, and Tenant waives and releases all statutory rights and remedies in favor of Tenant in the event of such damage or destruction.

Section 15.3 Rent Abatement. In the event of total destruction of the Premises or partial destruction of the Premises requiring Tenant to stop operating, Tenant's rent shall completely abate from the date of such destruction. If Landlord elects to rebuild as aforesaid, Tenant's rent shall completely abate from the date of such destruction until 60 days after the date when Landlord notifies Tenant that Landlord's work in the Premises is complete, or upon the date when Tenant opens for business, whichever event shall first occur.

Section 15.4 Damage to Restaurant Building. In the event any portion of the Restaurant Building is damaged or destroyed to such an extent that Landlord, in its sole discretion, elects to discontinue operation of the Restaurant Building, Landlord may cancel this Lease by giving Tenant notice of its election and this Lease shall terminate and shall become null and void 90 days after said notice.

Section 15.5 Waiver of Inconsistent Statutes. Tenant hereby waives any present or future statutory rights of termination that may arise by reason of any partial or total destruction of the Premises that Landlord is obligated to restore or may restore under any of the provisions of this Lease.

ARTICLE XVI EMINENT DOMAIN

Section 16.1 Taking of the Premises. (a) If more than 20 percent of the leasable area of the Premises is taken for any public or quasi-public use under any Laws or by right of eminent domain or by private purchase in lieu thereof, this Lease shall terminate and the rent shall be abated during the unexpired portion of this Lease, effective on the date physical possession is taken by the condemning authority.

(b) If less than 20 percent of the leasable area of the Premises is taken as aforesaid, this Lease shall not terminate. Following such partial taking, Landlord shall make all necessary repairs or alterations within the scope of Landlord's Work as of the Delivery Date to the extent necessary to make the Premises an architectural whole.

Section 16.2 Taking of Common Area. If any part of the Common Area is taken as aforesaid, this Lease shall not terminate nor shall the rental payable hereunder be reduced, except that either Landlord or Tenant may terminate this Lease if the area of the Common Area remaining following such taking plus any additional parking area provided by Landlord in reasonable proximity to the Restaurant Site shall be less than 70 percent of the area of the Common Area immediately prior to the taking. Any election to terminate this Lease in accordance with this provision shall be evidenced by written notice of termination delivered to the other party within 30 days after the date physical possession is taken by the condemning authority.

Section 16.3 Awards. All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Premises or Common Area shall be the property of Landlord, and Tenant hereby assigns its interest in any such award to Landlord; provided, however, Landlord shall have no interest in any award made to Tenant for loss of business or for the taking of Tenant's fixtures and other property if a separate award for such items is made to Tenant. This Article XVI shall be Tenant's sole and exclusive remedy in the event of any taking and Tenant hereby waives the benefits of any Laws granting Tenant specific rights in the event of a taking that are contrary to the provisions of this Article XVI.

ARTICLE XVII ASSIGNMENT AND SUBLETTING

Section 17.1 Assignment/Subletting by Tenant. (a) Tenant shall not have the right to assign, transfer, mortgage, pledge or otherwise encumber this Lease, or any interest therein, or sublet all or any portion of the Premises, without the prior written consent of Landlord, which consent may be withheld by Landlord in its sole discretion. Any transfer by Tenant of this Lease to another entity, either by way of merger, sale, consolidation or liquidation, shall constitute an assignment for the purpose of this Lease and shall require the prior written consent of Landlord, which consent may be withheld by Landlord in its sole discretion. Any attempted assignment, subletting, transfer or encumbrance by Tenant in violation of the terms and covenants of this Section 17.1 shall be void. Notwithstanding anything contrary in this Section 17.1(a), Tenant may assign this Lease without Landlord's consent (a "Permitted Transfer"): (i) to any entity that controls, is controlled by or is under common control with Tenant (an "Affiliate"); (ii) to any entity to whom Tenant sells substantially all its assets, provided such entity is also acquiring substantially all the assets of the other "The Old Bag of Nails" restaurants owned or operated by Tenant, Guarantor, Michael R. Purdum or an Affiliate; (iii) to any entity with which Tenant merges or consolidates; or (iv) to Michael R. Purdum or any entity owned or controlled by Michael R. Purdum. In the event of an assignment to an Affiliate and such Affiliate ceases to be an Affiliate of Tenant, then the event giving rise to such cessation shall be deemed an assignment requiring Landlord's consent as set forth in this Section 17.1.

(b) Except for a Permitted Transfer (in which case, Tenant shall give such notice promptly before or after the date of such Permitted Transfer), Tenant shall give Landlord at least 60 days advance written notice of any proposed assignment or subletting, such notice to be accompanied by a copy of the proposed assignment or sublease. Except for a Permitted Transfer, Landlord shall have the right to terminate this Lease effective as of the proposed effective date of the assignment or subletting by giving Tenant written notice thereof within 30 days after Landlord's receipt of said notice from Tenant. If Landlord elects not to so terminate this Lease in connection with any proposed assignment or subletting, Landlord shall continue to have the right to disapprove same. However, if Landlord elects to approve a proposed assignment or subletting, all cash or other proceeds of any assignment, such proceeds as exceed the rentals called for hereunder in the case of a subletting and all cash or other proceeds of any other transfer of Tenant's interest in this Lease shall be paid to Landlord, and Tenant hereby assigns all rights it might have or ever acquire in any such proceeds to Landlord. Upon any sublease of less than the entire Premises, the determination as to any responsibility for Tenant payment of excess under the previous provision shall be made by prorating the rent according to the percentage of the Premises so sublet. Any assignment, subletting or other transfer of Tenant's interest in this Lease shall be for an amount equal to the then fair market value of such interest. Upon any assignment or subletting by Tenant in accordance with the terms hereof (even if approved by Landlord), any renewal options, expansion options, right of first refusal and/or exclusive use provisions shall become null and void. Each assignee or transferee shall assume and be deemed to have assumed this

Lease and shall be jointly and severally liable with Tenant for the payment of rent, percentage rent, additional rent, adjustments of rent, and for the performance of all terms, covenants, conditions and agreements herein contained on Tenant's part to be paid or performed during the Term.

(c) Notwithstanding any such assignment or subletting under the terms of this Article, (i) both Tenant and any guarantor of this Lease acknowledge that, notwithstanding such assignment or sublease and the consent of Landlord thereto, both Tenant and any guarantor of this Lease will not be released or discharged from any liability whatsoever under this Lease and will continue to be liable thereon with the same force and effect as though no assignment or sublease had been made; and (ii) Tenant shall pay to Landlord, Landlord's administrative costs, overhead and fees of counsel in connection with such assignment or subletting but not less than a minimum sum of \$500.00. The acceptance of rent from any other person shall not be deemed to be a waiver of any of the provisions of this Lease or to be a consent to the assignment of this Lease or the subletting of the Premises.

ARTICLE XVIII PROPERTY TAXES

Section 18.1 Personal Property Taxes. Tenant shall be liable for all taxes levied against personal property and trade fixtures placed by Tenant in the Premises, including, but not limited to, all such taxes with respect to Landlord's Financed Personal Property. If any such taxes are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant in the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

Section 18.2 Tenant's Share of Taxes. Tenant shall pay Tenant's Proportionate Share of all taxes, assessments (general or special) and governmental charges of any kind and nature whatsoever, including taxes on rental hereunder and including any so called "service payments" or other payments in lieu of taxes as part of a tax increment financing or similar arrangement and any costs associated with challenging such taxes and assessments (collectively, the "Taxes"), levied or assessed against the Project or Landlord. During each month of the Term, Tenant shall pay Landlord monthly an amount equal to 1/12 of Tenant's Proportionate Share of the Taxes that will be due and payable for that particular year. Each payment by Tenant shall be due and payable at the same time and in the same manner as the time and manner of the payment of Percentage Rental as provided herein. The amount of Tenant's Proportionate Share of the estimated Taxes for the first Lease Year will be estimated on or about the Commencement Date and will be based upon Tenant's Proportionate Share of the estimated Taxes for the year in question, and Tenant's monthly payment for the Taxes is subject to increase or decrease as determined by Landlord from time to time to effect an accurate monthly payment of Tenant's estimated Proportionate Share of the Taxes. If Tenant's total payments for the Taxes at any time during any calendar year are less than Tenant's Proportionate Share of the Taxes, Tenant shall pay to Landlord upon demand the difference; if, at the end of any calendar year, Tenant's total payments of Taxes are more than Tenant's Proportionate Share of the Taxes, Landlord shall retain such excess and credit it to Tenant's payments due for the following year. Tenant's Proportionate Share of Taxes shall be computed by multiplying the Taxes by a fraction, the numerator of which shall be the number of square feet of floor area within Premises and the denominator of which shall be the number of square feet of all buildings in the Project. The foregoing method of calculating Tenant's Proportionate share of Taxes and other charges under this Lease of which Tenant pays a proportionate share shall be referred to as "Tenant's Proportionate Share". If the Restaurant Site becomes a separate real estate parcel with a separate Tax ID Number, beginning at such time, Tenant shall be responsible for 100 percent of the Taxes for the Restaurant Site and the improvements thereon (i.e. Tenant's Proportionate Share of Taxes shall be 100 percent of the Taxes levied or assessed the Restaurant Site, and will no longer be determined based on the Taxes levied or assessed against the Project), which shall be payable in the same manner as set forth above. Any obligations under the above paragraph accruing prior to the expiration or termination of this Lease shall survive the expiration or termination of this Lease.

Section 18.3 Intentionally Omitted.

Section 18.4 Tenant's Failure to Pay Taxes. If Tenant fails to pay Tenant's Proportionate Share of the Taxes as set forth in Section 18.2, personal property taxes payable by Tenant as set forth in Section 18.1, in addition to any other remedies provided herein, Landlord may, if it so elects, pay the Taxes or personal property taxes. Any sums so paid by Landlord shall be deemed to be so much additional rent owing by Tenant to Landlord and due and payable upon demand as additional rental plus interest at the lesser of 12 percent per annum and the highest annual rate allowable by Law.

Section 18.5 Taxes During Partial Lease Years. Any payment to be made pursuant to this Article XVIII with respect to the real estate tax year in which this Lease commences or terminates shall bear the same ratio to the payment that would be required to be made for the full tax year as that part of such tax year covered by the Term bears to a full tax year.

ARTICLE XIX
DEFAULT AND REMEDIES

Section 19.1 Events of Default. The following events shall be deemed to be events of default by Tenant under this Lease:

(1) Tenant fails to pay any installment of rental or any other expense as same becomes due hereunder as herein provided and such failure continues for a period of ten days after Tenant's receipt of written notice from Landlord, provided, Landlord shall not be required to give more than two such notices per calendar year during the Term.

(2) Tenant fails to comply with any term, provision or covenant of this Lease, other than the payment of rental or expenses and does not cure such failure within ten days after written notice thereof to Tenant, or such longer time is reasonably necessary to cure such failure given the nature of such so long as Tenant commences such cure within said ten days and reasonably prosecutes same to completion.

(3) Tenant or any guarantor of Tenant's obligations under this Lease becomes insolvent, makes a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.

(4) Tenant or any guarantor of Tenant's obligations under this Lease files a petition under federal or state bankruptcy laws, or under any similar Laws of the United States or any state thereof; or Tenant or any guarantor of Tenant's obligations under this Lease is adjudged bankrupt or insolvent in proceedings filed against Tenant or any guarantor of Tenant's obligations under this Lease.

(5) A receiver or trustee is appointed for the Premises or for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations under this Lease.

(6) Tenant deserts or vacates any portion of the Premises.

(7) Tenant does or permits to be done anything that creates a lien upon the Premises.

(8) The business operated by Tenant is closed for failure to pay any required state sales tax or for any other reason.

Any notices to be provided by Landlord under this Section 19.1 shall be in lieu of, and not in addition to, any notice required under any Laws.

Section 19.2 Remedies. Upon the occurrence of any default by Tenant as set forth in Section 19.1, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever, in addition to all other rights and remedies available at law and equity:

(1) Terminate this Lease in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy that it may have for possession or arrearages in rental, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages therefor.

(2) Enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor with or without having terminated this Lease.

(3) Enter upon the Premises by force if necessary without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees to reimburse Landlord on demand for any expenses that Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action.

(4) Alter all locks and other security devices at the Premises without terminating this Lease.

Except where expressly provided otherwise, all rights, privileges and remedies afforded Landlord by this Lease or by Laws shall be deemed cumulative and the exercise of any one of such rights, privileges and remedies shall not be deemed to be a waiver of any other right, privilege or remedy provided for herein or granted by law or equity.

Section 19.3 No Acceptance of Surrender. Exercise by Landlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Premises by Tenant whether by agreement or by operation of law, it being understood that such surrender can be effected only by the written agreement of Landlord and Tenant. No such alteration of locks or other security devices and no removal or other exercise of dominion by Landlord over the property of Tenant or others at the Premises shall be deemed unauthorized or constitute a conversion, Tenant hereby consenting, after any event of default, to the aforesaid exercise of dominion over Tenant's property within the Premises. All claims for damages by reason of such re-entry and/or repossession and/or alteration of locks or other security devices are hereby waived, as are all claims for damages by reason of any distress warrant, forcible detainer proceedings, sequestration proceedings or other legal process. Tenant agrees that any re-entry by Landlord may be pursuant to a judgment obtained in forcible detainer proceedings or other legal proceedings or without the necessity for any legal proceedings, as Landlord may elect, and Landlord shall not be liable in trespass or otherwise.

Section 19.4 Liability for Rent After Termination. If Landlord elects to terminate this Lease by reason of an event of default, then notwithstanding such termination, Tenant shall be liable for and shall pay to Landlord, at the address specified for notice to Landlord herein the sum of all rental and other indebtedness accrued to date of such termination, plus, as damages, the amount as calculated using the method set forth in Section 3.3 and Section 7.1 of this Lease.

Section 19.5 Liability for Rent Without Termination. If Landlord elects to repossess the Premises without terminating this Lease, then Tenant shall be liable for and shall pay to Landlord at the address specified for notice to Landlord herein all rental and other indebtedness accrued to the date of such repossession, plus the amount as calculated using the method set forth in Section 3.3 and Section 7.1 of this Lease. In no event shall Tenant be entitled to any excess of any rental obtained by reletting over and above the rental herein reserved. Actions to collect amounts due by Tenant to Landlord as provided in this Section 19.5 may be brought from time to time, on one or more occasions, without the necessity of Landlord's waiting until expiration of the Term.

Section 19.6 Liability for Brokers Fees and Other Costs. In case of any event of default or breach by Tenant, Tenant shall also be liable for in addition to any other amounts set forth in this Lease and shall pay to Landlord, at the address specified for notice to Landlord herein, in addition to any sum provided to be paid above, brokers' fees incurred by Landlord in connection with reletting the whole or any part of the Premises; the costs of removing and storing Tenant's or other occupant's property; the costs of repairing, altering,

remodeling or otherwise putting the Premises into condition acceptable to a new tenant or tenants, and all reasonable expenses incurred by Landlord in enforcing or defending Landlord's right and/or remedies including reasonable attorneys' fees which shall not be less than ten percent of all sums then owing by Tenant to Landlord.

Section 19.7 Obligation to Relet. In the event of termination or repossession of the Premises for an event of default, Landlord shall use reasonable efforts to relet; and in the event of reletting, Landlord may relet the whole or any portion of the Premises for any period, to any tenant, and for any use and purpose. The foregoing obligation to relet and any obligation imposed by Laws upon Landlord to relet the Premises shall be subject to the permitted uses provided in this Lease, and to the reasonable business judgment of Landlord in the selection of the best tenant "mix" for the Project and in no event shall Landlord be required to relet the Premises prior to reletting other vacant space in the Project or any adjacent developments owned or managed by Landlord or its affiliates. The failure of Landlord to relet or, if the Premises are relet, to collect the rent under such reletting shall not release or affect Tenant's liability for damages under this Lease. In the event of a reletting of the Premises, any amounts Tenant is required to pay under Section 7.1(b) of this Lease shall be reduced by present value of the actual rent received by Landlord from such reletting minus any Reletting Costs. "Reletting Costs" shall mean commercially reasonable costs incurred by Landlord to relet the Premises, including, but not limited to, repairs, alterations and improvements to the Premises and advertising costs, brokerage commissions and attorneys' fees.

Section 19.8 Payment on Behalf of Tenant. If Tenant fails to make any payment or cure any default hereunder within the time herein permitted, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default for the account of Tenant (and enter the Premises for such purpose), and thereupon Tenant shall be obligated to, and hereby agrees, to pay Landlord, upon demand, all costs, expenses and disbursements (including reasonable attorneys' fees) incurred by Landlord in taking such remedial action.

Section 19.9 Intentionally omitted.

Section 19.10 Intentionally omitted.

Section 19.11 Tenant's Personal Property After Default. If Landlord shall have taken possession of the Premises pursuant to the authority herein granted, then Landlord shall have the right to keep in place and use all of the furniture, fixtures and equipment (excluding, so long as Tenant has been open for business for at least 24 consecutive months subject to any permitted closures herein, removable personal items unique to Tenant's business operations such as signage and other memorabilia, and replacement property and equipment purchased by Tenant in accordance with Section 3.3 ("Tenant's Property")) at the Premises, including that which is owned by or leased to Tenant at all times prior to any foreclosure thereon by Landlord or repossession thereof by a lessor thereof or third party having a lien thereon. Landlord shall also have the right to remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration or other legal process) all or any portion of such furniture, fixtures, equipment and other property, except Tenant's Property, located thereon and place same in storage at any premises within the County in which the Premises are located; and in such event, Tenant shall be liable to Landlord for costs incurred by Landlord in connection with such removal and storage and shall defend, indemnify and hold harmless Landlord from all loss, damage, cost, expense and liability in connection with such removal and storage. Landlord shall also have the right to relinquish possession of all or any portion of such furniture, fixtures, equipment and other property, except Tenant's Property, to any person ("Claimant") claiming to be entitled to possession thereof who presents to Landlord a copy of any instrument represented to Landlord by Claimant to have been executed by Tenant (or any predecessor of Tenant) granting Claimant the right under various circumstances to take possession of such furniture, fixtures, equipment or other property, except Tenant's Property, without the necessity on the part of Landlord to inquire into authenticity of said instrument's copy of Tenant's or Tenant's predecessor's signature thereon and without the necessity of Landlord's making any nature of investigation or inquiry as to the validity of the factual or legal basis upon which Claimant purports to act; and Tenant agrees to indemnify and hold Landlord harmless from all cost, expense, loss, damage and liability incident to Landlord's relinquishment of possession of all or any portion of such furniture, fixtures, equipment or other property, except Tenant's Property, to Claimant. The rights of Landlord herein stated shall be in

addition to any and all other rights that Landlord has or may hereafter have at law or in equity; and Tenant stipulates and agrees that the rights herein granted Landlord are commercially reasonable.

Section 19.12 Waiver of Rights of Redemption. Tenant expressly waives any and all rights of redemption granted by or under any present or future Laws if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Premises by reason of the violation by Tenant of any of the terms, covenants, and conditions of this Lease or otherwise.

Section 19.13 Priority of Payments. Notwithstanding anything contrary herein, all payments made by Tenant and received by Landlord may, in Landlord's sole discretion, be applied to any outstanding arrearages owed by Tenant to Landlord, irrespective of any payment characterization Tenant may designate for any such payment. If any sums are payable by Landlord pursuant to any provision of this Lease, Landlord shall have the right to first offset from such sum any amounts that are currently payable by Tenant to Landlord pursuant to any provision contained in this Lease.

Section 19.14 Landlord Defaults. (a) In the event of any default by Landlord, Tenant's exclusive remedy shall be an action for damages (Tenant hereby waiving the benefit of any Laws granting it a lien upon the property of Landlord and/or upon rent due Landlord), but prior to any such action Tenant will give Landlord written notice specifying such default with particularity, and Landlord shall thereupon have 30 days in which to cure any such default or such longer period as is reasonably necessary given the nature of the cure. Unless and until Landlord fails to so cure any default after such notice, Tenant shall not have any remedy or cause of action by reason thereof. All obligations of Landlord hereunder will be construed as covenants, not conditions; and all such obligations will be binding upon Landlord only during the period of its possession of the Restaurant Site and not thereafter. Notwithstanding the foregoing, Landlord shall in no event be liable for any lost profits, damage to business or any form of special, indirect or consequential damages.

(b) The term "Landlord" shall mean only the owner, for the time being of the Restaurant Site, and in the event of the transfer by such owner of its interest in the Restaurant Site, such owner shall thereupon be released and discharged from all covenants and obligations of Landlord under this Lease, but such covenants and obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership, and Tenant agrees to look solely to such successor in interest of Landlord for performance of such obligations. Any security given by Tenant to secure performance of Tenant's obligations hereunder may be assigned and transferred by Landlord to such successor in interest, and Landlord shall thereby be discharged of any further obligation relating thereto.

(c) Notwithstanding any other provision hereof, Landlord and its partners, officers, directors, beneficiaries, members, stockholders, investment manager's trustees, agents and employees, shall not have any personal liability hereunder. If Landlord shall be in default under this Lease and if, as a consequence of such default, Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the right, title and interest of Landlord in the Restaurant Site as the same may then be encumbered and neither Landlord nor any person or entity comprising Landlord shall be liable for any deficiency. In no event shall Tenant have the right to levy execution against any property of Landlord nor any person or entity comprising Landlord other than its interest in the Restaurant Site as herein expressly provided.

ARTICLE XX LANDLORD'S LIEN

TO SECURE THE PAYMENT OF ALL RENTAL AND OTHER SUMS OF MONEY DUE AND TO BECOME DUE HEREUNDER AND THE FAITHFUL PERFORMANCE OF THIS LEASE BY TENANT, TENANT HEREBY GIVES TO LANDLORD AN EXPRESS FIRST AND PRIOR CONTRACT LIEN AND SECURITY INTEREST ON ALL PROPERTY (INCLUDING FIXTURES, EQUIPMENT, CHATTELS AND MERCHANDISE) THAT MAY BE PLACED IN THE PREMISES, AND ALSO UPON ALL PROCEEDS OF ANY INSURANCE THAT MAY ACCRUE TO TENANT BY REASON OF DESTRUCTION OF OR DAMAGE TO ANY SUCH PROPERTY. SUCH PROPERTY SHALL NOT BE REMOVED THEREFROM WITHOUT THE WRITTEN CONSENT OF LANDLORD UNTIL ALL ARREARAGES IN RENTAL AND OTHER SUMS OF

MONEY THEN DUE TO LANDLORD HEREUNDER SHALL FIRST HAVE BEEN PAID. ALL EXEMPTION LAWS ARE HEREBY WAIVED IN FAVOR OF SAID LIEN AND SECURITY INTEREST. THIS LIEN AND SECURITY INTEREST IS GIVEN IN ADDITION TO LANDLORD'S STATUTORY LIEN AND SHALL BE CUMULATIVE THERETO. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT, THIS LIEN MAY BE FORECLOSED WITH OR WITHOUT COURT PROCEEDINGS BY PUBLIC OR PRIVATE SALE, PROVIDED LANDLORD GIVES TENANT AT LEAST 15 DAYS NOTICE OF THE TIME AND PLACE OF SAID SALE, AND LANDLORD SHALL HAVE THE RIGHT TO BECOME THE PURCHASER, UPON BEING THE HIGHEST BIDDER AT SUCH SALE. CONTEMPORANEOUS WITH THE EXECUTION OF THIS LEASE (AND IF REQUESTED HEREAFTER BY LANDLORD), TENANT SHALL EXECUTE AND DELIVER TO LANDLORD UNIFORM COMMERCIAL CODE FINANCING STATEMENTS IN SUFFICIENT FORM SO THAT WHEN PROPERLY FILED, THE SECURITY INTEREST HEREBY GIVEN SHALL THEREUPON BE PERFECTED. IF REQUESTED HEREAFTER BY LANDLORD, TENANT SHALL ALSO EXECUTE AND DELIVER TO LANDLORD UNIFORM COMMERCIAL CODE FINANCING STATEMENT CHANGE INSTRUMENTS IN SUFFICIENT FORM TO REFLECT ANY PROPER AMENDMENT OF MODIFICATION IN OR EXTENSION OF THE AFORESAID CONTRACT LIEN AND SECURITY INTEREST HEREBY GRANTED. LANDLORD SHALL, IN ADDITION TO ALL OF ITS RIGHTS HEREUNDER, ALSO HAVE ALL OF THE RIGHTS AND REMEDIES OF A SECURED PARTY UNDER THE APPLICABLE UNIFORM COMMERCIAL CODE.

ARTICLE XXI HOLDING OVER

If Tenant remains in possession of the Premises after the expiration of this Lease and without the execution of a new lease, it shall be deemed to be occupying the Premises as a tenant from month to month at a rental equal to the total rental (including Percentage Rental) herein provided plus 50 percent of such amount and otherwise subject to all the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month to month tenancy.

ARTICLE XXII SUBORDINATION

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter created upon the Premises or the Restaurant Site, and to any renewals, and extensions thereof but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien hereafter placed upon the Premises or the Restaurant Site, and Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request. Tenant hereby agrees to attorn to the mortgagee of any such mortgage. Tenant covenants to execute and deliver whatever instruments may be required by Landlord or any Landlord mortgagee to acknowledge such subordination and attornment in recordable form and Tenant does hereby irrevocably appoint Landlord its attorney-in-fact to execute and deliver any such instrument on behalf of Tenant; provided, however, that Landlord shall procure from any such mortgagees a non-disturbance agreement providing in substance that so long as Tenant shall faithfully discharge the obligations on its part to be kept and performed under the terms of this Lease, Tenant's tenancy will not be disturbed nor this Lease affected by any default under such mortgage, and Tenant agrees that this Lease shall remain in full force and effect even though default in the mortgage may occur.

ARTICLE XXIII INTENTIONALLY OMITTED

ARTICLE XXIV NOTICES

Wherever any notice is required or permitted hereunder such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be addressed to the parties hereto at their respective addresses set out in Section 1.1, or at such other address as they may have hereafter specified by written notice, and (i) deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, or (ii) sent by national overnight courier (such as FedEx, DHL Express, UPS or Airborne).

Notices under this Lease are effective upon receipt. For the purpose of notices under this Lease, the term "receipt" shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document as shown on the return receipt or by the records of the courier, (ii) the date of actual receipt of the notice or other document, or (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (A) the date of the attempted delivery or refusal to accept delivery, (B) the date of the postmark on the return receipt, or (C) the date of receipt of notice of refusal or notice of non-delivery by the sending party. Notices to Landlord or Tenant are not effective if sent by facsimile. Notices given by a party's legal counsel shall constitute notice given by such party if otherwise given in accordance with this Article XXIV.

If and when included within the term "Landlord" as used in this instrument there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such notice specifying some individual at some specific address for the receipt of notices and payments to Landlord; if and when included within the term "Tenant" as used in this instrument there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such a notice specifying some individual at some specific address for the receipt of notices and payments to Tenant. All parties included with terms "Landlord" and "Tenant" respectively, shall be bound by notices and payments given in accordance with the provisions of this Article XXIV to the same effect as if each had received such notice or payment.

ARTICLE XXV LATE CHARGES

If Tenant fails to pay to Landlord when due any installment of rental or other sum to be paid to Landlord that may become due hereunder, Landlord will incur additional expenses in an amount not readily ascertainable and that has not been elsewhere provided for between Landlord and Tenant. If Tenant fails to pay to Landlord when due any installment of rental or other sum to be paid hereunder, Tenant will pay Landlord on demand a late charge of five percent thereof. Failure to pay such late charge upon demand therefor shall be an event of default hereunder. In addition to such late charge, any overdue balance owing Landlord by Tenant shall bear interest at the lesser of 12 percent per annum and the highest annual rate allowable by Laws. Provision for such late charge and interest shall be in addition to all other rights and remedies available to Landlord hereunder or at law or in equity and shall not be construed as liquidated damages or limiting Landlord's remedies in any manner.

ARTICLE XXVI DIRECTION OF TENANTS ENERGIES

Tenant acknowledges that Tenant's monetary contribution to Landlord (in the form of rentals) and Tenant's general contribution to commerce within the Project (also important in Landlord's determination to execute this Lease with Tenant) will be substantially reduced if during the Term, either Tenant or any person, firm or corporation, directly or indirectly controlling, controlled by or under common control with Tenant shall directly or indirectly operate, manage, conduct or have any interest in any establishment within commercial proximity of the Restaurant Site. Accordingly, Tenant agrees that during the Term neither Tenant nor any person, firm or corporation, directly or indirectly controlling, controlled by or under common control with Tenant (and also, in the event Tenant is a corporation, if any officer or director thereof or shareholder owning

more than ten percent of the outstanding stock thereof, or parent, subsidiary or related or affiliated corporation) shall directly or indirectly operate, manage, conduct or have any interest in any commercial establishment within three miles of the Restaurant Site, except that Tenant or its affiliates may operate a pizza shop/restaurant of approximately 1,680 square feet located in the Retail Area, or such other restaurant concept of Tenant or its affiliates as approved by Landlord in its sole discretion.

ARTICLE XXVII MISCELLANEOUS

Section 27.1 No Partnership. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between parties hereof, it being understood and agreed that neither the method of computation of rental, nor any other provisions contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

Section 27.2 Captions. The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

Section 27.3 Waiver. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

Section 27.4 Force Majeure. Whenever a period of time is herein prescribed for action to be taken by a party (other than the payment of money), such party shall not be liable or responsible for and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, Laws and/or regulations or restrictions or any other causes of any kind whatsoever that are beyond the reasonable control of such party.

Section 27.5 Notice to Mortgagee. At any time when there is outstanding a mortgage, deed of trust or similar security instrument covering Landlord's interest in the Premises, Tenant may not exercise any remedies for default by Landlord hereunder unless and until the holder of the indebtedness secured by such mortgage, deed of trust or similar security instrument shall have received written notice of such default and a reasonable time for curing such default shall thereafter have elapsed.

Section 27.6 Quiet Enjoyment. Landlord agrees that if Tenant shall perform all of the covenants and agreements, herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the continuance of this Lease have the peaceable and quiet enjoyment and possession of the Premises.

Section 27.7 Entire Agreement. This writing contains the entire agreement between the parties hereto, and no agent, representative, salesman or officer of Landlord hereto has authority to make, or has made, any statement, agreement or representation, either oral or written, in connection herewith, modifying, adding or changing the terms and conditions herein set forth. FURTHER, TENANT ACKNOWLEDGES AND AGREES THAT NEITHER LANDLORD NOR ANY AGENT OR REPRESENTATIVE OF LANDLORD, HAS MADE, AND TENANT HAS NOT RELIED UPON, ANY REPRESENTATIONS OR ASSURANCES TO TENANT'S PROJECTED OR LIKELY SALES VOLUME, CUSTOMER TRAFFIC OR PROFITABILITY. TENANT ALSO ACKNOWLEDGES AND AGREES THAT, TO THE EXTENT ANY PROJECTIONS, MATERIALS OR DISCUSSIONS HAVE RELATED TO TENANT'S PROJECTED OR LIKELY SALES VOLUME, CUSTOMER TRAFFIC OR PROFITABILITY, TENANT UNDERSTANDS THAT ANY AND ALL SUCH PROJECTIONS, MATERIALS AND DISCUSSIONS ARE BASED SOLELY UPON LANDLORD'S

EXPERIENCES AT OTHER PROPERTIES OR UPON STANDARDIZED MARKETING STUDIES, AND THAT SUCH PROJECTIONS, MATERIALS AND DISCUSSIONS SHALL NOT BE CONSTRUED AS A PROMISE OR GUARANTEE THAT TENANT WILL REALIZE THE SAME OR SIMILAR RESULTS. No modification of this Lease shall be binding unless such modification shall be in writing and signed by the parties hereto. Tenant hereby further recognizes and agrees that the submission of this Lease for examination by Tenant does not constitute an offer or an option to lease the Premises, nor is it intended as a reservation of the Premises for the benefit of Tenant, nor shall this Lease have any force or validity until and unless a copy of it is returned to Tenant duly executed by Landlord.

Section 27.8 No Broker. Tenant warrants that it has had no dealing with any broker or agent in connection with the negotiation or execution of this Lease other than Landlord's broker, if any. In the event any agent or broker other than Landlord's broker, if any, shall make a claim for a commission, or fee, Tenant shall be responsible for payment thereof and hereby indemnifies and holds harmless Landlord from such claim for commission or fees.

Section 27.9 Estoppel Certificate. At any time and from time to time, upon written request from Landlord, Tenant agrees to execute, acknowledge, and deliver to Landlord or to the holder of any mortgage that is a lien on that portion of the Restaurant Building that includes the Premises, a statement in writing, in form and substance satisfactory to Landlord, certifying all or any part of the following information as Landlord requests: (i) that this Lease constitutes the entire agreement between Landlord and Tenant and is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications); (ii) the dates to which rents and other charges hereunder have been paid, and the amount of any security deposited with Landlord; (iii) that the Premises have been completed on or before the date of such statement and that all conditions precedent to this Lease taking effect have been carried out; (iv) that Tenant has accepted possession, the Term has commenced, and Tenant is occupying the Premises; (v) that Tenant knows of no default under this Lease by Landlord and there are no defaults or offsets that Tenant has against enforcement of this Lease by Landlord; (vi) the Commencement Date and expiration date of this Lease; (vii) that the Premises are open for business; and (viii) any other information reasonably requested by Landlord. In the event Tenant fails to provide such statement as above described within ten days after Landlord's written request therefor, Tenant shall be in default under this Lease without additional notice or opportunity to cure.

Section 27.10 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the correct rent or other monies due under this Lease shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or letter accompanying any check for payment of rent or any other amounts owed to Landlord be deemed to effect or evidence an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the rent or other amount owed and pursue any other remedy provided in this Lease.

Section 27.11 Governing Law. The laws of the state in which the Premises are located shall govern the interpretation, validity, performance and enforcement of this Lease.

Section 27.12 Binding Effect. The terms, provisions and covenants contained in this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors in interest and legal representatives except as otherwise herein expressly provided.

Section 27.13 Guaranty of Lease. In order to induce Landlord to execute this Lease, Tenant shall cause the guaranty attached hereto as Exhibit D to be executed by the guarantors referenced therein.

Section 27.14 Right to Lease. Landlord shall have the absolute right to lease or permit the use or occupancy of space in the Project as Landlord shall determine in its sole and absolute judgment. Tenant does not rely on the fact, nor does Landlord represent, that there shall be any specific occupants or minimum occupancy level of space in the Project at any time unless otherwise specifically set forth in this Lease.

Section 27.15 Interpretation. The term "including" whenever used in this Lease shall be deemed to mean "including, without limitation,". The phrases "expiration of the term of this Lease", "termination of this

Lease" and similar phrases, shall be deemed to mean "the expiration or earlier termination of the term of this Lease, whether by the terms of this Lease, the agreement of the parties, Laws or otherwise". The phrases "term of this Lease", "term hereof" and similar phrases, shall be deemed to mean "the initial term of this Lease as may be extended pursuant to any renewal or extension options". Whenever this Lease imposes an obligation or confers a right on a party hereto, such obligation shall be performed and such right exercised at such party's sole cost and expense, unless it is otherwise specifically provided herein that such obligation is to be performed or such right exercised at the cost and expense of the other party hereto or some third party. The parties acknowledge that each party and its counsel have reviewed and revised this Lease, and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any amendments or exhibits hereto. The deletion of language from this Lease prior to its execution by Landlord and Tenant shall not be construed to have any particular meaning or to raise any presumption, construction or implication, including any implication that the parties intended thereby to state the opposite of the deleted language. Whenever one party is prohibited under this Lease from doing something without the consent of the other party, such other party shall have the right to withhold such consent in its sole and absolute discretion without any obligation of reasonableness, good faith or consistency, unless a different standard of discretion is expressly set forth in this Lease with respect to a particular consent right.

Section 27.16 Severability. Any provision of this Lease that is contrary to a Law that the parties cannot legally waive or contract against is and shall be void and not binding on either party hereto; provided, however, that the invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provision. If any provision of this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected hereby.

Section 27.17 Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original, and all counterparts shall constitute one and the same instrument. This Lease may be signed and delivered by facsimile or e-mail and shall be effective if so signed and delivered whether or not original counterparts are later exchanged by Landlord and Tenant.

Section 27.18 Recording. Tenant may not record this Lease or any short form thereof or any document containing or referring to this Lease.

Section 27.19 Survival. Upon the termination of this Lease, neither party shall have any further rights, obligations or liabilities to the other except for such rights, obligations or liabilities that expressly survive the termination of this Lease or that have accrued prior to such termination.

Section 27.20 Real Estate Investment Trust. Should a real estate investment trust become Landlord hereunder, all provisions of this Lease shall remain in full force and effect except as modified by this Section 27.20. If Landlord in good faith determines that its status as a real estate investment trust under the provisions of the Internal Revenue Code of 1986, as heretofore or hereafter amended, will be jeopardized because of any provision of this Lease, Landlord may request reasonable amendments to this Lease, and Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such amendments do not (i) increase the monetary obligations of Tenant pursuant to this Lease or (ii) in any other manner materially and adversely affect Tenant's interest in the Premises.

Section 27.21 Restriction. (a) Subject to the conditions and exceptions set forth below, Landlord agrees that during the Term, Landlord will not execute any lease for space within the Project that allows the tenant under the lease to operate as a restaurant under any of the following trade names: Applebee's; Average Joe's; B & I Bar; BJ's Brew House; Black Cat Bistro; Buffalo Wild Wings; Buffalo Wings & Rings; Cask & Co. kitchen & bar; Cheddar's Scratch Kitchen; Chili's; Crunchy's Burgers & Beer; Dagwood's Tavern & Grill; Eastside Fish Fry & Grill; Frank's Press Box; Granite City Brewery; Houlihan's Restaurant + Bar; Massey's Pizza Sports Bar & Wings; Red Robin; Roosters; Ruby Tuesday; Rusty Bucket Restaurant and Tavern; State Room; The Rusty Mug; Winking Lizard; or Yogi's Bar & Grill. If Landlord breaches the foregoing restriction (the "Restriction"), Tenant shall be entitled to all remedies at law or equity, including injunctive relief.

(b) The Restriction shall apply only as long as the following conditions exist: (i) Tenant is occupying the Premises and is conducting business in the manner provided for in Section 7.1; (ii) no event of default by Tenant has occurred and has continued beyond any applicable cure period and (iii) the other restaurant owned and operated by (w) Michael R. Purdum, (x) an entity owned, managed or controlled by Michael R. Purdum, (y) Purdum Restaurant Management, LLC or (z) an affiliate or other entity owned, managed or controlled by Purdum Restaurant Management, LLC is occupying its premises and conducting business in the manner provided for in its lease. Upon the failure of one, two or all three such conditions set forth in this Section 27.21(b), the Restriction shall automatically cease and be of no further force or effect.

(c) The following exceptions apply to the Restriction:

(i) The Restriction shall not apply to any land located outside the current boundaries of the Project; and

(ii) If a court of competent jurisdiction or a governmental agency determines the Restriction to be illegal or unenforceable, or if Landlord and Tenant agree that the Restriction is illegal or unenforceable, the Restriction shall automatically cease and be of no further force or effect; Landlord and Tenant agree that in such event the remainder of this Lease will continue in full force and effect.

(d) Neither the Restriction nor anything else in this Lease is intended to make Tenant a third-party beneficiary of any other lease for space within the Project.

(e) Notwithstanding the foregoing provisions which provide for remedies of Tenant in the event Landlord breaches the Restriction, in the event a "Rogue Tenant" (as defined herein) violates the Restriction, provided and so long as Landlord promptly commences and thereafter uses reasonable and diligent efforts to cause a cessation of such violation, including but not limited to, the institution and prosecution of judicial action and/or proceedings to force the Rogue Tenant to cease such violation, then Landlord shall not be deemed in default of the Restriction and such remedies shall not be available to Tenant. A "Rogue Tenant" shall mean and refer to any tenant or occupant of the Project who is prohibited and/or not permitted by its lease or other occupancy agreement or by recorded covenants and restrictions upon the property leased to or occupied by the Rogue Tenant to use or occupy its premises in violation of the Restriction.

Section 27.22 Liquor License. (a) Tenant shall use commercially reasonable efforts to acquire a liquor license prior to the Commencement Date (the "Liquor License"). Landlord will reasonably cooperate with Tenant, at no cost to Landlord, to facilitate Tenant's acquisition of the Liquor License. Notwithstanding the foregoing, Tenant may use a portion of the Construction Allowance, not to exceed \$25,000.00, to obtain the Liquor License. Tenant shall not transfer the Liquor License without the prior written consent of Landlord, which consent may be withheld by Landlord in its sole discretion.

Tenant hereby grants Landlord, its designee, assignee or nominee, the right and option (the "Option") to purchase the Liquor License (i) at any time when Tenant is in default under this Lease beyond any applicable cure period, or (ii) within 60 days after the expiration of the Term. The option price for exercising the Option to purchase the Liquor License shall be \$10.00. Landlord shall have the right to exercise the Option at any time in accordance with the aforementioned terms upon written notice to Tenant. Upon request by Landlord, Tenant shall promptly execute any and all documents and take any and all actions deemed reasonably necessary by Landlord to effect the exercise of the Option for purchase and transfer of the Liquor License, including, but not limited to, an executed, in-blank application for transfer of the Liquor License and supporting corporate resolutions which Landlord shall have the right to use in applying for the transfer of the Liquor License pursuant to this paragraph.

(b) In order to secure Landlord's right to acquire the Liquor License pursuant to the Option, Tenant hereby grants Landlord a security interest in the Liquor License and agrees, if requested, to execute and deliver to Landlord for filing the appropriate UCC-1 Financing Statements or other applicable documents indicated a security interest in the Liquor License to enable Landlord to perfect its interest. Tenant agrees to execute a separate security agreement in accordance with applicable Laws upon Landlord's request.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the date first written above.

LANDLORD:

RED CEDAR STUDENT HOUSING I HOLDINGS, LLC,
an Ohio limited liability company

By: [Signature]
Mark A. Damante, Vice President

STATE OF OHIO
COUNTY OF FRANKLIN

The foregoing instrument was acknowledged before me this 7th day of February, 2022, by Mark A. Damante, the Vice President of RED CEDAR STUDENT HOUSING I HOLDINGS, LLC, an Ohio limited liability company, on behalf of the company.



NANNETTE C. BUEL
Notary Public, State of Ohio
My Commission Expires 10-07-24

[Signature]
Notary Public

TENANT:

THE OLD BAG OF NAILS PUB-LANSING, LLC, an Ohio limited liability company

By: 
Michael Purdum, Managing Member

STATE OF OHIO
COUNTY OF FRANKLIN

The foregoing instrument was acknowledged before me this 21 day of January, 2022, by Michael Purdum, the Managing Member, of THE OLD BAG OF NAILS PUB-LANSING, LLC, an Ohio limited liability company, on behalf of the company.



Crystal G Robinett
Notary Public, State of Ohio
My Commission Expires 10/13/2025

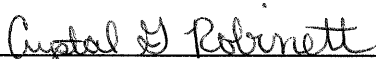

Notary Public
My commission expires: 10/13/2025

EXHIBIT A

Legal Description of the Project

Situated in the City of Lansing, County of Ingham and State of Michigan:

Part of Lots 6, 15, and 17, part of vacated Cooper Street, part of vacated Olin Avenue and vacated portion of Reniger Court (Platted as Fredrick Street), Supervisor's Plat No. 1 as recorded in Liber 12 of Plats, Page 27, Ingham County Records; also

part of the Plat of Riverside as recorded in Liber 3 of Plats, Page 25, Ingham County Records; also part of the "Plat of the Subdivision of all that part of the Southeast quarter of Section 14 and all of that part of Section 23 lying North of the Cedar River" according to the True Copy of the Original recorded June 13th, 1856; also part of the Southwest 1/4 of Section 13 and part of the Southeast 1/4 of Section 14, Town 4 North, Range 2 West, City of Lansing, Ingham County, Michigan, all being more particularly described as follows;

Commencing at the West 1/4 corner of Section 13 also being the East 1/4 corner of Section 14, Town 4 North, Range 2 West;

Thence, South 00 degrees 33 minutes 40 seconds West, 119.50 feet along the West line of Section 13 and the East line of Section 14 to the South right of way line of Michigan Avenue and the North line of Lot 19 of Supervisor's Plat No. 1;

Thence, South 89 degrees 49 minutes 55 seconds West, 1.85 feet along the South right of way line of Michigan Avenue to the Northwest corner of Supervisor's Plat No. 1 and the Point of Beginning of following described Parcel;

Thence, South 00 degrees 44 minutes 26 seconds West (platted as South), 540.51 feet along the West line of Supervisor's Plat No. 1 to the Southwest corner of Lot 23;

Thence, South 89 degrees 58 minutes 26 seconds East, (Platted as North 89 degrees 15 minutes East), 182.60 feet along the South line of Lot 23 and its Easterly extension;

Thence, North 00 degrees 22 minutes 22 seconds West, 100.00 feet along the West line of the East 1/2 of vacated Olin Avenue;

Thence, South 89 degrees 58 minutes 26 seconds East, 998.91 feet along the North line of the South 100 feet of the East 1/2 of vacated Olin Avenue, the North line of the South 100 feet of Lot 17, the North line of the South 100 feet of vacated Cooper Street, the North line of the South 100 feet of Lot 15, the North line of the South 100 feet of vacated portion of Reniger Court (Platted as Fredrick Street) and the North line of the South 100 feet of Lot 6 to the East line of Lot 6;

Thence, South 00 degrees 15 minutes 20 seconds East, 366.50 feet along the East line of Lot 6 and the West line of Outlot "A";

Thence, North 89 degrees 58 minutes 26 seconds West, 223.54 feet;

Thence, North 54 degrees 00 minutes 29 seconds West, 52.00 feet;

Thence, 69.79 feet along a 74.00 foot radius curve to the right, said curve having a central angle of 54 degrees 02 minutes 03 seconds and a chord of South 63 degrees 00 minutes 32 seconds West, 67.23 feet;

Thence, North 89 degrees 58 minutes 26 seconds West, 428.58 feet;

Thence, 231.33 feet along a 274.00 foot radius curve to the right, said curve having a central angle of 48 degrees 22 minutes 26 seconds and a chord of North 65 degrees 47 minutes 13 seconds West, 224.52 feet;

Thence, 377.37 feet along a 326.00 foot radius curve to the left, said curve having a central angle of 66 degrees 19 minutes 27 seconds and a chord of North 74 degrees 45 minutes 43 seconds West, 356.65 feet;

Thence, 188.95 feet along a 910.36 foot radius curve to the right, said curve having a central angle of 11 degrees 53 minutes 31 seconds and a chord of South 77 degrees 56 minutes 02 seconds West, 188.61 feet;

Thence, North 03 degrees 56 minutes 40 seconds West, 79.35 feet;

Thence, 99.65 feet along a 91.50 foot radius curve to the left, said curve having a central angle of 62 degrees 23 minutes 54 seconds, and a chord of North 31 degrees 20 minutes 47 seconds East, 94.80 feet;

Thence, North 89 degrees 51 minutes 10 seconds West, 50.00 feet parallel with the South right of way line of Michigan Avenue;

Thence, 130.38 feet along a 41.50 foot radius curve to the right, said curve having a central angle of 180 degrees 00 minutes 00 seconds and a chord of North 89 degrees 51 minutes 10 seconds West, 83.00 feet;

Thence, North 00 degrees 08 minutes 50 seconds East, 133.87 feet perpendicular to the South right of way line of Michigan Avenue;

Thence, South 89 degrees 51 minutes 10 seconds East, 133.00 feet parallel with the South right of way line of Michigan Avenue;

Thence, North 00 degrees 08 minutes 50 seconds East, 175.20 feet perpendicular to the South right of way line of Michigan Avenue;

Thence, North 89 degrees 51 minutes 10 seconds West, 54.50 feet parallel with the South right of way line of Michigan Avenue;

Thence, North 00 degrees 08 minutes 50 seconds East, 192.26 feet perpendicular to the South right of way line of Michigan Avenue;

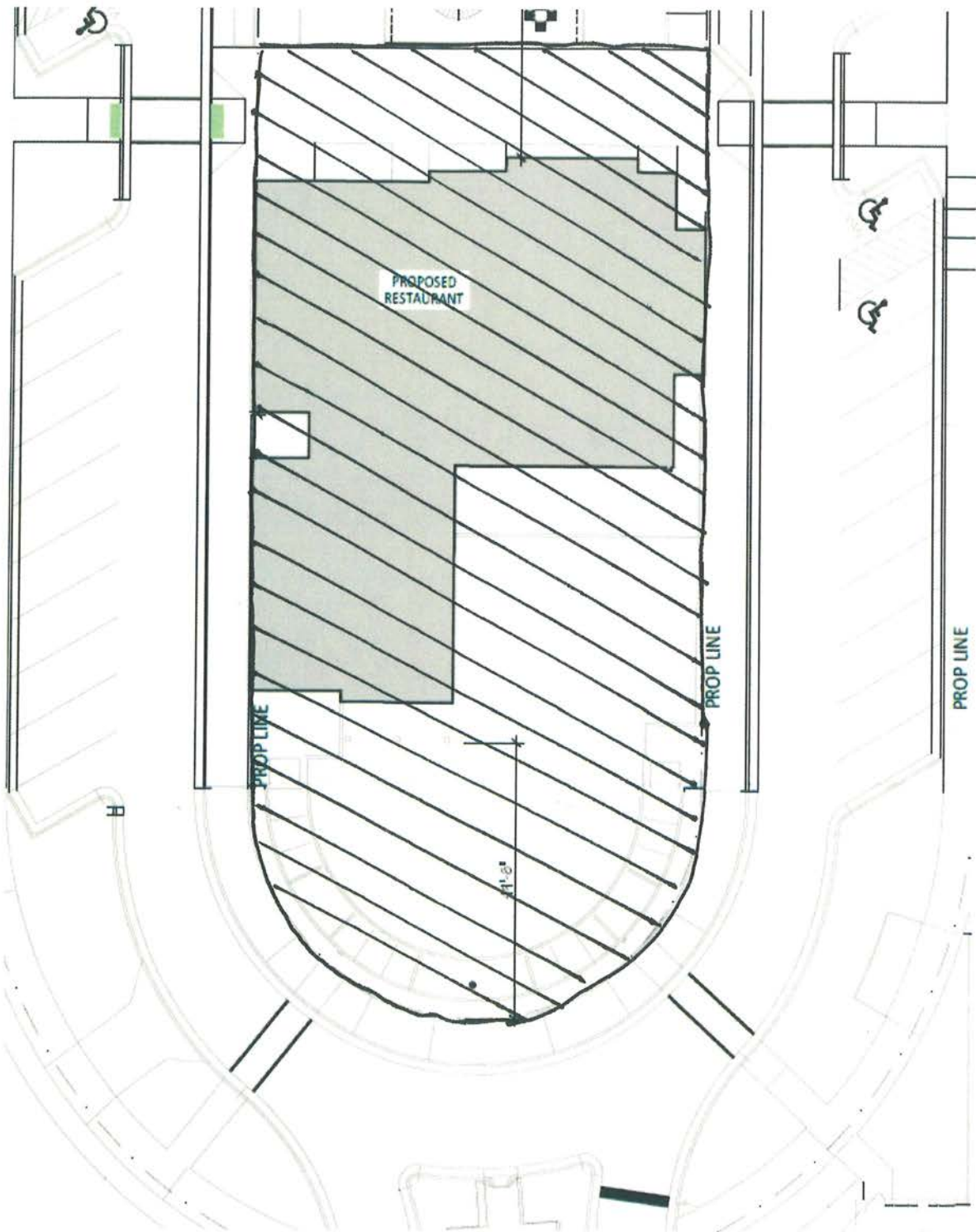
Thence, South 89 degrees 51 minutes 10 seconds East, 321.27 feet along the South right-of-way line of Michigan Avenue to the Point of Beginning.

Tax ID No: 33-01-01-14-426-003

EXHIBIT B
SITE PLAN

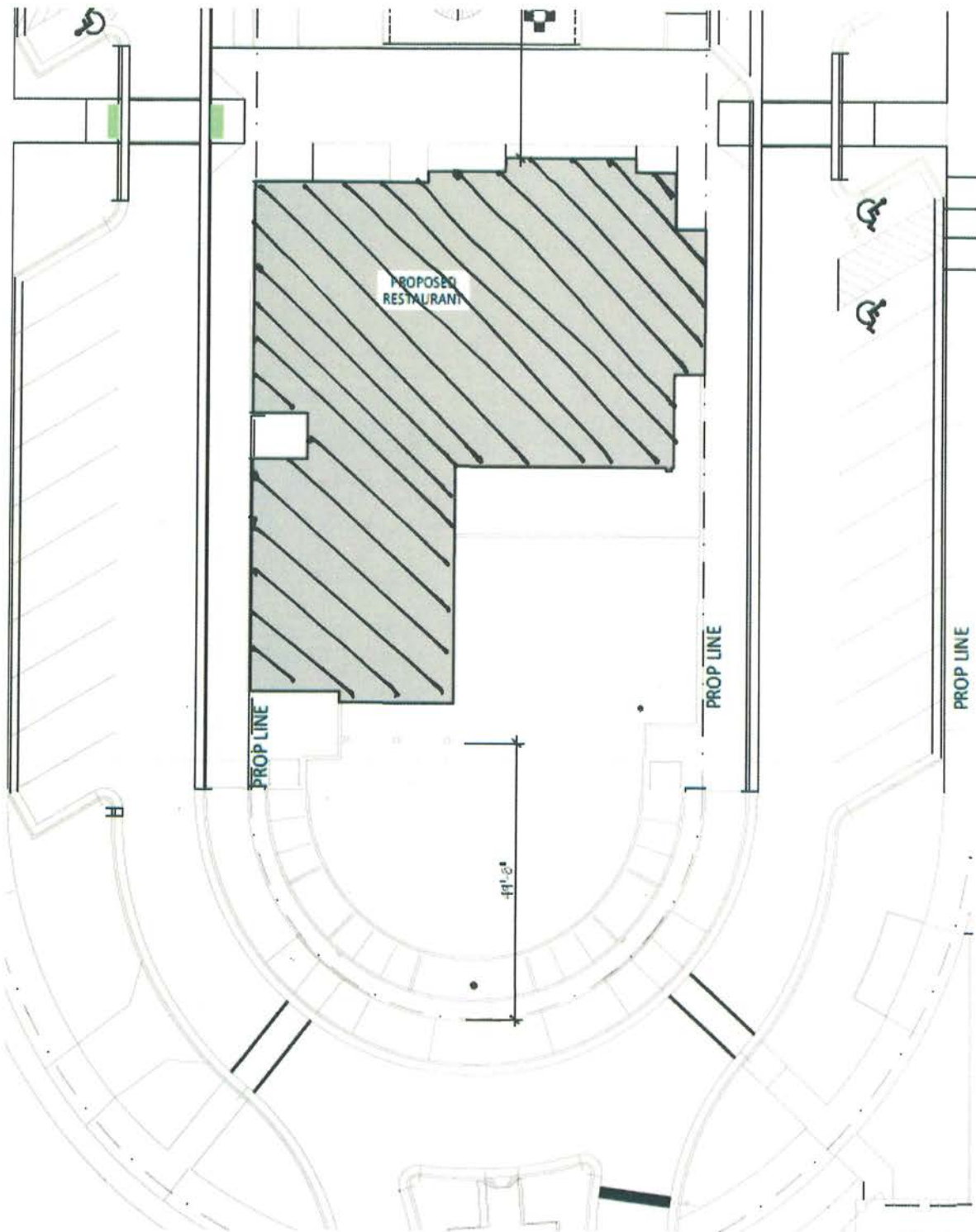
[see immediately following four (4) pages]

Site Plan



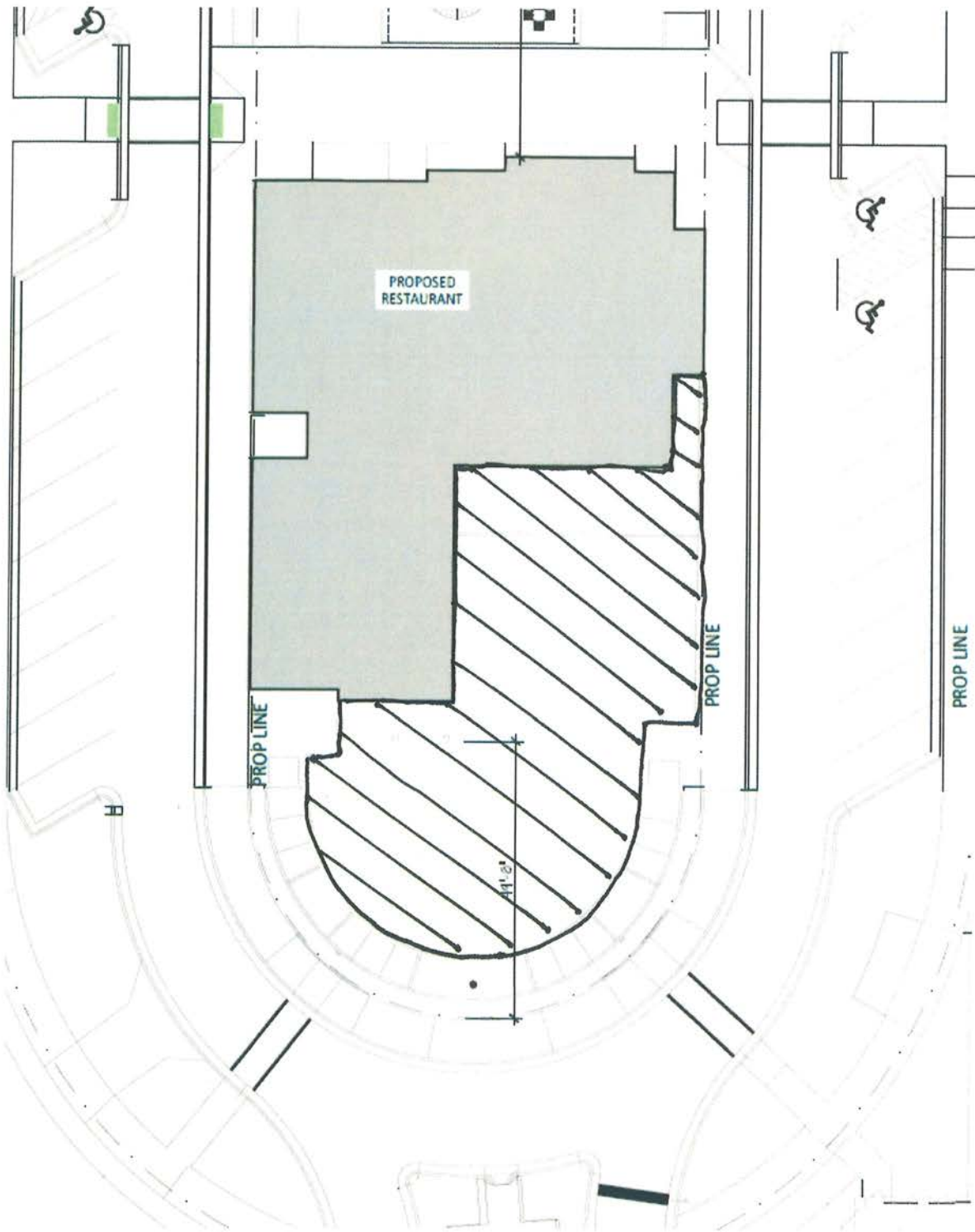
 - Restaurant Site
B-2

Site Plan



 - Restaurant Building (excluding Patio)
B-3

Site Plan

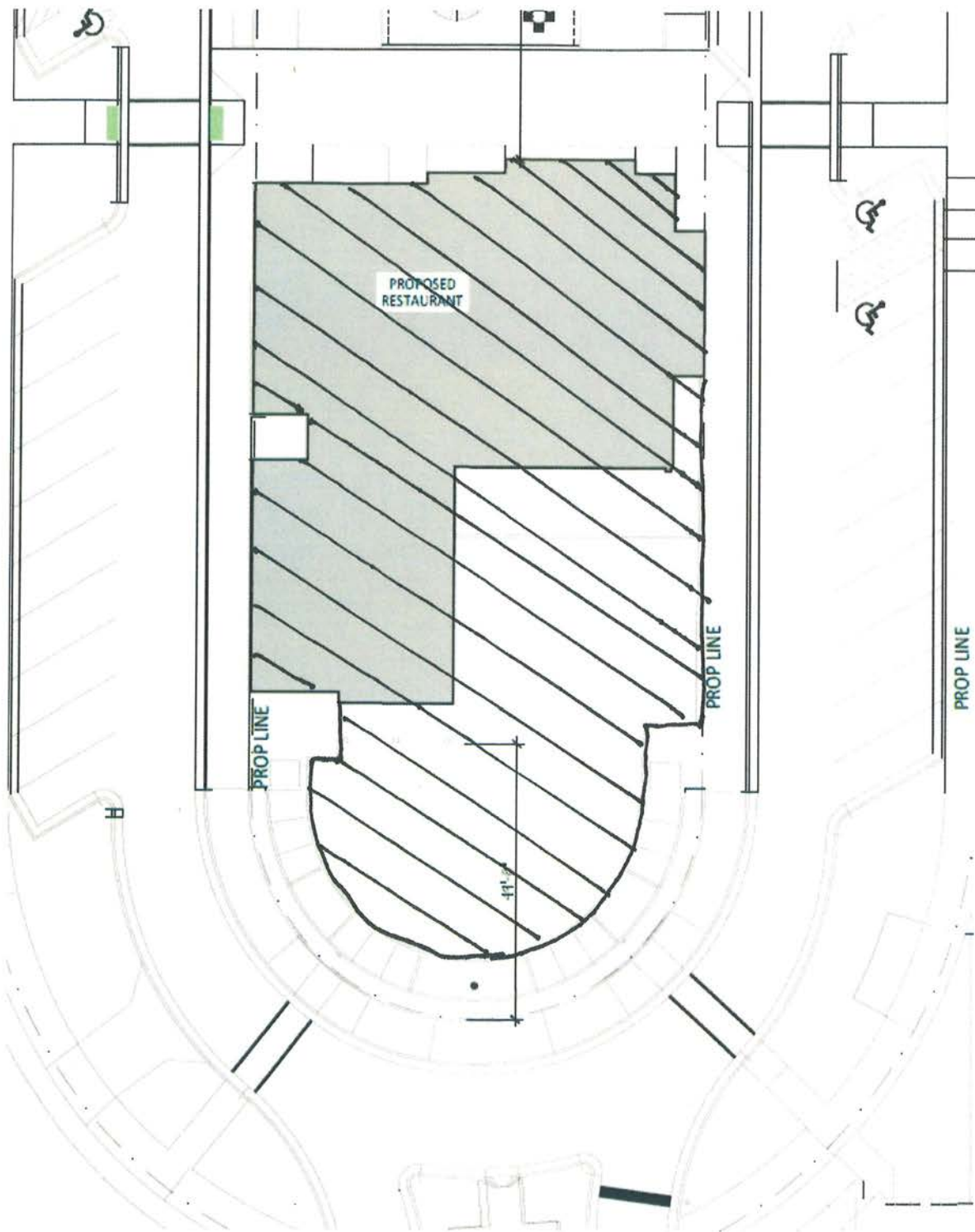


- Patio (1st Floor) *

* 2nd floor Patio not shown.

B-4

Site Plan



- Premises

B-5

EXHIBIT C

CONSTRUCTION

Landlord's Work:

1. Rough plumbing stubbed into the Premises (including gas lines into the kitchen);
2. Rough electric to panel only;
3. Complete sprinkler system, except sprinkler heads to be installed by Tenant under Tenant Construction Plans;
4. Insulation;
5. Patio Garage Doors;
6. Exterior structure of the Premises (including awnings, if any, but excluding Tenant's signage);
7. Poured concrete floor for the Premises;
8. In-ground grease trap outside the Premise;
9. HVAC roof-top units and roof penetrations for the roof-top units, excluding ductwork for the interior of the Premises, which shall be Tenant's responsibility and part of Tenant's Work. In the event Landlord does install the interior ductwork (upon agreement with Tenant), the cost of the materials and installation for the interior ductwork shall be Tenant's responsibility. Landlord and Tenant shall work together diligently, in good faith and in a commercially reasonable manner to determine the bidding process, cost analysis, vendor and subcontractor selection for the HVAC portions of Landlord's Work and Tenant's Work;
10. Installation of the meters and/or submeters for utilities serving the Premises.
11. Any other items listed as Landlord's responsibility under the Landlord Construction Plans.

Landlord's Work shall be completed in accordance the Landlord Construction Plans. "Landlord Construction Plans" shall be approved plans from the "Red Cedar River – Restaurant" plans prepared by Dean A. Wentz Architects, Project No: 2020-037, Dated April 23, 2021, as revised. Any changes to the Landlord Construction Plans after January 1, 2022, shall be mutually agreed upon by Landlord and Tenant and such changes, if any, shall be deemed included in the Landlord Construction Plans. Landlord shall warrant Landlord's Work for one year from the Delivery Date.

Tenant's Work:

All items contained in the Landlord Construction Plans, excluding Landlord's Work as set forth above, along with items set forth in the "Hallmark – Red Cedar River Old Bag of Nails Tenant Improvement Package" plans or the "Old Bag of Nails (Fit Out)" plans prepared by Dean A. Wentz Architects, Project No: 2020-037, Dated October 18, 2021, as approved ("Tenant Construction Plans"), and any additional plans approved pursuant to Section 3.2 of this Lease as part of Tenant's Plans. Any changes to the Tenant Construction Plans after initial approval, shall be mutually agreed upon by Landlord and Tenant and such changes, if any, shall be deemed included in the Tenant Construction Plans. Tenant's Work also includes the installation of the Landlord's Financed Personal Property.

EXHIBIT D

GUARANTY

THIS GUARANTY (this "Guaranty") is made by Purdum Restaurant Management, LLC ("Guarantor").

WITNESSETH

WHEREAS, Landlord is willing to execute the Lease to which this Guaranty is attached as an exhibit, at the request of Guarantor and on condition of receiving this Guaranty from Guarantor as herein contained;

NOW, THEREFORE, for and in consideration of leasing the Premises by Landlord to Tenant, which Lease is executed contemporaneously herewith, for value received and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged by Guarantor:

1. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Lease.

2. Guarantor hereby absolutely, unconditionally and irrevocably guarantees at any time to Landlord: (i) the full and prompt payment, when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of any and all debts, liabilities, and obligations of Tenant provided for in the Lease in strict accordance with the terms and conditions thereof (hereinafter called the "Indebtedness"); and (ii) the full, complete, and punctual observance, performance, and satisfaction of the obligations, duties and agreements of Tenant provided for in the Lease in strict accordance with the terms and conditions thereof (hereinafter called "Obligations") including, but not limited to, the payment and/or reimbursement of rent, impositions, insurance, taxes, operating expenses and the costs of maintenance and repairs as therein provided for. Guarantor agrees and acknowledges that this Guaranty shall be one of payment and performance and not one of collection. Landlord shall be entitled to commence any action or proceeding against Guarantor to enforce the provisions of this Guaranty without first making demand upon Tenant or commencing an action, arbitration proceeding or other proceeding against Guarantor to enforce the provisions of this Guaranty without first making demand upon Tenant or commencing an action, arbitration proceeding or other proceeding against Tenant, or otherwise attempting to enforce its available remedies against Tenant. Guarantor does hereby waive each and every notice to which Guarantor might be entitled under the Lease, or otherwise, and expressly consents to any extension of time, leniency, modification, waiver, forbearance, or any changes that may be made in any terms and conditions of the Lease, any exhibits attached thereto, and specifically, the plans and specifications referred to therein, and no such change, modification, extension, waiver or forbearance shall release Guarantor from any liability or obligation hereby incurred or assumed. Guarantor agrees that the liability of Guarantor hereunder shall not be discharged unless the full performance of the Obligations and repayment of the Indebtedness or any other sums due hereunder. Guarantor further expressly waives any notice of default or request of demand in or under any of the terms of the Lease.

3. The term "Tenant" shall also include successors, assigns, and/or sub-tenants of Tenant; however, Landlord shall not be obligated to consent to such assignment or subletting.

4. If any action, including any arbitration proceeding (if it is decided to submit such matter to arbitration), shall be commenced by Landlord to enforce the provisions of this Guaranty, Landlord shall be entitled (if it shall prevail in any such action or proceeding) to recover all costs and expenses incurred therein including reasonable attorneys' fees, court costs, filing fees, recording costs, expenses or foreclosure, and all other costs and expenses incurred in connection therewith.

5. The provisions of this Guaranty and the obligations of Guarantor hereunder shall survive and shall remain in full force and effect notwithstanding any bankruptcy of Tenant, any assignment for the benefit of creditors by Tenant, reorganization, receivership, or any insolvency proceedings commenced by or against Tenant, and any orders, judgments or decrees that may result therefrom or any invalidity or unenforceability of the Lease.

6. The obligations of Guarantor hereunder shall be joint and several. This Guaranty shall inure to Landlord, Landlord's heirs, legal personal representatives, successors and assigns, and shall extend to and bind the heirs, executors, administrators, legal and personal representatives and assigns of the undersigned Guarantor.

7. This Guaranty has been negotiated, executed and delivered in the state in which the Premises are located and shall be governed by the Laws of such state without reference to the conflicts of law principles of that state. As used in this Guaranty, the singular shall include the plural, and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires. If any provisions of this Guaranty, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstances, is adjudicated by a court of competent jurisdiction to be invalid, the validity of the remainder of this Guaranty shall be construed as if such invalid part were never included herein. Time is of the essence of this Guaranty. All payments to be made hereunder shall be made in currency and coin of the United States of America that are legal tender for public and private debts at the time of payment.

8. This Guaranty and the Lease constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior such agreements and understandings, both written and oral. This Guaranty may not be modified or amended except by a written instrument signed by Landlord and Guarantor. If this Guaranty is executed in several counterparts, each of these counterparts shall be deemed an original, and all of them together shall constitute one and the same instrument.

9. Any indebtedness of Tenant to Guarantor (the "Subordinated Debt") now or hereafter existing is hereby subordinated to the Indebtedness. Guarantor agrees that, until the entire Indebtedness has been paid in full, Guarantor will not seek, accept or retain for Guarantor's own account, any payment from Tenant on account of the Subordinated Debt. Any payments to Guarantor on account of the Subordinated Debt shall be collected and received by Guarantor in trust for Landlord and shall be paid over to Landlord on account of the Indebtedness without impairing or releasing the obligations of Guarantor hereunder.

10. Notwithstanding anything to the contrary contained herein, Guarantor's liability under this Guaranty is limited to the amount of Indebtedness and those Obligations accruing under the Lease which accrue during the first ten Lease Years, as such term is defined in the Lease, provided, however, this Guaranty shall terminate and be of no further force and effect as of the date Tenant's total Percentage Rental payments and any payments made to Landlord pursuant to Section 7.1(b) of the Lease (if applicable) equal or exceed the amount of the Construction Allowance plus interest of five percent per annum.

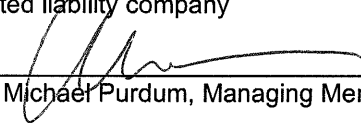
11. Any notice or demand that Landlord may desire or may be required to give Guarantor shall be given in accordance with the notice provisions in the Lease, addressed to Guarantor at its address set forth below, or to such other address as Guarantor may have designated to Landlord in writing to Landlord.

ADDRESS OF GUARANTOR:

Same as Tenant

GUARANTOR:

Purdum Restaurant Management, LLC, an Ohio
limited liability company

By: 

Michael Purdum, Managing Member

EXHIBIT E

RENEWAL OPTIONS

Provided this Lease has not been terminated and Tenant is not then in default under this Lease, Tenant shall have the option to renew this Lease for three consecutive additional five-year terms (each such term being hereinafter called a "Renewal Term"), on the following terms and conditions:

a) The replacement rental for Percentage Rental for each Renewal Term (the "Renewal Rental") shall be as follows:

Renewal Rental:

Lease Years	Annual Renewal Rent	Monthly Renewal Rent	Rent PSF*
11-15 (1st Renewal Term)	\$170,660.00	\$14,221.67	\$23.00
16-20 (2nd Renewal Term)	\$185,500.00	\$15,458.33	\$25.00
21-25 (3rd Renewal Term)	\$200,340.00	\$16,695.00	\$27.00

*PSF means "per square foot of the Premises per annum".

b) Tenant shall pay to Landlord Renewal Rental in monthly installments in the amount specified above for the applicable Renewal Term. All installments shall be due and payable on or before the first day of each calendar month commencing with the first calendar month of the applicable Renewal Term during such applicable Renewal Term.

c) Tenant shall notify Landlord in writing that Tenant is exercising the renewal option not less than 180 days before the expiration of the then-current Term, and, if Tenant fails to do so (time being of the essence), all unexercised renewal options shall be deemed null and void. The term "Term" as used in this Lease shall mean the initial Term as same may have been extended pursuant to this Exhibit E.

d) The leasing of the Premises by Landlord to Tenant during a Renewal Term shall be upon all terms and conditions set forth in this Lease, except as expressly modified by this Exhibit E, including, but not limited to, the payment of Tenant's Proportionate Share of Taxes, and any repairs and other items as set forth in this Lease, and except that the total number of renewal options exercisable by Tenant pursuant to this Exhibit E shall be as set forth above. Tenant, if requested by Landlord, agrees to execute a new Lease for the Renewal Terms on the same terms and conditions set forth in this Lease, except as modified in accordance with the terms of this Exhibit E.

EXHIBIT F

PROHIBITED USES

No portion of the Premises may be used for any of the following purposes:

1. Any unlawful use, or any use that creates a nuisance.
2. Secondhand store or flea market.
3. Storage of motor vehicles, boats or trailers.
4. Automobile repair operations, gas or service station.
5. "Head shops", medical marijuana facilities, recreational marijuana facilities, or other similar type uses.
6. Automobile sale (excluding sale of automotive parts and accessories).
7. Educational facilities, except for training classes incidental to a tenant's primary use.
8. Vocational schools or training class unrelated to primary retail use.
9. Manufacturing or assembling facilities.
10. Churches or places or religious congregations.
11. Night club and/or dance club. Notwithstanding the foregoing, so long as Tenant operates the Premises as a typical "The Old Bag of Nails" restaurant pursuant to the Permitted Use, the incidental or ancillary offering of live music, karaoke music, DJ'd music or similar music offerings shall not be a violation of this prohibition, provided same are in compliance with Laws.
12. Movie theatre.
13. Abortion clinic.
14. Bowling alley.
15. Pool or billiard room. Notwithstanding the foregoing, so long as Tenant operates the Premises as a typical "The Old Bag of Nails" restaurant pursuant to the Permitted Use, the incidental or ancillary offering of pool tables, billiard tables, darts or similar games shall not be a violation of this prohibition, provided same are in compliance with Laws.
16. Store which sells pornographic material.
17. Game arcade. Notwithstanding the foregoing, so long as Tenant operates the Premises as a typical "The Old Bag of Nails" restaurant pursuant to the Permitted Use, the incidental or ancillary offering of arcade games shall not be a violation of this prohibition, provided same are in compliance with Laws.
18. Roller or ice-skating rink.
19. Any non-retail use.

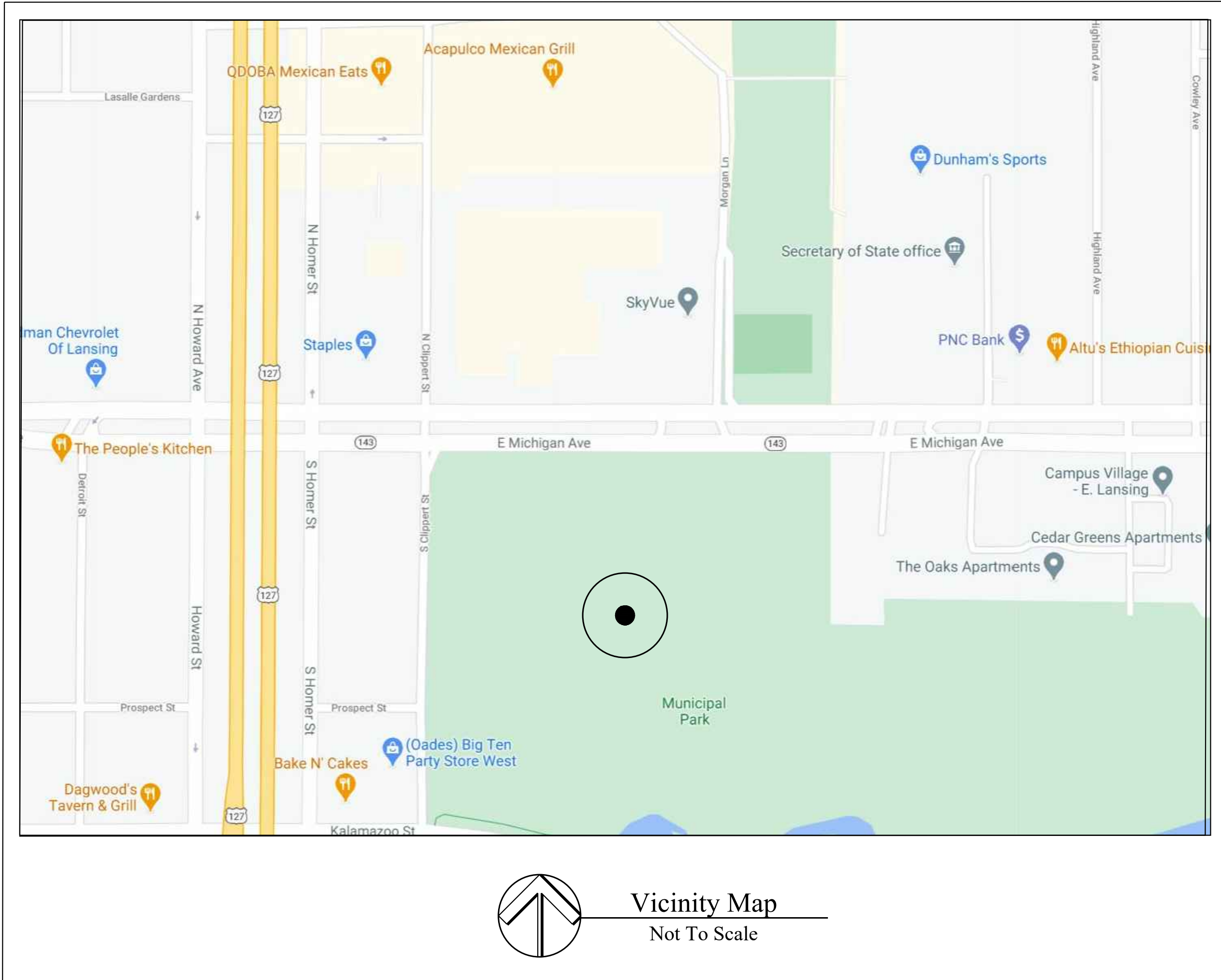
EXHIBIT G

LANDLORD'S FINANCED PERSONAL PROPERTY

Tenant shall be permitted to acquire personal property, trade fixtures, furniture, equipment and signs to be maintained in the Premises for use therein by Tenant, for which Tenant has provided reasonable supporting documentation of purchase and acquisition subject to the Construction Allowance in accordance with Section 3.3 of this Lease. Upon such acquisition, Landlord and Tenant shall use diligent and good faith efforts to cooperate in compiling an itemized list of the Landlord's Financed Personal Property following the opening of the Premises to the public for business.

OLD BAG OF NAILS

3124 E. Michigan Ave.
Lansing, Michigan 38912



INDEX OF DRAWINGS	
	COVER SHEET
SG-1	SIGNAGE DETAILS
SG-2a	1st FLOOR SIGNAGE PLAN
SG-2b	1st FLOOR SIGNAGE PLAN
A-1.0	CODE COMPLIANCE INFORMATION
A-1.1	LIFT SAFETY PLAN
A-1.2	TYPICAL ACCESSIBILITY DETAILS
A-10	OVERALL FIRST FLOOR PLAN
A-11	OVERALL SECOND FLOOR PLAN
A-12	INTERIOR ELEVATIONS
A-13	INTERIOR ELEVATIONS, SECTIONS & DETAILS
A-14	FIRST FLOOR REFLECTED CEILING PLAN
A-15	SECOND FLOOR REFLECTED CEILING PLAN
A-3.0	ENLARGED PLANS - STAIRS
A-3.1	STAIR SECTIONS
A-9	DOOR SCHEDULE

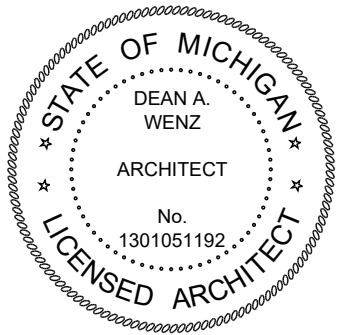
DEAN A. WENZ

ARCHITECTS

2463 E. Main Street, Bexley, Ohio 43209
(614) 239-6868 Fax (614) 239-9868

PROJECTNUMBER

April 23, 2021



Red Cedar River - Restaurant (Shell)
Restaurant

Restaurant

3124 E. Michigan Ave. - Lansing, MI 48912

DEVELOPER:
UNITIES/CONTINENT

HALLMARK CAMPUS COMMUNITIES/ CONTINENTAL DEVELOPMENT COMPANY

Project Number
2020-037

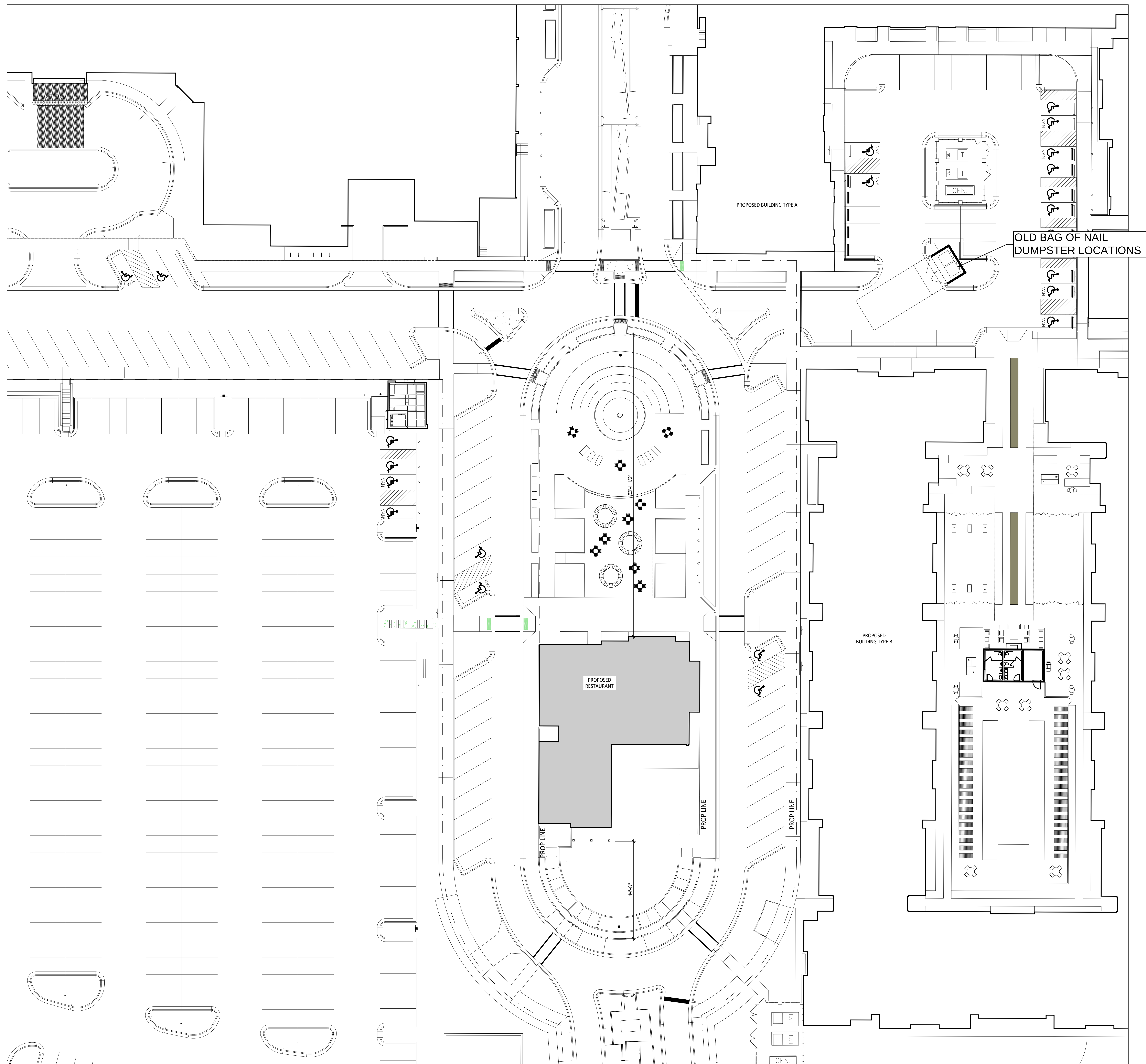
3, 2021

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Sheet Title

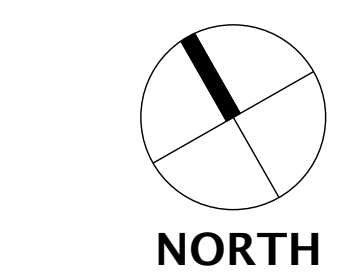
ARCHITECTURAL
SITE PLAN

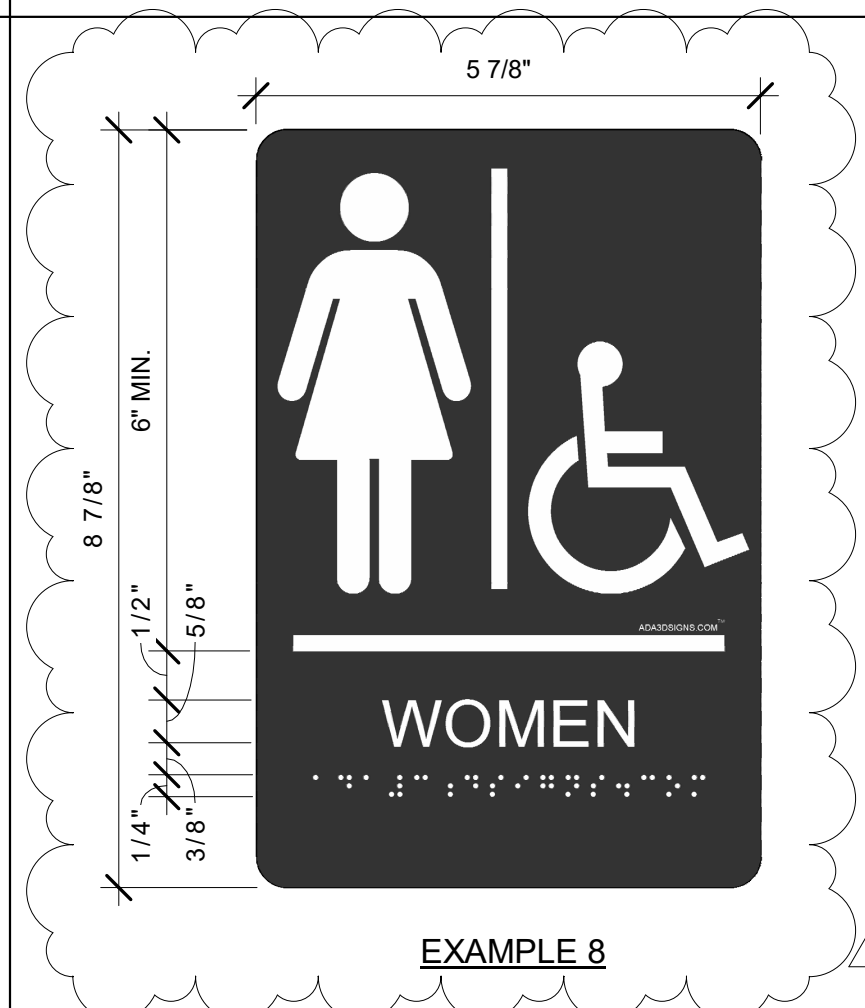
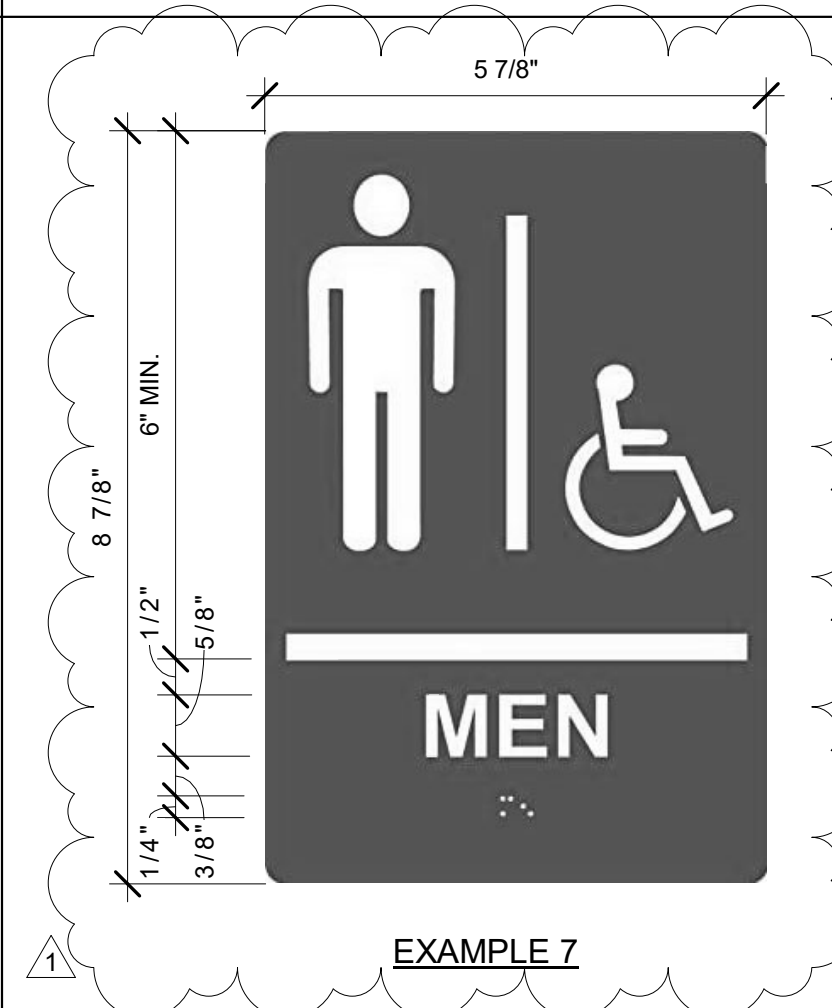
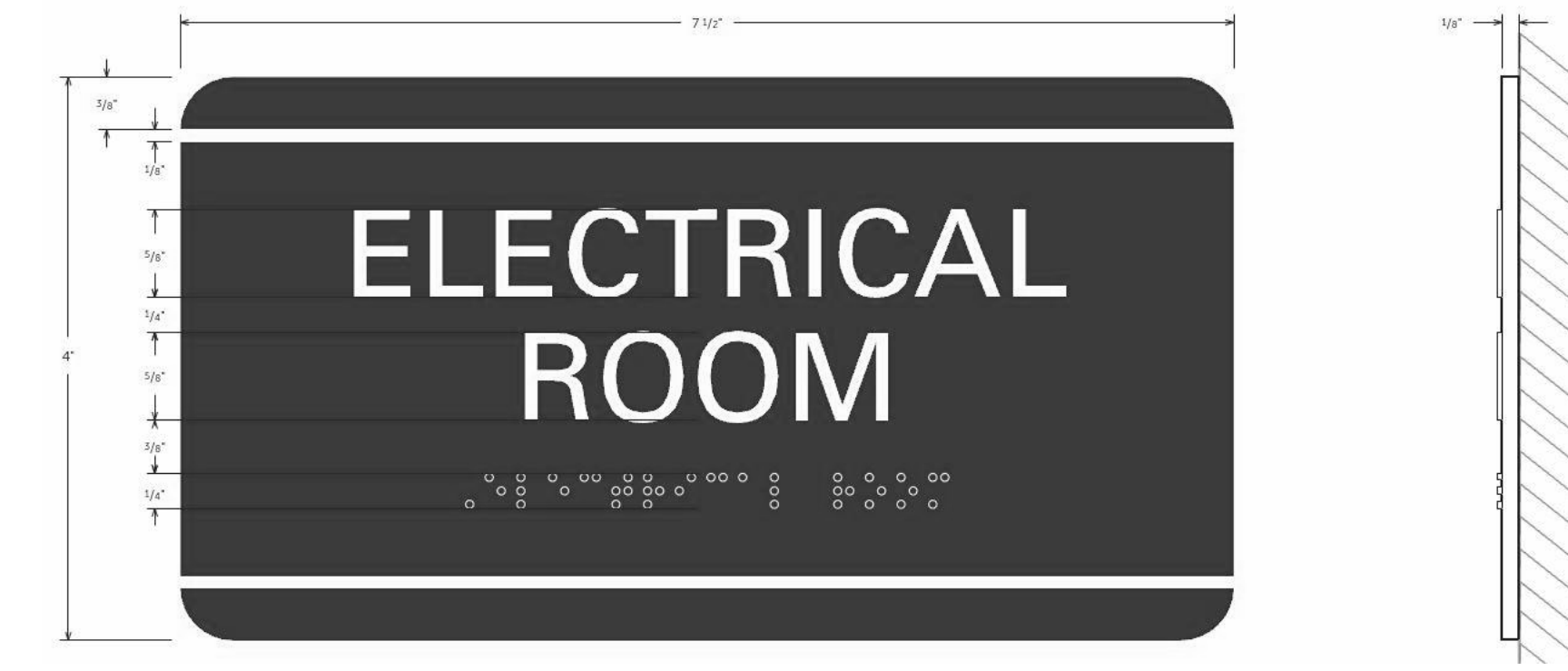
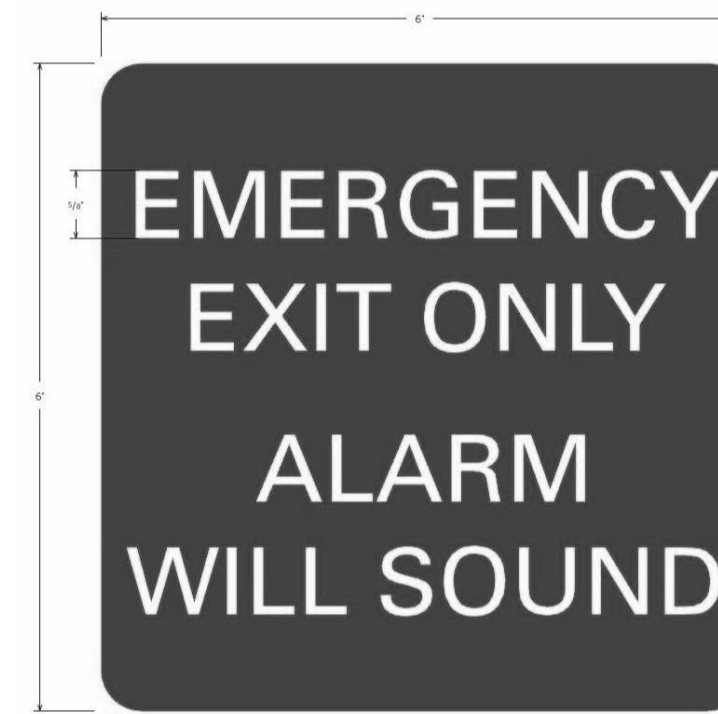
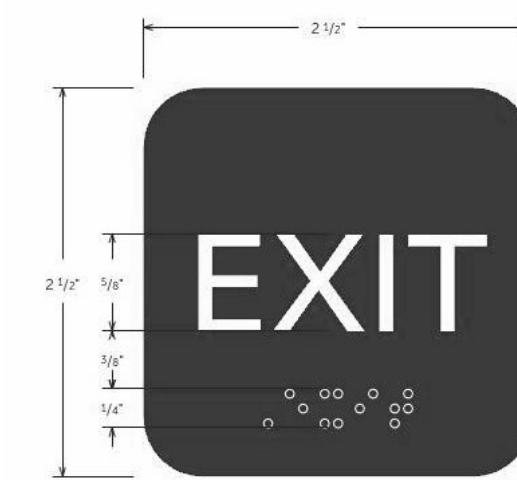
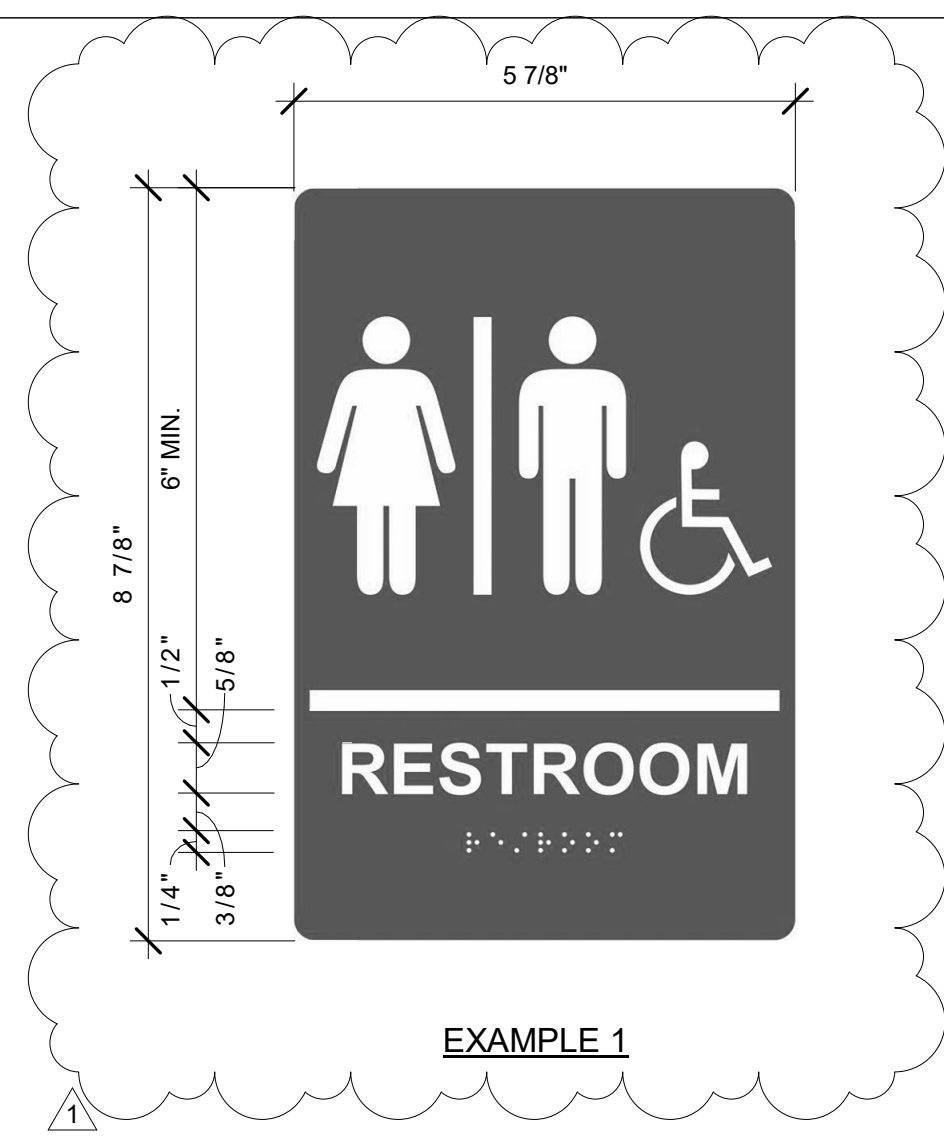
Sheet Number
A-Site Plan



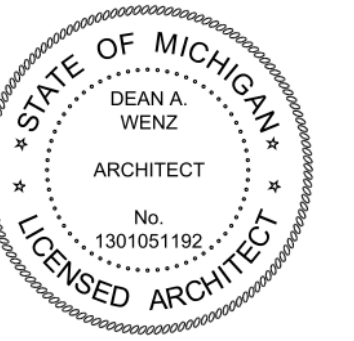
SITE PLAN

* REFER TO CIVIL ENGINEERING DRAWINGS
PREPARED BY LSG ENGINEERS FOR DETAILS
REGARDING GRADING FOR ACCESSIBILITY AND
UTILITY SERVICE LOCATIONS





THE BASELINE OF TACTILE SIGNS CAN BE MOUNTED BETWEEN 48" AT THE LOWEST POINT AND 60" AT THE HIGHEST POINT TO ALLOW FOR SIGNS OF DIFFERENT SIZES TO BE MOUNTED ON THE SAME VISUAL PLANE.



DEAN A. WENZ
ARCHITECTS

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Old Bag of Nails (Fit Out)

3124 E. Michigan Ave. - Lansing, MI 48912

Project Number
2020-037

Date
October 18, 2021

[illegible]

Sheet Title

Signage Details

Sheet Number
SG-1



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Old Bag of Nails (Fit Out)
3124 E. Michigan Ave. - Lansing, MI 48912

Project Number
2020-037

Date
October 18, 2021

[illegible]

Sheet Title

First Floor Signage Plan

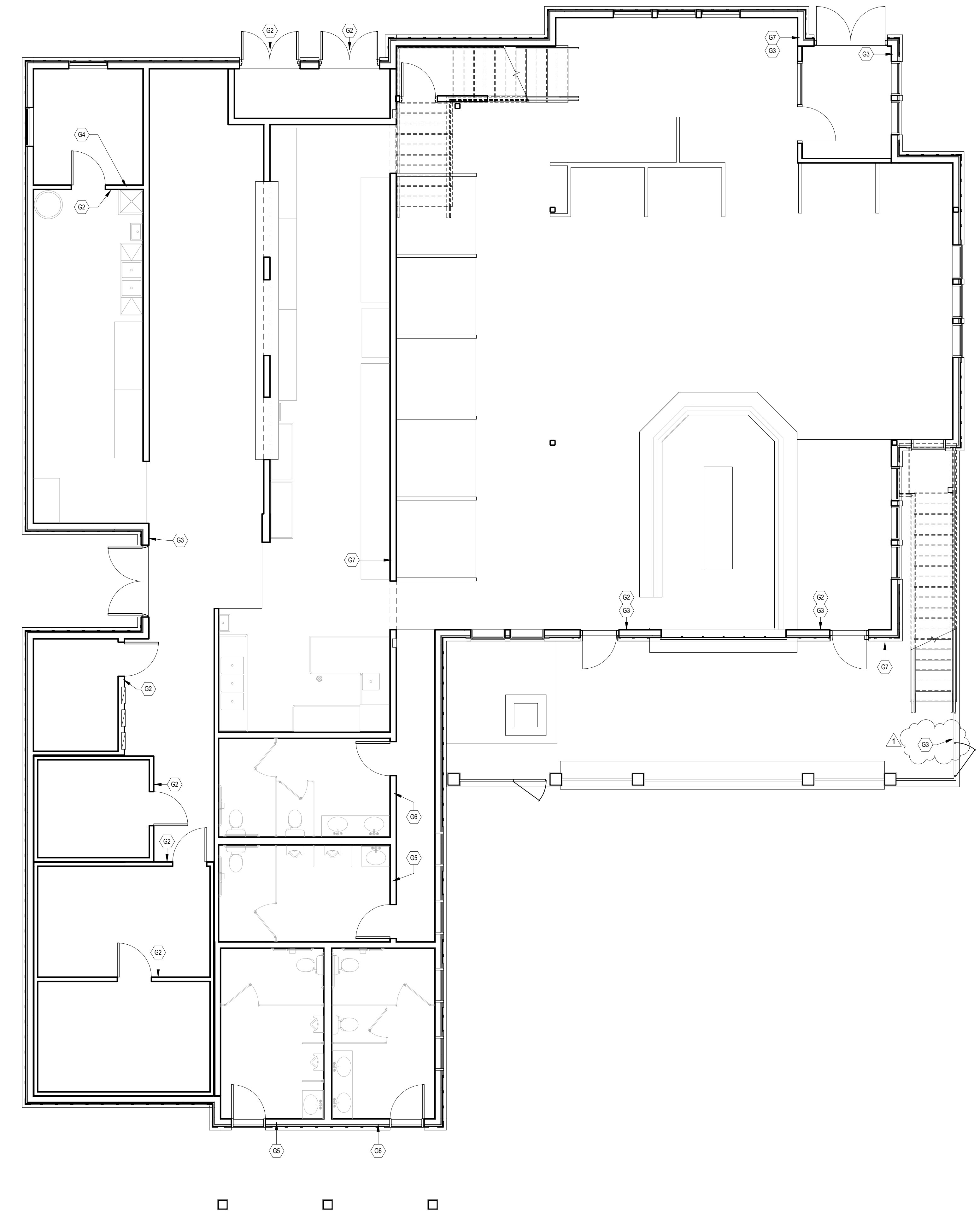
Sheet Number
SG-2a

GENERAL NOTES

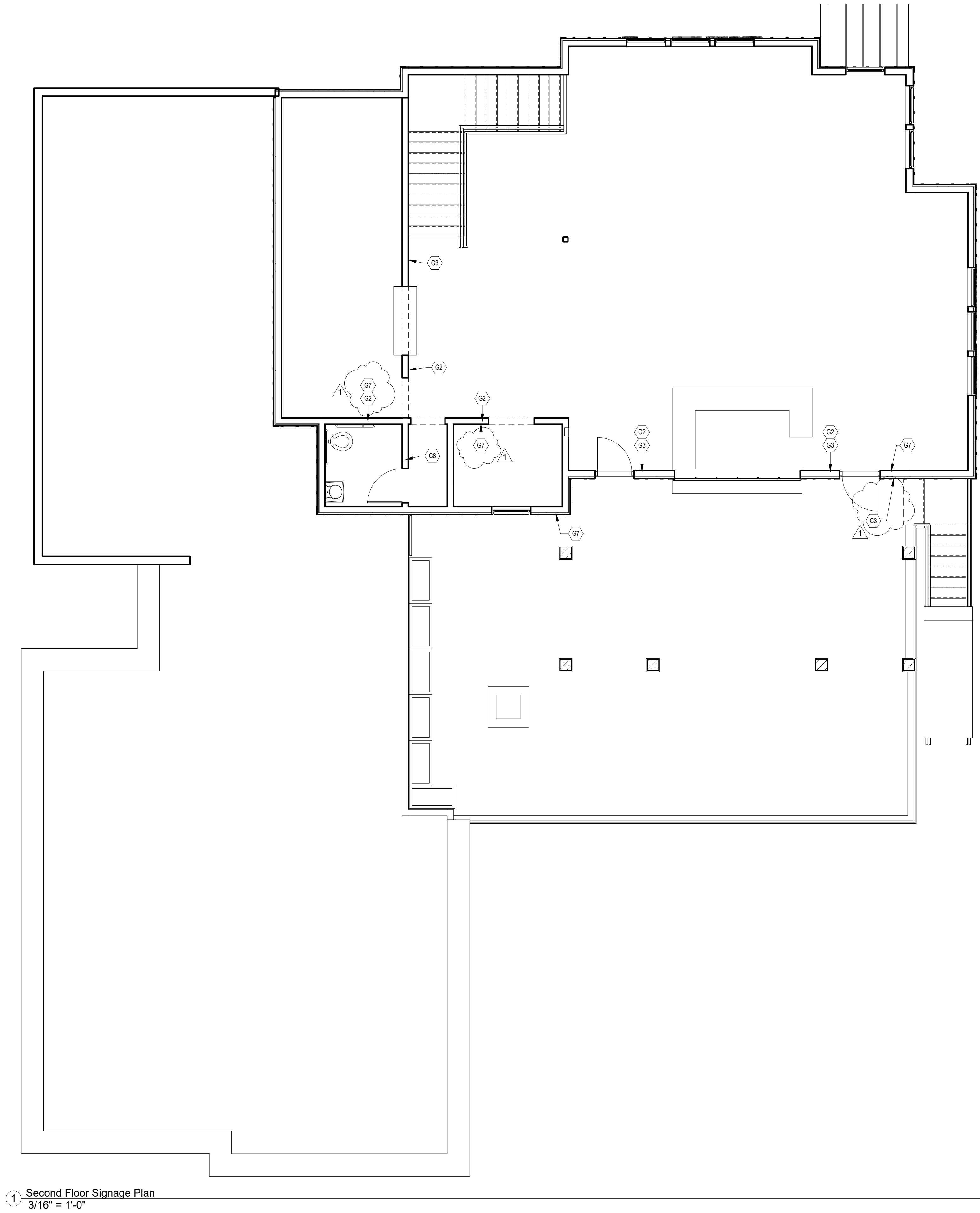
G1. ALL NOTED SIGNAGE TYPES & LOCATIONS ARE MEANT TO BE A GUIDE ONLY AND SHALL BE THE MINIMUM PROVIDED. IT IS THE RESPONSIBILITY OF THE G.C. TO COORDINATE ALL SIGNAGE LOCATION, TYPE & SIZE WITH THE OWNER FOR FINAL APPROVAL.

CODED NOTES

G2	ROOM I.D. SIGN: SEE EXAMPLE 3 ON SHEET SG-001.
G3	EXIT SIGN: SEE EXAMPLE 2 ON SHEET SG-001.
G4	FIRE ALARM, SPRINKLER & FIRE PUMP SIGNAGE, FOR FIRE DEPARTMENT USE/LOCATING. SEE EXAMPLE.
G5	TACTILE RESTROOM SIGN: SEE EXAMPLE 7 ON SHEET SG-001.
G6	TACTILE RESTROOM SIGN: SEE EXAMPLE 8 ON SHEET SG-001.
G7	MAX OCCUPANT LOAD SIGN: SEE EXAMPLE 4 ON SHEET SG-001.



① First Floor Signage
3/16" = 1'-0"



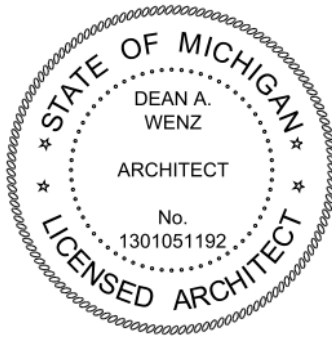
1 Second Floor Signage Plan
3/16" = 1'-0"

GENERAL NOTES

G1. ALL NOTED SIGNAGE TYPES & LOCATIONS ARE MEANT TO BE A GUIDE ONLY AND SHALL BE THE MINIMUM PROVIDED. IT IS THE RESPONSIBILITY OF THE G.C. TO COORDINATE ALL SIGNAGE LOCATION, TYPE & SIZE WITH THE OWNER FOR FINAL APPROVAL.

CODED NOTES

- G2 ROOM I.D. SIGN: SEE EXAMPLE 3 ON SHEET SG-001
- G3 EXIT SIGN: SEE EXAMPLE 2 ON SHEET SG-001
- G7 MAX OCCUPANT LOAD SIGN: SEE EXAMPLE 4 ON SHEET SG-001
- G8 TACTILE RESTROOM SIGN: SEE EXAMPLE 1 ON SHEET SG-001.



DEAN A. WENZ
ARCHITECTS

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Old Bag of Nails (Fit Out)
3124 E. Michigan Ave. - Lansing, MI 48912

Project Number
2020-037

Date
October 18, 2021

Revisions		
#	DATE	DESCRIPTION
1	01.03.22	ASI 1

Sheet Title

Second Floor Signage Plan

Sheet Number
SG-2b



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Old Bag of Nails (Fit Out)

3124 E. Michigan Ave. - Lansing, MI 48912

Project Number
2020-037

Date _____

October 18, 2021

[illegible]

Sheet Title

Code Compliance Information

Sheet Number

A-1.0

RESTAURANT

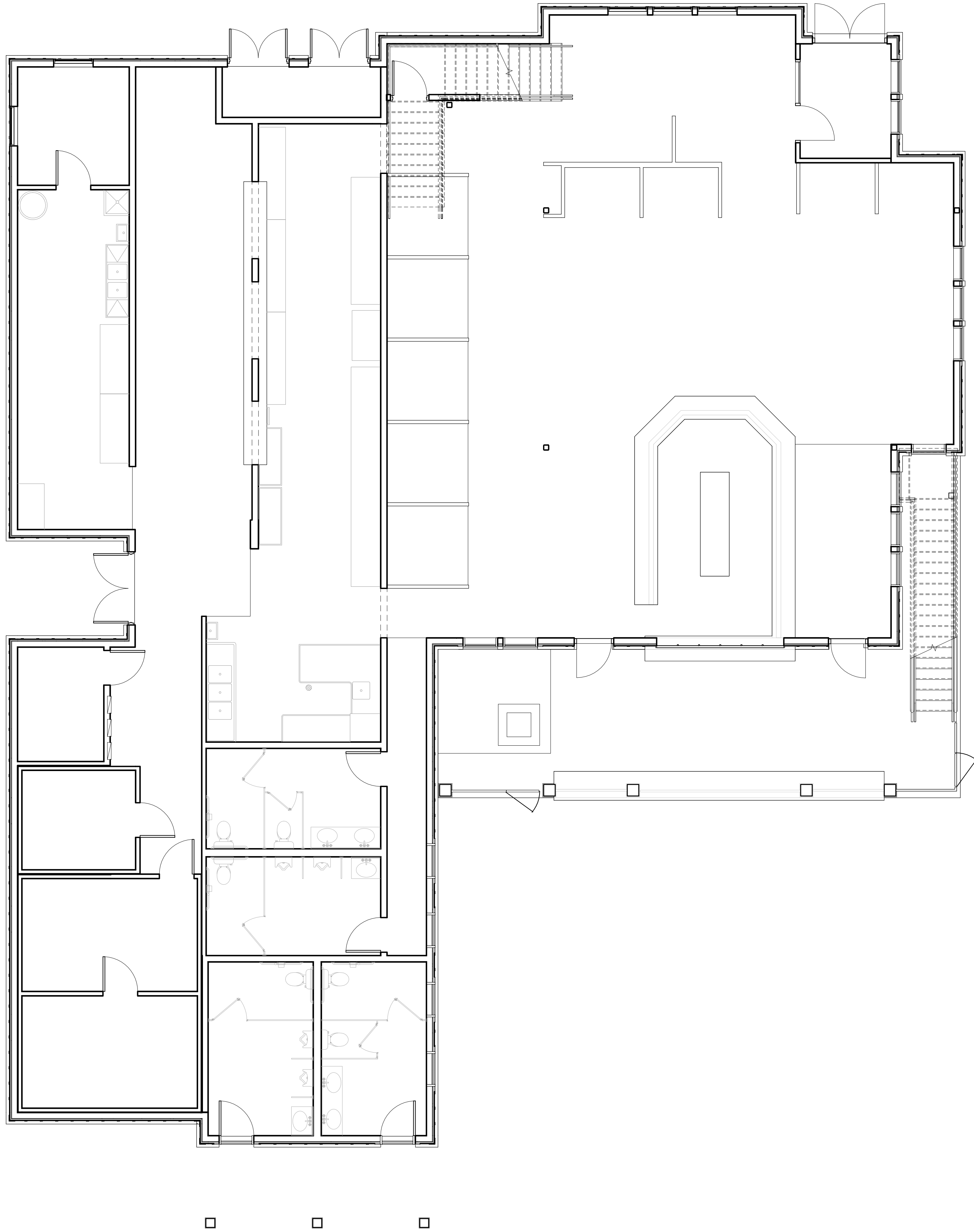
GOVERNING BUILDING CODES:

2015	MICHIGAN BUILDING CODE
2015	MICHIGAN PLUMBING CODE
2015	MICHIGAN MECHANICAL CODE
2017	NATIONAL ELECTRIC CODE
2015	INTERNATIONAL FUEL GAS CODE
2015	INTERNATIONAL ENERGY CONSERVATION CODE
2010	ADA STANDARDS

A-2 ASSEMBLY (RESTAURANT)
CONSTRUCTION TYPE

CONSTRUCTION TYPE:	VB, COMBUSTIBLE, PROTECTED
SPRINKLER SYSTEM:	FULLY SPRINKLERED PER <u>NFPA 13</u>
ALLOWABLE HEIGHT:	2 STOREIS, 40 FEET
ACTUAL HEIGHT:	2 STOREIS, 29.5 FEET
ALLOWABLE AREA:	6,000 SF (PER STORY)
AREA (FIRST FLOOR)	5,413 SF
AREA (SECOND FLOOR)	2,007 SF

*SPRINKLER DRAWINGS TO BE DESIGNED AND SUBMITTED TO BUILDING DEPARTMENT BY FIRE SPRINKLER CONTRACTOR.



1 First Floor Code Compliance
3/16" = 1'-0"



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Old Bag of Nails (Fit Out)

3124 E. Michigan Ave. - Lansing, MI 48912

Project Number
2020-037

Date
October 18, 2021

[illegible]

Sheet Title

Life Safety Plan

Sheet Number
A-1.1

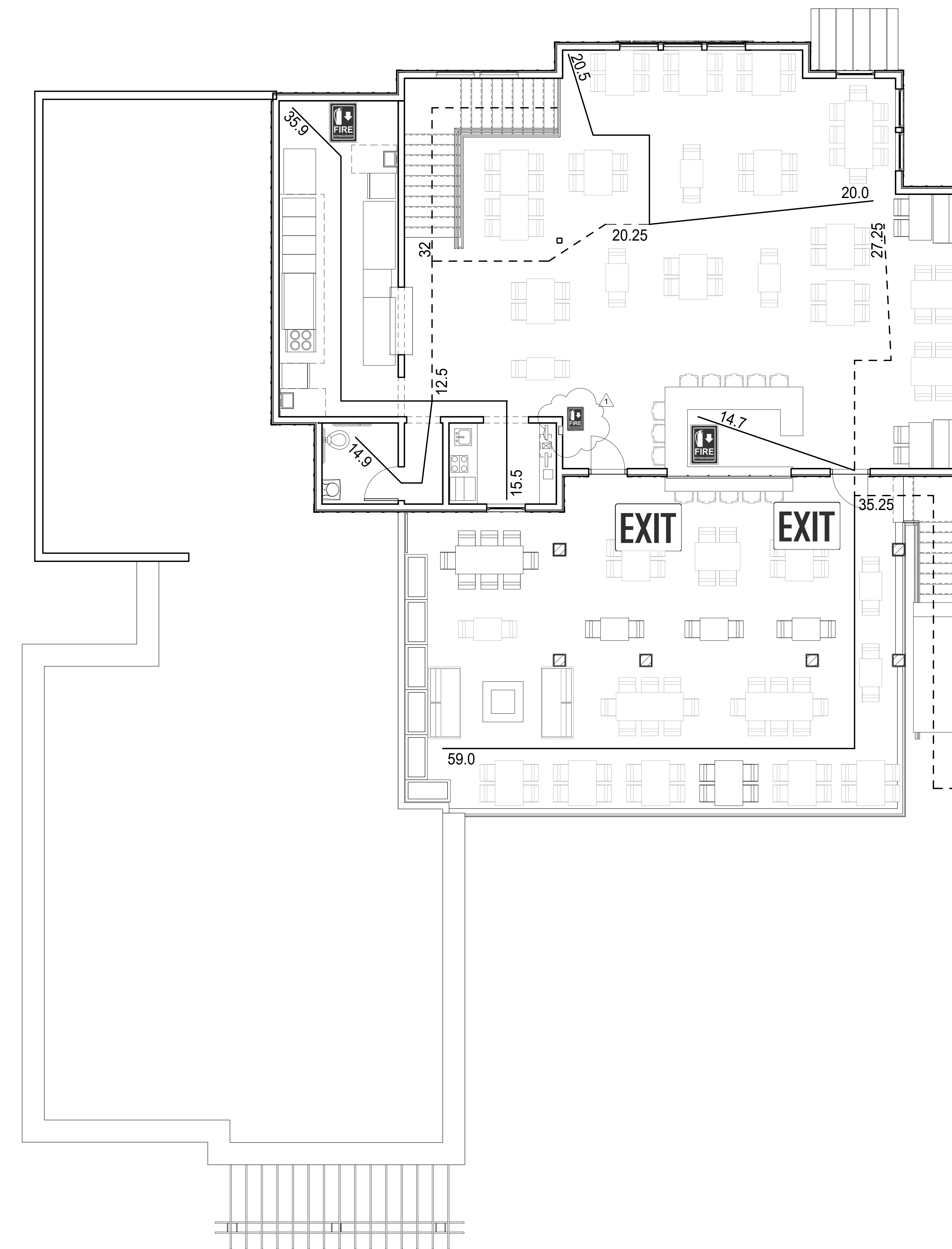
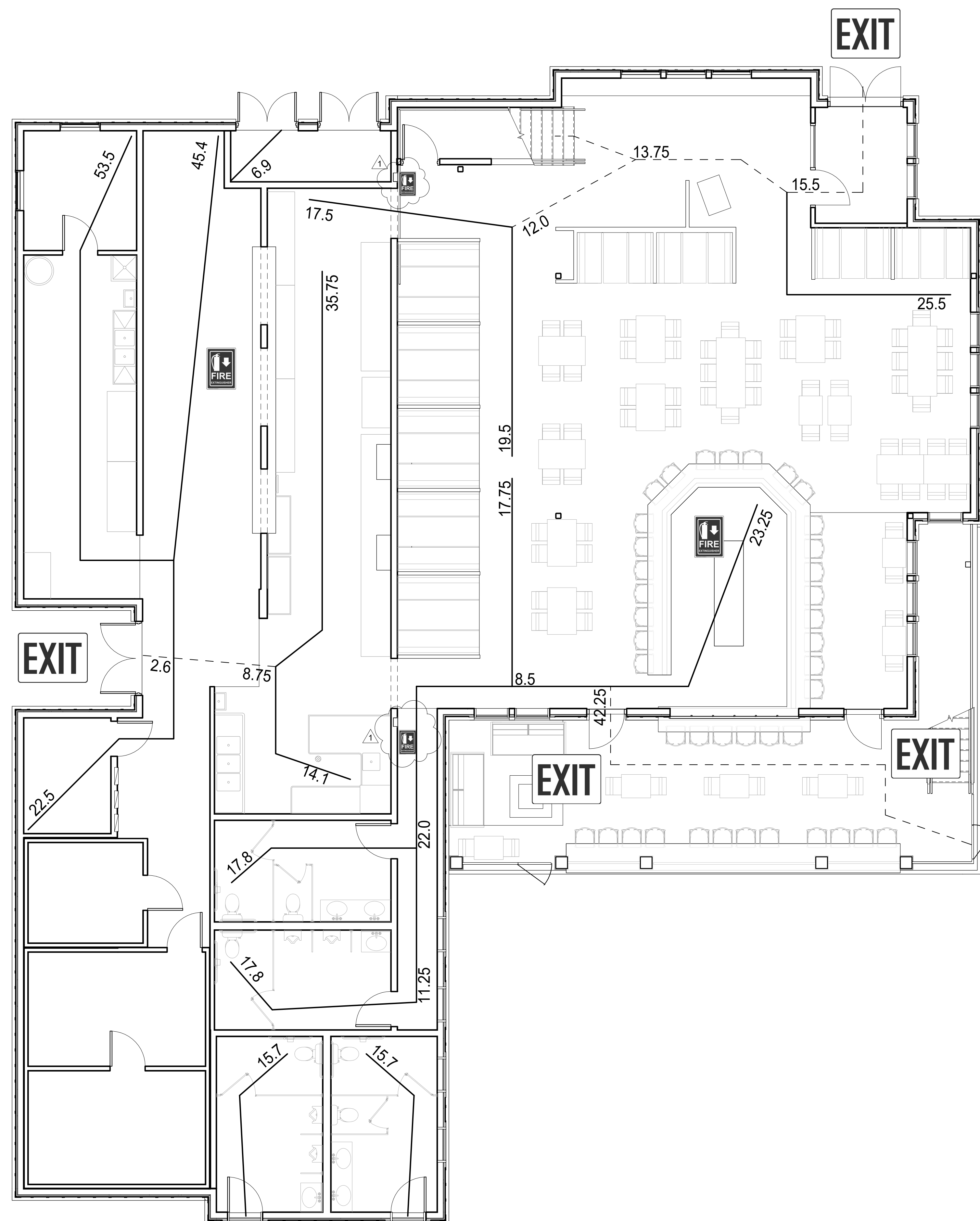
GENERAL NOTES

G1. REFER TO BUILDING FLOOR PLANS IN SHELL PACKAGE FOR ALL WALL RATINGS.

G2. REFER TO TYPICAL WALL SECTIONS FOR ALL FLOOR/CEILING, ROOF/CEILING RATINGS IN SHELL PACKAGE FOR ALL WALL RATING.

EXIT ACCESS TRAVEL DISTANCE SUMMARY - RESTAURANT								
LOCATION	TRAVEL DISTANCE ALLOWED PER TYPICAL 17 NPS 13	NEAREST EXIT	SHORTEST PATH TO EXIT COMMON PATH OF TRAVEL			PATH WHEN TWO ENTRANCES AVAILABLE	TOTAL DISTANCE	COMMENTS
			REF	ALLOWED	ACTUAL			
DINING	250.0	PATIO EXIT	1020.8	35.0	17.8	50.8	68.5	PASSES
DINING	250.0	FRONT EXIT	1020.8	35.0	15.5	41.3	60.8	PASSES
FIRST FLOOR BAR	250.0	PATIO EXIT	1020.8	35.0	23.3	42.3	65.5	PASSES
POWDER RESTROOM	250.0	PATIO EXIT	1020.8	35.0	17.8	50.8	68.5	PASSES
WINE RESTROOM	250.0	PATIO EXIT	1020.8	35.0	17.8	50.8	68.5	PASSES
DRINK PARKING	250.0	KITCHEN EXIT	1020.8	35.0	14.1	11.4	25.5	PASSES
KITCHEN	250.0	KITCHEN EXIT	1020.8	35.0	35.8	11.4	47.2	PASSES
KITCHEN	250.0	KITCHEN EXIT	1020.8	35.0	45.4	2.6	48.0	PASSES
OFFICE	250.0	KITCHEN EXIT	1020.8	35.0	63.5	2.6	66.1	PASSES
WATER STATION	250.0	FRONT EXIT	1020.8	35.0	17.5	41.3	60.8	PASSES
EXTERIOR WINE RESTROOM	250.0	EXTERIOR EXIT	1020.8	35.0	16.1	-	16.1	PASSES
EXTERIOR WINE RESTROOM	250.0	EXTERIOR EXIT	1020.8	35.0	15.7	-	15.7	PASSES
WATER ROOM	250.0	EXTERIOR EXIT	1020.8	35.0	6.8	-	6.8	PASSES
STORAGE	250.0	KITCHEN EXIT	1020.8	35.0	22.5	2.6	25.1	PASSES
SECOND FLOOR DINING	250.0	FRONT EXIT	1020.8	35.0	25.0	7.8	32.8	PASSES
SECOND FLOOR DINING	250.0	FRONT EXIT	1020.8	35.0	25.5	6.1	31.6	PASSES
SECOND FLOOR DINING	250.0	FRONT EXIT	1020.8	35.0	25.0	6.1	31.1	PASSES
SECOND FLOOR DINING	250.0	PATIO EXIT	1020.8	35.0	21.1	39.3	60.4	PASSES
SECOND FLOOR RESTROOM	250.0	FRONT EXIT	1020.8	35.0	14.9	7.8	22.7	PASSES
SECOND FLOOR WATER STATION	250.0	FRONT EXIT	1020.8	35.0	15.0	7.8	22.8	PASSES
SECOND FLOOR BAR	250.0	FRONT EXIT	1020.8	35.0	14.7	35.3	50.0	PASSES
SECOND FLOOR PATIO	250.0	PATIO EXIT	1020.8	35.0	25.0	25.2	50.2	PASSES

RESTAURANT - OCCUPANT LOAD				
LOCATION	USE GROUP/ FUNCTION	O.B.C. Table 1004.1.2		
		SF OCCUPANT	AREA SEATS	OCCUPANT LOAD
BAR SEATING (INTERIOR)	A-2 / ASSEMBLY		22	22
DINING BOOTHS (INTERIOR)	A-2 / ASSEMBLY		16	16
DINING TABLES (INTERIOR)	A-2 / ASSEMBLY		56	56
CHUBBY (INTERIOR)	A-2 / ASSEMBLY		30	30
KITCHEN - COMMERCIAL	A-2 / ASSEMBLY	200	1386	7
OFFICE	A-2 / BUSINESS AREA	100		1
BAR SEATING (EXTERIOR)	A-2 / ASSEMBLY		6	6
DINING TABLES (EXTERIOR)	A-2 / ASSEMBLY		8	8
BAR TOP SEATING (EXTERIOR)	A-2 / ASSEMBLY		12	12
LOUNGE (EXTERIOR)	A-2 / ASSEMBLY		6	6
BAR SEATING (SECOND FLOOR INTERIOR)	A-2 / ASSEMBLY		8	8
DINING TABLES (SECOND FLOOR INTERIOR)	A-2 / ASSEMBLY		74	74
BAR SEATING (SECOND FLOOR EXTERIOR)	A-2 / ASSEMBLY		5	5
DINING TABLES (SECOND FLOOR EXTERIOR)	A-2 / ASSEMBLY		58	58
KITCHEN - COMMERCIAL (SECOND FLOOR)	A-2 / ASSEMBLY	200	364	2
LOUNGE (SECOND FLOOR EXTERIOR)	A-2 / ASSEMBLY		6	6
TOTAL:				251



1 First Floor Life Safety Plan
3/16" = 1'-0"

② Second Floor Life Safety Plan
3/16" = 1'-0"



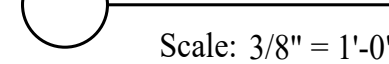
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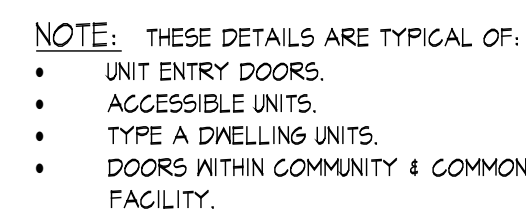
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Scale: $3/8" = 1'-0"$

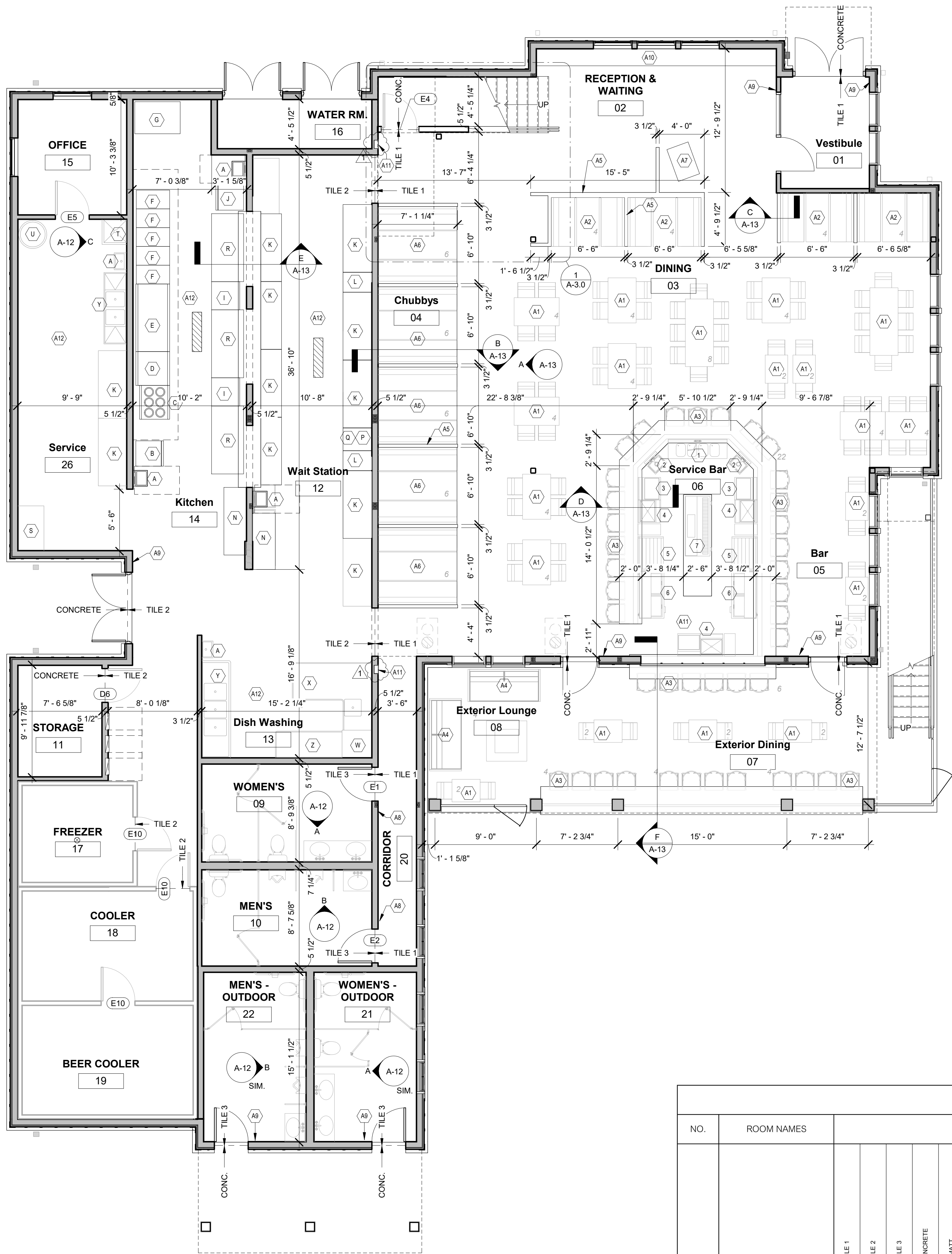


Scale: $3/8" = 1'-0"$



Scale: 3/8" = 1'-0"

A-1.2



1 Restaurant Overall First Floor Plan
3/16" = 1'-0"

DINING SURFACE BREAKDOWN					
NO.	ITEM	SEATING CAPACITY	ITEM COUNT-1ST FLOOR	ITEM COUNT-2ND FLOOR	TOTAL SEATING
1	DINING TABLE	4	9	13	88
2	DINING TABLE	2	4	4	16
3	DINING TABLE	8	2	1	24
4	DINING TABLE - HIGH TOP				0
5	BAR DINING TABLE - HIGH TOP (FIXED)				11
6	BOOTH DINING TABLE (FIXED)	4	4	0	16
7	BOOTH DINING TABLE (FIXED & FLEXIBLE)	4	0	2	8
8	BOOTH DINING TABLE (FIXED)	6			0
9	BOOTH DINING TABLE (CHUBBY'S) (FIXED)	6	5	0	30
10	BAR SEATING		22	8	30
11	BAR SEATING (EXTERIOR)		6	5	11
12	RAIL SEATING (EXTERIOR)		12	0	12
13	DINING TABLE (EXTERIOR)	2	4	6	20
14	DINING TABLE (EXTERIOR)	4	0	9	36
15	DINING TABLE (EXTERIOR)	8	0	3	24
16	LOUNGE CHAIRS (EXTERIOR)		4	4	8
Total flexible seating:					269
Total Seating:					334

ROOM FINISH SCHEDULE- FIRST LEVEL																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
NO.		ROOM NAMES		FLOORS										BASE										WALLS										CEILINGS										CLG. HT.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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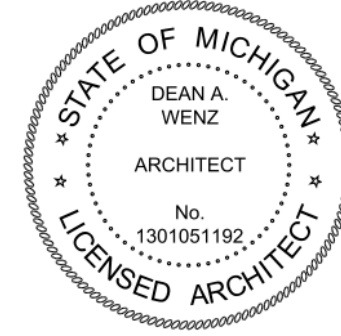
*ALL FINISHES TO BE PROVIDED AND INSTALLED BY TENANT.

GENERAL NOTES

- INTERIOR FINISH MATERIAL SHALL HAVE A CLASS II FLAME SPREAD RATING AS DETERMINED BY ASTM E84.
- INTERIOR FINISHES TO BE PER THE FINISH FLOOR PLAN AND ROOM FINISH SCHEDULE.
- ALL WALLS TO BE PAINTED REQUIRE (1) COAT OF PRIMER, CONCRETE FLOOR FINISH TO BE TREATED WITH ASHFORD WET CURE.
- EXPOSED WOOD ROOM STRUCTURE TO BE PAINTED BLACK.
- INTERIOR FRAMING FOR SEATING AREAS AND BAR TO BE BY TENANT.

CODED NOTES

- 4 COMPARTMENT SINK
- HAND SINK
- MUG CHILLER
- COKE W/ ICE BIN W/ SODA GUN
- BOTTLE COOLER
- GLASS DOOR COOLER
- UNDERCOUNTER DRAFT BEER DISPENSER (TOWER)
- HAND SINK
- DINING TABLE AND CHAIRS.
- BOOTH SEATING.
- BAR STOOL SEATING.
- EXTERIOR LOUNGE SEATING.
- WOOD HALF WALL- SEE DETAILS ON A-13.
- BOOTH SEATING WITH ROOF ABOVE- SEE DETAILS ON A-13.
- HOTNESS STATION.
- TACTILE RESTROOM SIGNAGE. NOTED IN SHELL WORK.
- TACTILE EXIT SIGNAGE. NOTED IN SHELL WORK.
- PROVIDE CLASS 3A FIRE EXTINGUISHER- FINAL LOCATION TO BE DETERMINED BY INSPECTOR.
- PROVIDE CLASS K FIRE EXTINGUISHER LOCATED WITHIN 30 FEET OF ALL COMMERCIAL COOKING EQUIPMENT.
- TRUE SINGLE DOOR STAND UP COOLER
- 6 BURNER RANGE W/ CHEESEMELTER AND OVEN
- 36" VULCAN CHARGRILL W/ EQUIPMENT STAND
- 60" VULCAN GRIDDLE W/ W EQUIPMENT STAND
- DEAN SR-62 FRYERS
- 48" TRUE SALAD COOLER
- 36" SS TABLE
- TRUE SINGLE DOOR STAND UP FREEZER
- 72" SS TABLE
- COKE DROP IN SODA FOUNTAIN W/ ICE BIN
- WIRE RACK SHELVING
- COFFEE MACHINE
- ICED TEA MACHINE
- 72" TRUE SALAD COOLER
- MANITOWOC ICE MACHINE AND BIN
- MOP SINK
- WATER HEATER
- HIGH TEMP DISH MACHINE
- DIRTY DISH DROP OFF TABLE W/ SINK
- 3 COMPARTMENT WAREWASHING
- CEAN DISH PICK UP TABLE



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Old Bag of Nails (Fit Out)

3124 E. Michigan Ave. - Lansing, MI 48912

Project Number
2020-037

Date
October 18, 2021

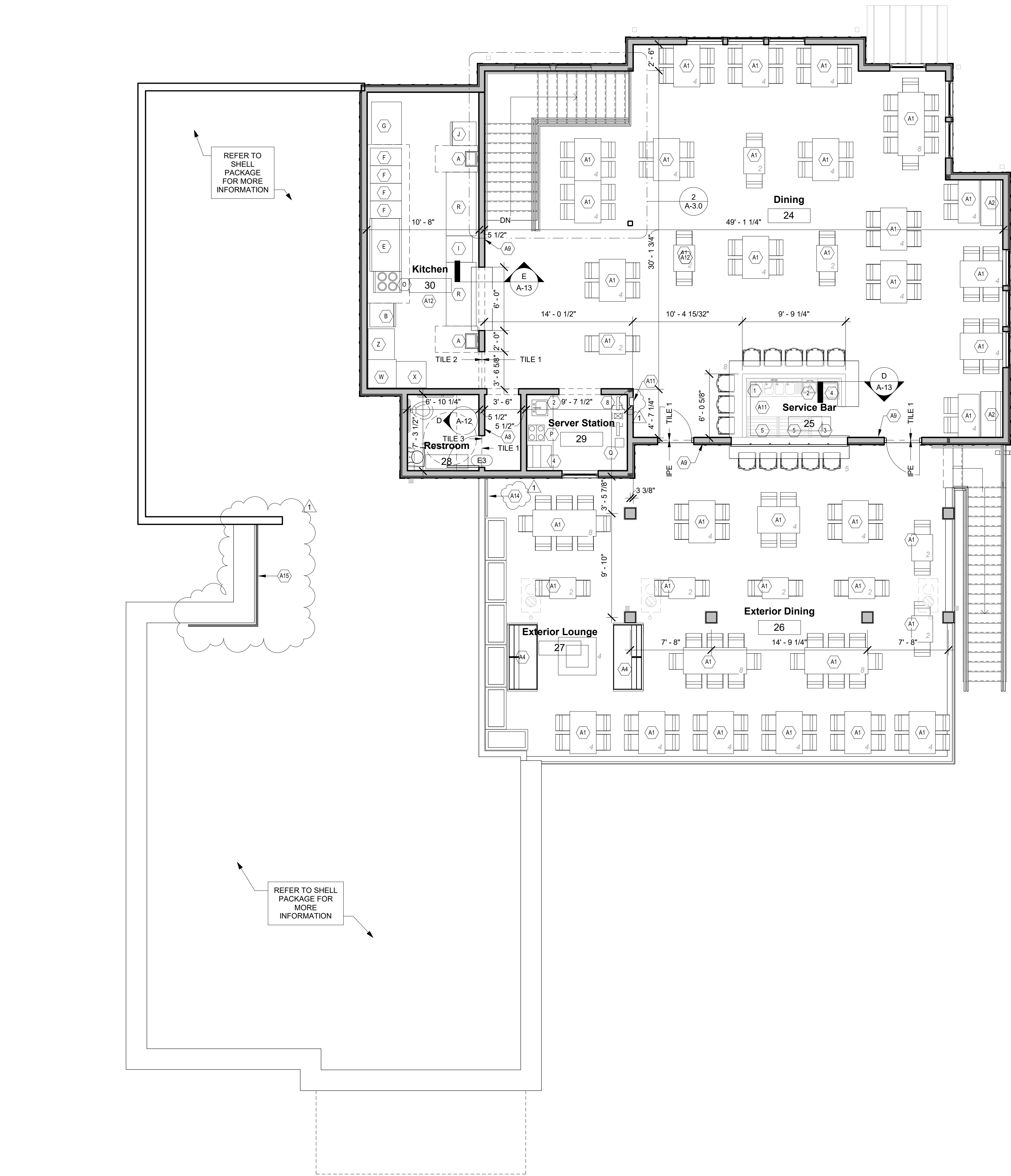
Revisions		
#	DATE	DESCRIPTION
1	01.03.22	ASI 1

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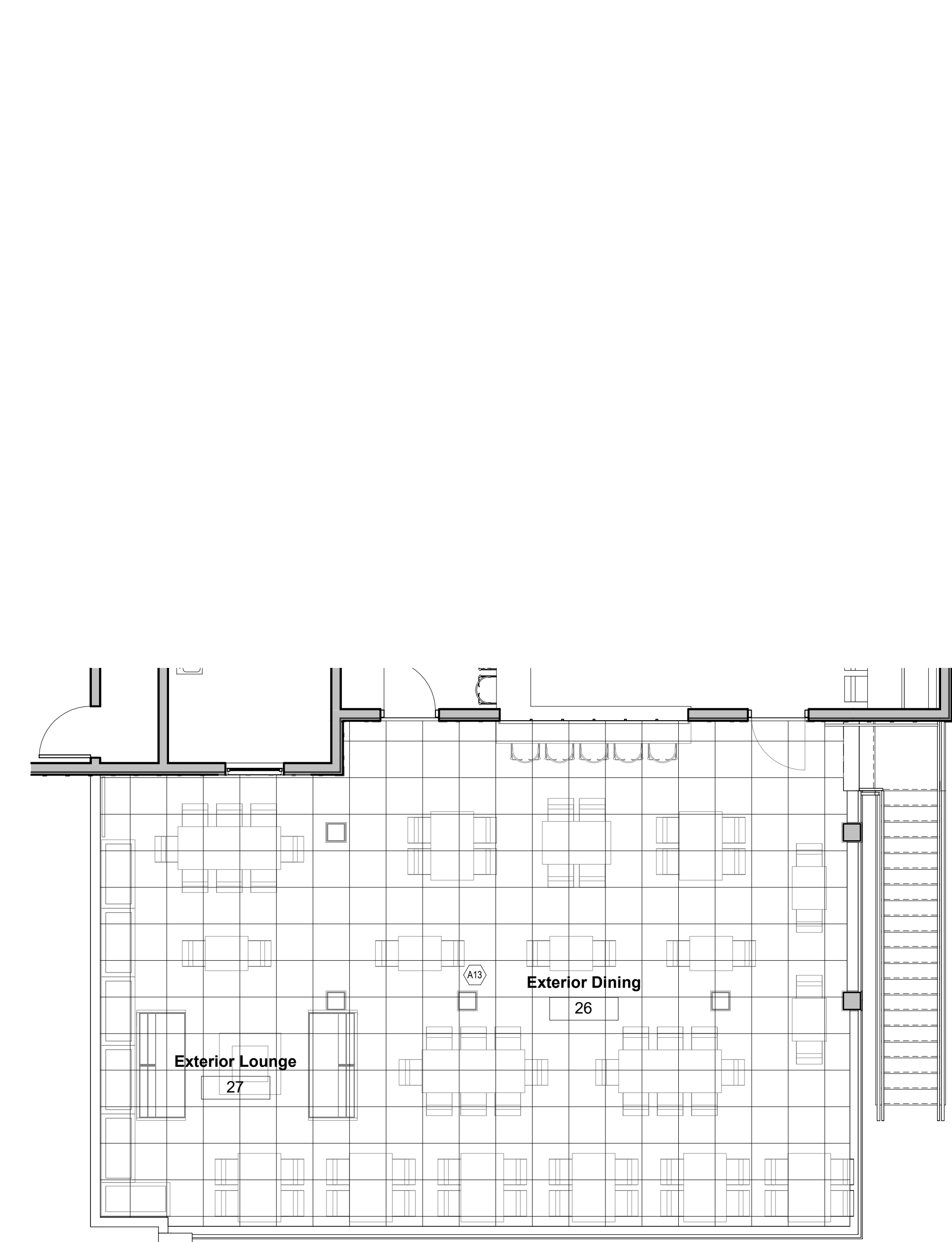
First Floor Finish Plan

Sheet Number

A-10



1 Restaurant Overall Second Floor Plan
3/16" = 1'-0"

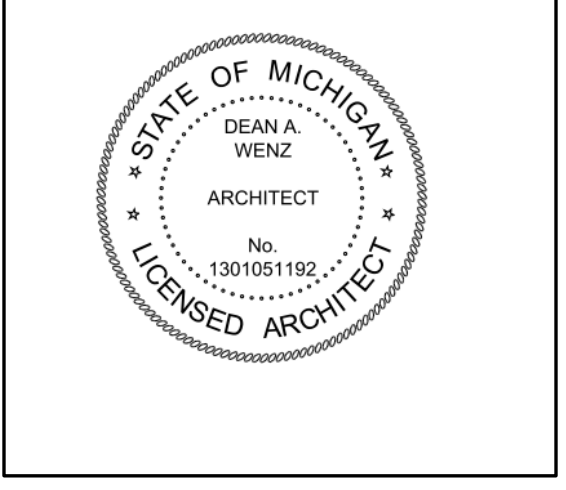


2 Terrace Finish Plan
3/16" = 1'-0"

- GENERAL NOTES
- G1. INTERIOR FINISH MATERIAL SHALL HAVE A CLASS II FLAME SPREAD RATING AS DETERMINED BY ASTM E84.
 - G2. INTERIOR FINISHES TO BE PER THE FINISH FLOOR PLAN AND ROOM FINISH SCHEDULE.
 - G3. ALL WALLS TO BE PAINTED REQUIRE (1) COAT OF PRIMER, CONCRETE FLOOR FINISH TO BE TREATED WITH ASHFORD WET CURE.
 - G4. EXPOSED WOOD ROOM STRUCTURE TO BE PAINTED BLACK.
 - G5. INTERIOR FRAMING FOR SEATING AREAS AND BAR TO BE BY TENANT.

CODED NOTES

- 1 4 COMPARTMENT SINK
- 2 HAND SINK
- 3 MUG CHILLER
- 4 COKE W/ ICE BIN W/ SODA GUN
- 5 BOTTLE COOLER
- 8 SERVER POS STATION
- A HAND SINK
- A1 DINING TABLE AND CHAIRS.
- A2 BOOTH SEATING.
- A4 EXTERIOR LOUNGE SEATING.
- A8 TACTILE RESTROOM SIGNAGE. NOTED IN SHELL WORK.
- A9 TACTILE EXIT SIGNAGE. NOTED IN SHELL WORK.
- A11 PROVIDE CLASS 3A FIRE EXTINGUISHER- FINAL LOCATION TO BE DETERMINED BY INSPECTOR.
- A12 PROVIDE CLASS K FIRE EXTINGUISHER LOCATED WITHIN 30 FEET OF ALL COMMERCIAL COOKING EQUIPMENT.
- A13 IPE WOOD DECK TILES & ADJUSTABLE PEDESTAL SYSTEM.
- A14 BLACK ALUMINUM FENCE/GATE- SEE DETAILS IN SHELL CONSTRUCTION DOCUMENTS FOR MORE INFORMATION.
- A15 1 1/2" PIPE RAIL ATTACHED TO BACK OF PARAPET TO EXTEND 42" MIN. ABOVE ADJACENT ROOF LEVEL. THE DETAILS, EXTENT AND CONSTRUCTION OF THIS ARE BEING INCLUDED IN THE SHELL CONSTRUCTION AND BEING SHOWN FOR REFERENCE ONLY IN THIS SET OF DOCUMENTS.
- B TRUE SINGLE DOOR STAND UP COOLER
- E 60" VULCAN GRIDDLE W/ W EQUIPMENT STAND
- F DEAN SR-62 FRYERS
- G 48" TRUE SALAD COOLER
- I 36" SS TABLE
- J TRUE SINGLE DOOR STAND UP FREEZER
- O 4 BURNER RANGE W/ CHEESE MELTER AND OVEN
- P COFFEE MACHINE
- Q ICED TEA MACHINE
- R 72" TRUE SALAD COOLER
- W HIGH TEMP DISH MACHINE
- X DIRTY DISH DROP OFF TABLE W/ SINK
- Z CLEAN DISH PICK UP TABLE



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Revisions		
#	DATE	DESCRIPTION
1	01.03.22	ASI 1

Sheet Title

Overall Second Floor Plan

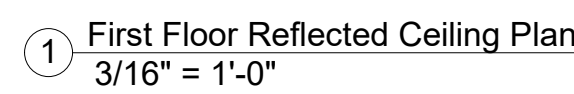
Sheet Number
A-11

DINING SURFACE BREAKDOWN					
NO.	ITEM	SEATING CAPACITY	ITEM COUNT- 1ST FLOOR	ITEM COUNT- 2ND FLOOR	TOTAL SEATING
1	DINING TABLE	4	9	13	88
2	DINING TABLE	2	4	4	16
3	DINING TABLE	8	2	1	24
4	DINING TABLE - HIGH TOP				0
5	BAR DINING TABLE - HIGH TOP (FIXED)				11
6	BOOTH DINING TABLE (FIXED)	4	4	0	16
7	BOOTH DINING TABLE (FIXED & FLEXIBLE)	4	0	2	8
8	BOOTH DINING TABLE (FIXED)	6			0
9	BOOTH DINING TABLE (CHUBBY'S) (FIXED)	6	5	0	30
10	BAR SEATING		22	8	30
11	BAR SEATING (EXTERIOR)		6	5	11
12	RAIL SEATING (EXTERIOR)		12	0	12
13	DINING TABLE (EXTERIOR)	2	4	6	20
14	DINING TABLE (EXTERIOR)	4	0	9	36
15	DINING TABLE (EXTERIOR)	8	0	3	24
16	LOUNGE CHAIRS (EXTERIOR)		4	4	8
Total flexible seating:					269
Total Seating:					334

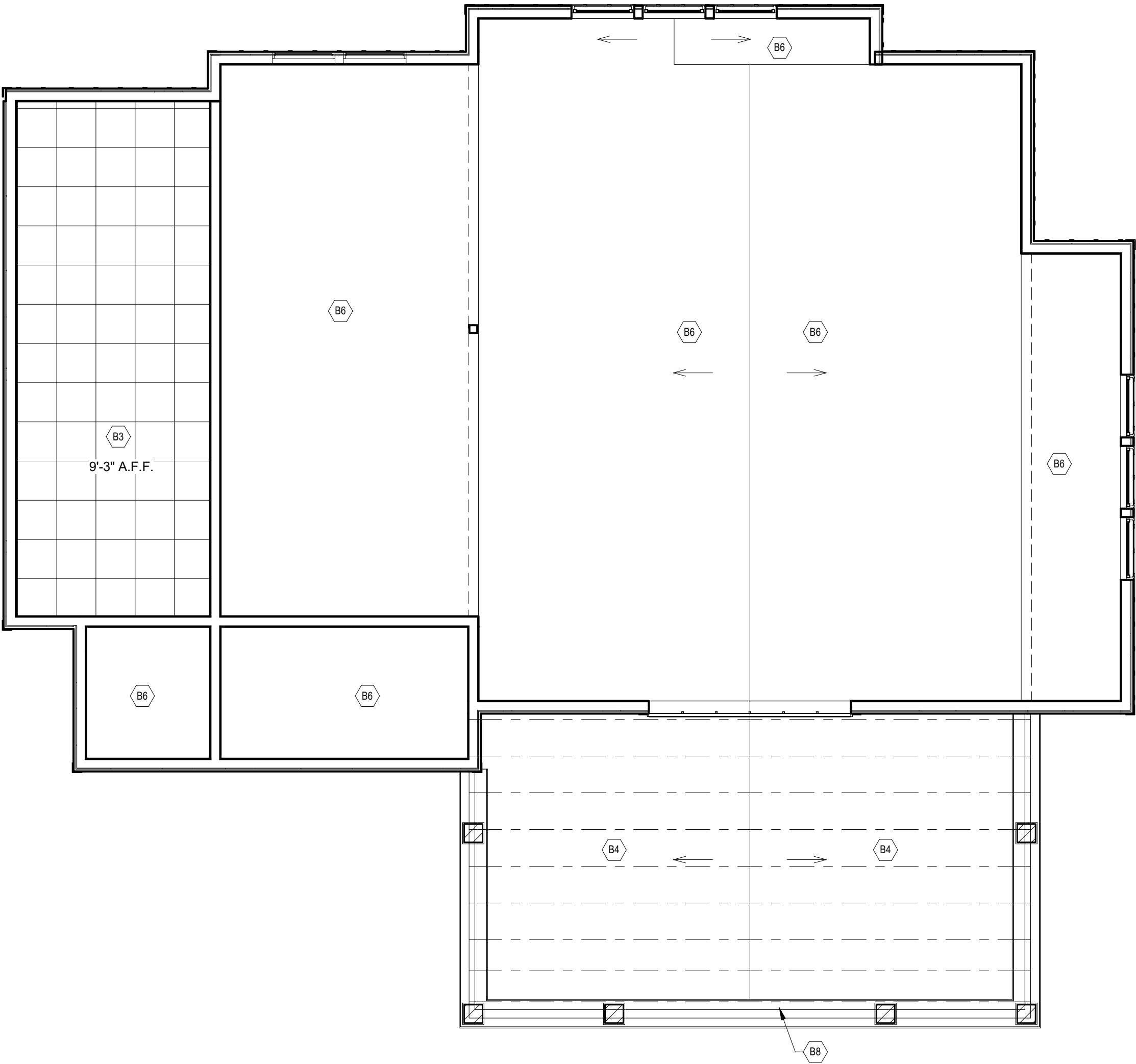
ROOM FINISH SCHEDULE- SECOND LEVEL																																					
NO.	ROOM NAMES	FLOORS										BASE						WALLS						CEILINGS						CLG. HT.							
		CERAMIC TILE 1	CERAMIC TILE 2	CERAMIC TILE 3	SEALED CONCRETE	PRE WOOD DECK TILE & ADJUSTABLE PEDESTAL SYSTEM	PREFINISHED UNIT	WOOD	STAINED AND STAMPED SEALED CONCRETE	SKID RESISTANT TILE 2	CARPET DINING	CARPET BOOTH	4" VINYL COVE	8" VINYL COVE	BIT MFL	8" CERAMIC COVE	CERAMIC TILE	1/4" PREFINISHED WOOD	NONE		PREFINISHED UNIT	PAINTED DRYWALL	CERAMIC TILE TO 80"	FRP TO 80"	BLACK FRP	WOOD VENEER 48" HIGH		PREFINISHED UNIT	ACOUSTIC TILE	EXPOSED STRUCTURE	VINYL WASHABLE ACOUSTIC DROP CEILING	WOOD PLANKING	48" x 48" OPEN GRID	BLACK VINYL WASHABLE ACOUSTIC DROP CEILING	FLAT DRYWALL ON 1/2" RESILIENT CHANNELS AT UNDERSIDE OF TRUSSES		
24	DINING	●																●				●													●	VAULTED	
25	SERVICE BAR	●									●					●										●										●	VAULTED
26	EXTERIOR DINING						●																														NA
27	EXTERIOR LOUNGE						●																														NA
28	RESTROOM			●										●								●	●													●	9'-5 1/2"
29	SERVER STATION	●																				●														●	9'-5 1/2"
30	KITCHEN		●														●								●							●				●	9'-3 3/4"

* ALL FINISHES TO BE PROVIDED AND INSTALLED BY TENANT.

*ALL FINISHES TO BE PROVIDED AND INSTALLED BY TENANT.



A-14

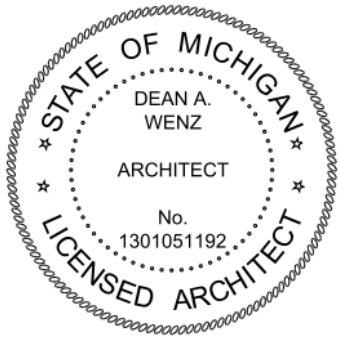


① Second Floor Reflected Ceiling Plan
3/16" = 1'-0"

- GENERAL NOTES:
- SEE MECHANICAL PLANS FOR REGISTER AND RETURN AIR GRILLE LOCATION.
 - SEE ELECTRICAL PLANS FOR EXACT LOCATION AND TYPE OF LIGHTING FIXTURES.

CODED NOTES

- B3 VINYL WASHABLE ACOUSTIC DROP CEILING.
B4 OPEN CEILING TO STRUCTURE ABOVE - REFER TO WALL SECTIONS FOR MORE INFORMATION.
B6 FLAT DRYWALL CEILING ON 1/2" RESILIENT CHANNELS AT UNDERSIDE OF TURSSSES.
B8 UNDERSIDE OF FIBER CEMENT SOFFIT- REFER TO WALL SECTIONS & ROOF DETAILS FOR MORE INFORMATION.



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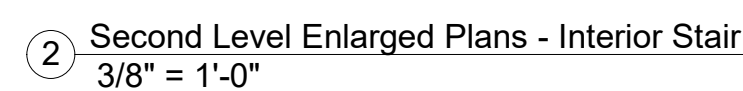
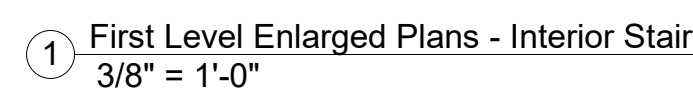
Date
October 18, 2021

Revisions		
#	DATE	DESCRIPTION

Sheet Title

Second Floor Reflected Ceiling Plan

Sheet Number
A-15



Page 130 of 133

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing received a request from Old Bag of Nails Pub- Lansing LLC for a Class C License and Redevelopment License with a Permit for Sunday Sales (AM/PM), Outdoor Service, Dance, and Entertainment for 210 Cascade Blvd; and

WHEREAS, the Committee of The Whole met on August 22, 2022, to review the request with affirmative action taken.

NOW, THEREFORE, BE IT RESOLVED, the Lansing City Council, hereby, approves the request from Old Bag of Nails Pub- Lansing LLC for a Class C License and Redevelopment License with a Permit for Sunday Sales (AM/PM), Outdoor Service, Dance, and Entertainment for 210 Cascade Blvd.