

CONTRACT REGARDING TRANSFER OF

ON-PREMISES LIQUOR LICENSE WITHIN THREE YEARS

This Agreement is made on _____, between the City of Rochester Hills, a municipal corporation, of 1000 Rochester Hills Drive, Rochester Hills, MI, and _____, of _____, hereinafter the "Licensee."

Whereas, the Rochester Hills City Council has determined that profiteering by liquor licensees and/or loss, escrow or transfer out of the City of the City's quota licenses is contrary to the best interests of the City; and

Whereas, in order to prevent profiteering or loss, escrow or transfer out of the City of the City's quota licenses, and further as a material inducement to the City to approve a liquor license for Licensee, the City and Licensee agree as follows:

1. To the fullest extent permitted bylaw, for three (3) years from the date of issuance of the liquor license to Licensee, the Licensee shall not sell or transfer, nor offer to sell or transfer, the license out of the City without the City Council's consent. The City Council may, but is not required to, consent to waive this three-year limitation for any of the following reasons:

- a. If the Licensee is a natural person, he or she dies or becomes incapacitated.
- b. If the Licensee is a corporation, the majority shareholder dies or becomes incapacitated, or the corporation dissolves for reasons other than to transfer the license.
- c. If the Licensee is a limited liability company or partnership, the company dissolves for reasons other than to transfer the license.
- d. The Licensee and the proposed license transferee establish that the transfer of the liquor license shall not result in profiteering.
- e. The application of this limitation will subject the applicant to financial hardship due to no fault of the applicant, such as a change in the business climate, illness or death, labor or supply problems, and/or other factors outside the Licensee's reasonable control.

2. Unless consented to by the City Council as provided above, if within three (3) years from the date of issuance Licensee's license is placed into escrow with the Michigan Liquor Control Commission, the City Council may approve reissuance of the license to a new applicant without compensation to the Licensee herein. The Licensee hereby waives and will not claim entitlement to or property interest in the license upon placement into escrow within such three year period; provided, however, that prior to reissuance of the license to a new applicant, the Licensee herein shall be afforded written notice and an opportunity to be heard. Any objections raised at the hearing shall be resolved (at the Liquor Control Commission or in the Oakland County Circuit Court if necessary) prior to issuance to a new applicant.

3. After three (3) years from the date of issuance of the liquor license to Licensee have elapsed, Licensee shall make a reasonable, good faith and diligent effort to offer to sell or transfer the license to a buyer or transferee who will keep and use the license within the City, before Licensee may offer or agree to sell or transfer the license out of the City.

4. In the event of an actual or threatened breach, the City may enforce this contract in Oakland County Circuit Court. In addition to other available remedies, the City shall be entitled to injunctive relief, without having to show any actual harm or damage, enjoining the Licensee from breaching this contract.

CITY OF ROCHESTER HILLS

LICENSEE: _____

By: _____

By: _____

Its: _____

Its: _____

Dated: _____

Dated: _____