

# CITY OF ROCHESTER HILLS

## CLASS C LIQUOR LICENSE APPLICATION

Date: 8-31-2009

New Class C License  
 Transfer Class C License  
 Dance Permit  
 Entertainment Permit  
 Dance Entertainment Permit

Applicant's Name: Cantina Enterprises II, Inc, stockholder  
Address: 735 Forest #303  
Age: 33 Citizenship: United States Date of Birth: 10-3-1975 Birthplace: Dearborn MI  
If naturalized, year and place:

Phone No. 248-709-7443  
City Birmingham ST MI

If a partnership, please complete the following:

Partner's Name: \_\_\_\_\_ Phone No. \_\_\_\_\_  
Address: \_\_\_\_\_ City \_\_\_\_\_ ST \_\_\_\_\_  
Age: \_\_\_\_\_ Citizenship: \_\_\_\_\_ Date of Birth \_\_\_\_\_ Birthplace: \_\_\_\_\_  
If naturalized, year and place: \_\_\_\_\_

Manager's Name: Reynaldo Paez Phone No. 248-719-6036  
Address: 3590 Charwood City Rochester Hills ST MI  
Age: 50 Date of Birth: 11-30-1958

If a corporation, the names, addresses of the officers and directors, date of birth and age of each:  
See attached list of officers.

# CITY OF ROCHESTER HILLS

## CLASS C LIQUOR LICENSE APPLICATION

Date: 8-31-2009

New Class C License  
 Transfer Class C License  
 Dance Permit  
 Entertainment Permit  
 Dance Entertainment Permit

Applicant's Name: Cantina Enterprises II, Inc, stockholder  
Address: 3590 Charlwood  
Age: 50 Citizenship: \_\_\_\_\_  
If naturalized, year and place: \_\_\_\_\_  
Phone No. 248-719-6036  
City Rochester Hills ST MI  
Date of Birth 11-30-1958 Birthplace: Mexico

If a partnership, please complete the following:

Partner's Name: \_\_\_\_\_ Phone No. \_\_\_\_\_  
Address: \_\_\_\_\_ City \_\_\_\_\_ ST \_\_\_\_\_  
Age: \_\_\_\_\_ Citizenship: \_\_\_\_\_  
If naturalized, year and place: \_\_\_\_\_ Date of Birth \_\_\_\_\_ Birthplace: \_\_\_\_\_

Manager's Name: Reynaldo Paez Phone No. 248-719-6036  
Address: 3590 Charlwood City Rochester Hills ST MI  
Age: 50 Date of Birth: 11-30-1958

If a corporation, the names, addresses of the officers and directors, date of birth and age of each:  
See attached list of officers.

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Liquor License Application

Location of Proposed License: 870 S Rochester Road, Rochester Hills, MI 48307

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Does applicant presently own the premises? no

If not, name of owner of premise: Pinetree Properties III, LLC

Legal Description of Property (Sidwell #) see attached

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Length of time business has been in operation: Not currently operating at this location.

Has applicant ever been convicted of a felony? Yes  No

If convicted of felony, explain:

Has applicant previously applied for liquor license? Year requested:

Location of business: never held a liquor license

---

Was liquor license granted:

Have any of the applicants or persons listed above been convicted of a violation of federal or state law concerning the manufacture, possession or sale of alcoholic beverages? Yes  No

Name of person

What is the applicant's current business? restaurant owner, Michigan Multi King.

Length of time in named business? 1998 to present

List all uses in addition to sale of alcoholic beverages: This will be a full service authentic Mexican Restaurant.

Does applicant presently operate a restaurant? Yes  No

Name and address of restaurant:

Michigan Multi King

Does applicant presently hold a Class C liquor license? Yes  No

Name and address of restaurant: \_\_\_\_\_

List record and history of any liquor license violations by the applicant for preceding ten (10) years  
Never held an interest in a liquor license.

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Page 2

Liquor License Application

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---

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If not, name of owner of premise: Pinetree Properties III, LLC

Legal Description of Property (Sidwell #) see attached

---

Length of time business has been in operation: Not currently operating at this location.

Has applicant ever been convicted of a felony? Yes  No

If convicted of felony, explain:

Has applicant previously applied for liquor license? Year requested:

Location of business: never held a liquor license

---

Was liquor license granted:

Have any of the applicants or persons listed above been convicted of a violation of federal or state law concerning the manufacture, possession or sale of alcoholic beverages? Yes  No

Name of person

What is the applicant's current business? manager of Baja Fresh in Novi MI

Length of time in named business? 2002 to present

List all uses in addition to sale of alcoholic beverages: This will be a full service authentic Mexican Restaurant.

Does applicant presently operate a restaurant? Yes  No

Name and address of restaurant:

Baja Fresh

Does applicant presently hold a Class C liquor license? Yes  No

Name and address of restaurant: \_\_\_\_\_

List record and history of any liquor license violations by the applicant for preceding ten (10) years  
Never held an interest in a liquor license.

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Liquor License Application

Record history of any liquor license violations by the corporation or by a parent or subsidiary corporation of the applicant for the immediate preceding ten (10) years  
never held a liquor license

<u>Proposed Liquor Establishment:</u>	<u>Existing Building</u>	<u>New Construction</u>
Size of Site:	<u>41,553 Sq feet</u>	_____
Size of Building:	<u>5,400 Sq feet</u>	_____
Size of Kitchen:	_____	_____
Seating Capacity:	_____	_____
Size of Dance Floor, if any:	<u>n/a</u>	_____
Percentage of Floor Area for Dining:	_____	_____
Percentage of Floor Area for Bar:	_____	_____
Present Zoning:	<u>B-3</u>	_____
Required Zoning:	_____	_____
Cost of Remodeling:	<u>0</u>	_____
Cost of Construction:	<u>established building</u>	_____
Estimated Dates of Construction	<u>Start: completed</u>	<u>Completion:</u>
Total cost to be expended by licensee for the licensed premises: <u>Total \$6,000 for inventory</u>		
Building Plans Submitted – 3 Sets Required:	Number of Copies Enclosed:	
Site Plans Submitted – 6 Sets Required:	Number of Copies Enclosed:	
Do Site Plans show off-street parking and lighting?	Yes _____	No _____

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Describe the proposed character/type of establishment (e.g. theme, entertainment, food)

Miguel's Cantina will be a family friendly Mexican "cantina" style restaurant. As customers enter Miguel's Cantina, they will 'escape' to Mexico for the food, the wonderful hospitality, and the fun and upbeat ambiance of Mexico. Our menu will focus on popular Mexican favorites such as Sizzling Fajitas, Enchiladas, Tacos, Quesadillas, Margaritas, and vast selection of Mexican beer. Wood, stucco, brick, and bright tiles will evoke memories of trips to Mexico and will transport people to the wonderful world of Mexico. Spanish style music will create an authentic feel and will instantly lighten people's mood. Miguel's Cantina will be a family focused establishment that will feature many kid-friendly items and a fun and upbeat environment where families can enjoy each other's company. Further, Miguel's Cantina will provide that type of value that budget minded families and individuals are seeking. Majority of our entrees will be under \$10 and portions will be large enough to share.



Describe the proposed full food menu:

A copy of the food menu is attached to this application.

Proposed menu attached:      Yes       No

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Describe the surrounding neighborhood and explain how the proposed establishment fits this location in Rochester Hills.

The restaurant will be located in the South Hills Commercial Development, the restaurant was formally the Los Cuatro Amigos Restaurant, located south of the downtown of the City of Rochester. A Mexican theme restaurant will offer an additional and complimentary lunch and dinner options to the existing choice of Thai Inn and Antonio's in the same development. The business will employ approximately 25 local residents.

Revenues: Provide a breakdown of the anticipated revenues from food, alcoholic beverages and other revenues (copy must be attached): The anticipated breakdown from revenues will be 88% from food and 12% from alcoholic beverages.

Evidence of Financial Responsibility:

Amount of Funds supplied by Principals: \$6,000 loan from Michael Versaci

Amount of Funds to be Financed: n/a

Name of Financer/Phone Number: n/a

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Personal References/Phone Number:

see attached

Business References/Phone Number:

see attached

Has applicant completed a certified training program? Yes \_\_\_ No

Have employees completed a certified training program? Yes  No \_\_\_  
Names and addresses of those completing program

Michael Versaci and Reynaldo Paez and all managers and employees which sell and serve alcoholic beverages will complete the TAM/TIPS training, within 180 days of the opening of the restaurant

Applicant understands that should any of the above information prove to be inaccurate or untruthful, it will be grounds to deny applicant's request or revoke any approvals.

I (We) Michael Versaci

affirm I (We) will not violate any of the laws of the State of Michigan or of the United States or any ordinances of the City of Rochester Hills in the conduct of my (our) business, and acknowledge receipt of a copy of Chapter 6, Alcoholic Liquor of the Rochester Hills Code of Ordinances.

I hereby certify the above information to be true and accurate to the best of my (our) knowledge.

  
Applicant Signature/Date

\_\_\_\_\_  
Applicant Signature/Date

This application is not considered complete until applicant has made contact with the Rochester Hills Contingent of the Oakland County Sheriff's Department and complied with fingerprinting and any other necessary requirements of the Oakland County Sheriff's Department.

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Personal References/Phone Number:

see attached

Business References/Phone Number:

see attached

Has applicant completed a certified training program? Yes \_\_\_ No

Have employees completed a certified training program? Yes  No \_\_\_

Names and addresses of those completing program

Michael Versaci and Reynaldo Paez and all managers and employees which sell and serve alcoholic beverages will complete the TAM/TIPS training, within 180 days of the opening of the restaurant

Applicant understands that should any of the above information prove to be inaccurate or untruthful, it will be grounds to deny applicant's request or revoke any approvals.

I (We) Reynaldo Paez

affirm I (We) will not violate any of the laws of the State of Michigan or of the United States or any ordinances of the City of Rochester Hills in the conduct of my (our) business, and acknowledge receipt of a copy of Chapter 6, Alcoholic Liquor of the Rochester Hills Code of Ordinances.

I hereby certify the above information to be true and accurate to the best of my (our) knowledge.

  
\_\_\_\_\_  
Applicant Signature/Date

Aug. 31, 2009.  
Applicant Signature/Date

This application is not considered complete until applicant has made contact with the Rochester Hills Contingent of the Oakland County Sheriff's Department and complied with fingerprinting and any other necessary requirements of the Oakland County Sheriff's Department.

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\* Michael Versaci – References

Personal

Brady Blain – 248-807-6100

Matthew Kives – 216-408-9270

Thomas Chan – 773-793-0679

Business

Anthony Versaci – 248-613-6183

Nicolas Sage – 702-375-1111

David Foster – 248-613-3092

\* Reynaldo Paez

Personal

America Ibarlucea – 248-340-5936

Raymundo Paez – 248-291-4246

Anna Versaci – 248-224-4358

Business

Robert Nicolai – 313-585-3448

Rudy Gonzalez – 562-243-3394

Jack LoPiccolo – 586-615-0132



Miguel's Cantina

# Miguel's Cantina



Miguel's Cantina

## Description of Business

Miguel's Cantina will be a family friendly Mexican "cantina" style restaurant. As customers enter Miguel's Cantina, they will 'escape' to Mexico for the food, the wonderful hospitality, and the fun and upbeat ambiance of Mexico. Our menu will focus on popular Mexican favorites such as Sizzling Fajitas, Enchiladas, Tacos, Quesadillas, Margaritas, and vast selection of Mexican beer. Wood, stucco, brick, and bright tiles will evoke memories of trips to Mexico and will transport people to the wonderful world of Mexico. Spanish style music will create an authentic feel and will instantly lighten people's mood.

Miguel's Cantina will be a family focused establishment that will feature many kid-friendly items and a fun and upbeat environment where families can enjoy each other's company. Further, Miguel's Cantina will provide that type of value that budget minded families and individuals are seeking. Majority of our entrees will be under \$10 and portions will be large enough to share.

## Products / Services

We will have a full menu of appetizers, soups & salads, Mexican Favorites, Combination plates, Desserts, and a full Drink menu. Please see the attached menu.

## Market

Miguel's Cantina will be located in the affluent suburb of Rochester Hills, MI. Strategically, we're located in the heart of the commercial and residential base just outside of Downtown Rochester. Miguel's Cantina will be a neighborhood, family restaurant, so our location reinforces this position. Strong signage will tempt them in and our service and food will bring them back.

Our long term goal is to grow to other markets in the Metro Detroit area, as we feel strongly that the Mexican restaurant niche is under-served in the Greater Metro Detroit area. Not since Chi-Chi's has there been a strong player in this segment and Miguel's Cantina hopes to fill this void.

## Marketing Plan



Miguel's Cantina

Miguel's position as a family friendly, neighborhood restaurant will drive our Marketing strategies. As such, we will focus on local store marketing to drive traffic. Community School involvement, Little League sponsorships, Fundraising Nights, and strong participation in the local Chamber of Commerce will all contribute to our desire to become the neighborhood restaurant of choice. Furthermore, we will offer specials on certain nights to generate buzz and drive traffic: To name a few: Taco Tuesdays, Margarita Mondays, and 1/2 off Fajitas Fridays. We want to become the special event restaurant of choice for the area: birthdays, work parties, girls night out, etc. Miguel's Cantina will be the fun, upbeat environment that will make a special night memorable. Furthermore, we will feature some great lunch specials in order to target the daytime population of workers.

Prior to opening we will have a Grand Opening party and will invite local Community leaders and VIPs. Live Mariachi music, free food and drinks, and great giveaways will get Local "influentials" to spread the word about Miguel's Cantina.

## Management

Miguel's Cantina will find it's strength in the great people that are involved. Collectively, the principals and management have over 60 years of restaurant experience including over 20 years of experience in the Mexican Food segment.

Mr. Michael Versaci - CEO.

Mr Versaci is the driving force behind the Miguel's Cantina concept. Mr Versaci developed the Baja Fresh Mexican Grill franchise in the Detroit area, opening 7 restaurants starting in 2002. He managed the day to day operations up until the sale of the restaurants in December 2008. He has extensive knowledge of Restaurant Operations and Financial Performance. A graduate of the University of Michigan in 1998, he has worked in the restaurant industry since completing his degree. Please See the attached Bio.

Mr. Reynaldo Paez - General Manager

Mr. Paez, a native of Mazatlan, Mexico, brings 20+ years of Mexican Food experience. Mr Paez was part of the explosive growth of Senor Frog's, El Pollo Loco and Baja Fresh Mexican Grill. He will handle the day to day management of the restaurant, including employee hiring and scheduling, product ordering, and customer service, to name a few. Furthermore, he will bring his extensive knowledge of Mexican food to the kitchen of Miguel's Cantina by sharing many of his family recipes for the products we serve.

Mr Anthony Versaci - Advisor




Miguel's Cantina

Mr Versaci brings 30+ years of restaurant experience and ownership. As the CEO of Michigan Multi-King, Inc. a 17 unit Burger King franchise, he has proven to be a leader in the local landscape of Restaurateurs. A skilled negotiator and well versed in business law matters, Mr. Versaci will serve as a key advisor to our start up venture. Mr Versaci has a vast network of business contacts in the Metro Detroit area and will use these contacts to aid in the success and growth of Miguel's Cantina.

**PURCHASE AGREEMENT**

THIS PURCHASE AGREEMENT ("Agreement"), made and entered into this 13 day of August, 2009, by and between Los Cuatro Amigos, Inc., a Kentucky corporation, with offices at 1845 Deerhaven Lane, Paducah, Kentucky, 42001 (hereinafter referred to as "Seller"), and Cantina Enterprises II, Inc., a Michigan corporation, with offices at 4897 Rochester Road, Troy, MI 48085 (hereinafter referred to as "Buyer").

WITNESSETH:

- \$ 50M license 

WHEREAS, Seller owns a Class C liquor license with Sunday Sales and official Food Permits, (Business ID No. 198933) (collectively "License") issued by the Michigan Liquor Control Commission ("MLCC"), which operates at 870 S. Rochester Road, Rochester Hills, MI 48307 (the "Licensed Business"); and

WHEREAS, Seller desires to sell its interest in the License and Buyer desires to purchase same; and

WHEREAS, Seller has suffered hardship such that the Seller must transfer the License prior to the three (3) year expiration under MCLA 436.1501; and

WHEREAS, the Seller has filed for Chapter 11 Bankruptcy Protection in United States Bankruptcy Court, in the case captioned Los Cuatro Amigos, Inc., Case No. 08-23077.

NOW THEREFORE, it is mutually agreed by and between the parties hereto, in consideration of their respective covenants and agreements herein contained, as follows:

1. Seller agrees to sell to Buyer, and Buyer agrees to purchase, for itself, the interest of Seller in and to the License, and any unopened liquor inventory ("Inventory"), subject to the consent and approval of the MLCC and the satisfaction of all other conditions recited herein.

2. It is agreed that Buyer shall pay to Seller, in payment for the License and the Inventory, the sum of One Dollar (\$1.00) in cash. The furniture, fixtures and equipment located at the Licensed Business will be leased from the Landlord.

3. It is distinctly agreed and understood between the parties herein that after execution of this Agreement, the Seller and the Buyer will take whatever steps shall be necessary in a diligent and expeditious manner to have the License transferred from Seller to Buyer by the MLCC.

4. It is further distinctly agreed and understood that in the event the said MLCC shall finally refuse to approve the transfer of the License to Buyer or fails to approve the transfer of the License to Buyer after Buyer has complied with the terms and provisions herein, within one hundred eighty (180) days of the Effective Date, then this Agreement shall become null and void. If Buyer fails to consummate the sale after the approval of the MLCC and/or breaches this Agreement, then Buyer shall pay Seller One Thousand and NO/100 (\$1,000) Dollars as liquidated damages as Seller's sole and exclusive remedy.

5. It is also further agreed between the parties herein that all taxes and assessments of every nature and kind, and all obligations, debts or claims which have been or may become a lien upon the License during or by virtue of Seller's ownership thereof, shall be paid by Seller at the date of closing. Buyer may, at its expense, at the time of the execution of this Agreement and at the closing and consummation of this transaction, conduct a Uniform Commercial Code search or other search to reasonably satisfy itself that there are no liens or encumbrances on the assets which Buyer is purchasing from Seller. In the event said search reveals any liens or encumbrances on the assets, then Buyer shall give notice thereof to Seller, whereupon Seller shall have ten (10) days to cause all such liens and encumbrances of record to be discharged and

released. If any lien or encumbrance is not so discharged and released within such ten (10) day period, then Buyer, at its election, by notice thereof to Seller within five (5) days after the expiration of Seller's ten (10) day cure period, shall either (i) accept such assets "as-is", subject to the right to deduct the amount of all "Liens" (as hereinafter defined) from the purchase price; or (ii) terminate this Agreement. If Buyer so terminates this Agreement, the parties shall have no further obligations to each other.

6. The parties herein further agree to execute and deliver each to the other, any legal instruments and applications of whatsoever nature or kind which may be necessary to effect and consummate this transaction, including the right for an appeal hearing.

7. It is further agreed between the parties that this transaction shall be consummated within fifteen (15) days after the latter to occur of: (i) the satisfaction or waiver by Buyer of all of the contingencies set forth in Paragraph 10 of this Agreement, or (ii) the Buyer receives notification of the MLCC's approval of the transfer of the License.

8. It is further agreed between the parties that if Seller fails or refuses to comply with and complete the sale and purchase of the License in conformity with the terms herein, then Buyer shall have the right to specific performance of this Agreement

9. Seller agrees to pay all renewal fees to renew the License to the current licensing year as of the date of the closing of this sale, and Buyer agrees to pay all transfer fees to the MLCC for the transfer of the License.

10. This Agreement is contingent upon the occurrence of or waiver of each of the following on or before One Hundred Eighty (180) days from the execution of this Purchase Agreement. Should anyone of the following fail to occur, then same shall constitute an automatic termination of this Agreement:



- A. The approval of the MLCC for transfer of ownership;
- B. Buyer's receipt of the Lease from the land owner on terms and conditions acceptable to Buyer; and
- C. All representations and warranties of Seller shall be true and correct at the time of the execution of this Agreement and at the closing; and
- D. The Bankruptcy Court's approval of this sale.

11. It is understood and agreed between all of the parties in this transaction that all representations, investigations, negotiations and disclosures made regarding the matters and things contained therein constitute a meeting of the minds of all parties hereto, and that there are no hidden, oral or other representations between any of the parties herein.

12. The closing of this transaction shall take place at the offices of Adkison, Need & Allen P.L.L.C., 39533 Woodward, Suite 210, Bloomfield Hills, MI 48304-5103, or at such other place as is mutually agreeable to the parties.

13. This Agreement may be executed in counterpart and a facsimile or electronic signature shall be considered as an original.

14. The pronouns and relative words herein used are written in the singular only. If more than one Buyer and/or Seller join in the execution hereof, such pronouns and words shall be read as if written in plural.

15. Notwithstanding anything stated to the contrary herein, the sale, and/or transfer contemplated herein shall be in accordance with the order approving the transaction entered by the bankruptcy court, which shall govern and control the transaction. In the event of a sale, the assets will be transferred free and clear of liens, with liens to follow proceeds per the order approving the sale or transaction. In the event liens, encumbrances or taxes exist or any representation, condition or requirement regarding the existence or the payment of liens, encumbrances or taxes such condition,

covenant, contingency or requirement shall be satisfied by the entry of the order approving the transfer or sale free and clear of liens with liens to follow proceeds.

The covenants herein shall bind the heirs, administrators and executors of the respective parties.

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SIGNATURES APPEAR ON THE FOLLOWING PAGE

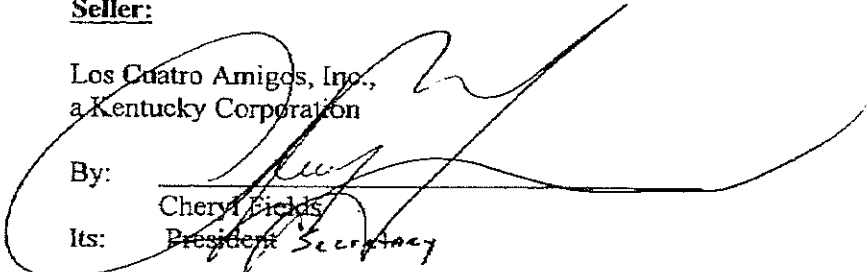
*Purchase Agreement between Los Cuatro Amigos, Inc.  
and Cantina Enterprises II, Inc.  
Page 6 of 6*

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IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day  
and year first above written.

**Seller:**


Los Cuatro Amigos, Inc.,  
a Kentucky Corporation

By:   
Cheryl Fields

Its: ~~President~~ Secretary

**Buyer:**

Cantina Enterprises II, Inc.,  
a Michigan corporation

By:   
Michael Versaci

Its: President

except of 31 pgs

DRAFT VERSION  
DATE: 08/10/2009

LEASE BY AND BETWEEN

PINETREE PROPERTIES III, LLC  
AS LANDLORD

CANTINA ENTERPRISES II, INC.  
AS TENANT

FOR

870 ROCHESTER ROAD,  
ROCHESTER HILLS, MI

DATED

AUGUST \_\_, 2009

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	EXHIBIT "B" LEGAL DESCRIPTION
	EXHIBIT "C" SIGN CRITERIA
	EXHIBIT "D" INVENTORY

LEASE AGREEMENT

THIS LEASE made as of this \_\_\_ day of July, 2009 (the "Effective Date") by and between Pinetree Properties III LLC, whose mailing address is 600 Pine Valley Way, Bloomfield Hills, MI 48302 ("Landlord") and Cantina Enterprises II, Inc., a Michigan Corporation, d/b/a Miguel's Cantina, whose mailing address is 4897 Rochester Road, Troy, MI 48085 ("Tenant").

ARTICLE I. GRANT AND TERM.

SECTION 1.01. LEASED PREMISES. Landlord, in consideration of rent to be paid and the covenants to be performed by Tenant, does hereby demise and lease unto Tenant, and Tenant hereby rents from Landlord, those certain premises (hereinafter "Leased Premises"), in the retail development located at 870 S. Rochester Road, Rochester Hills, Michigan 48307 (hereinafter referred to as "Shopping Center"), which retail development is shown on the site/lease plan marked Exhibit A attached hereto and made a part hereof, such Leased Premises located on the northwest corner of Rochester and Avon Roads as delineated by the cross hatching thereon. A legal description of the Shopping Center, which is located in the City of Rochester Hills, County of Oakland, State of Michigan, is more particularly described in Exhibit B attached hereto and made a part of this Lease.

Said Leased Premises are described as follows:

The freestanding building consisting of approximately 5,590 square feet as shown on Exhibit A attached hereto, whose address is 870 S. Rochester Road, Rochester Hills, Michigan 48307. The exterior portion of the exterior walls and roof of the Leased Premises and the area beneath said premises are not demised hereunder, and the use thereof together with the right to install, maintain, use, repair, and replace pipes, ducts, conduits, wires and structural elements leading through the Leased Premises in locations which will not materially interfere with Tenant's use thereof and serving other parts of the Shopping Center are hereby reserved unto Landlord.

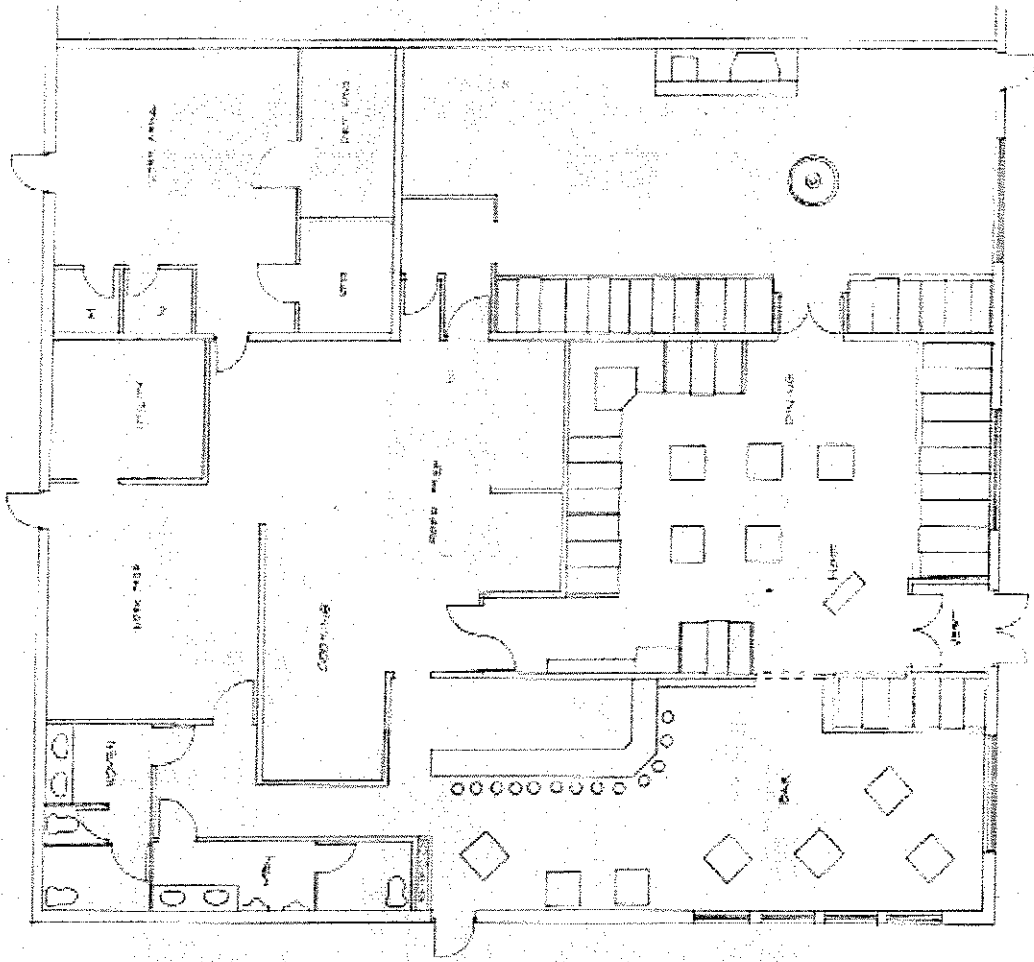
SECTION 1.02. COMMENCEMENT AND ENDING DAY OF TERM. The term of this Lease shall commence as of the Effective Date (the "Commencement Date") and shall expire FIVE (5) years (the "Term"), n from the ("Rent Commencement Date"), unless otherwise extended pursuant to Section 2.01E below.

SECTION 1.03. RENT COMMENCEMENT DATE. The Rent Commencement Date shall be the later of (1) ninety (90) days after the Landlord delivers the Leased Premises "as is" to the Tenant, or (2) the date of issuance of the Class C and SDM Liquor License to the Tenant as set forth in Section 25.24.

ARTICLE II RENT.

SECTION 2.01A. MINIMUM RENT. The fixed minimum annual rental during the Term of this Lease shall be payable by Tenant, commencing on the Rent Commencement Date, in equal consecutive monthly installments during each year on or before the first day of each month, in advance, at the office of the Landlord or such other place as Landlord may designate, without any prior demand therefore and without any deductions or setoff whatsoever, as follows:

Year 1	\$17.50 per square ft.	\$8,152.08/month	\$97,825.00 per annum
Year 2	\$18.00 per square ft.	\$8,385.00/month	\$100,620.00 per annum
Year 3	\$19.00 per square ft.	\$8,617.91/month	\$103,415.00 per annum
Year 4	\$19.50 per square ft.	\$8,851.41/month	\$106,217.00 per annum
Year 5	\$20.00 per square ft.	\$9,083.75/month	\$109,005.00 per annum



@@

CITY OF ROCHESTER HILLS  
1000 Rochester Hills DR. Rochester Hills, MI 48309

MICHAEL VERSACI

DATE: 9/10/2009  
RECEIPT NO: 349120 TRY  
DEPOSIT NO:

G/L NUMBER	DESCRIPTION	PERMIT	AMOUNT
101 451008	Lic. & Pmts.-Clerks Dept.		1,000.00

TOTAL AMOUNT:	1,000.00
CASH AMOUNT:	.00
CHECK AMOUNT:	1,000.00
CREDIT CARD:	.00
DEBIT CARD:	.00
TOTAL RECEIVED:	1,000.00
CHANGE TENDERED:	.00

CHECK #: 001

RECEIVED BY:      TREASURER/LP





LAW OFFICES

# ADKISON, NEED & ALLEN

PROFESSIONAL LIMITED LIABILITY COMPANY

PHILLIP G. ADKISON  
KELLY A. ALLEN  
LORNE B. GOLD  
LISA J. HAMAMEH  
BARRY D. MALONE  
LINDA S. MAYER  
GREGORY K. NEED  
G. HANS RENTROP

39533 Woodward, Suite 210  
Bloomfield Hills, Michigan 48304  
Telephone (248) 540-7400  
Facsimile (248) 540-7401  
[www.ANAfirm.com](http://www.ANAfirm.com)

OF COUNSEL:  
KEVIN M. CHUDLER

September 2, 2009

**VIA UPS 2-DAY AIR MAIL**

Ms. Jane Leslie  
City of Rochester Hills Clerk  
1000 Rochester Hills Drive  
Rochester Hills, MI 48307

**Re: Application to Transfer Ownership of Class C Liquor License from Los Cuatro Amigos, Inc. to Cantina Enterprises II, Inc. Doing Business as Miguel's Cantina Located at 870 S. Rochester Road, Rochester Hills, Michigan**

Dear Ms. Leslie:

This is Cantina Enterprises II, Inc.'s application to transfer ownership of the Class C license from Los Cuatro Amigos, Inc., ("Los Cuatro") located at 870 S. Rochester Road, Rochester Hills to Cantina Enterprises II, Inc.

**MENU AND HOURS**

Cantina Enterprises II, Inc. is seeking approval to transfer ownership of the existing Class C liquor license to operate a full-service authentic Mexican-style Restaurant, doing business as Miguel's Cantina ("Miguel's"). Miguel's menu offers a full lunch and dinner menu with Appetizers, Soups, Salads, Fajitas, traditional Mexican entries served with chicken, shrimp, steak, or vegetarian and a Niño's menu for children younger than 12 years of age. Miguel's hours of operation will be Monday through Thursday 11:00 a.m. to 10:00 p.m., Friday and Saturday 11:00 a.m. to 11:00 p.m., and is located at 870 S. Rochester Road, Rochester Hills.

### **SHOPPING CENTER**

The entire shopping center is approximately 41,500 square feet. Miguel's will occupy approximately 5,400 square feet and will have a seating capacity of approximately 120-150 patrons to be determined by the City of Rochester Hills. In addition to the restaurant, the shopping center has tenants such as American Speedy Printing, Health Quest Physical Therapy, Tuesday Morning, Thai Inn Restaurant, and Antonious's Pizza and is directly in front of Lifetime Fitness Center.

The landlord will invest approximately \$50,000.00 for minor renovations on the existing building. The plans for the renovations have been submitted to the City of Rochester Hills. As you may recall, the previous tenant also made a significant investment.

### **THE APPLICANTS**

The stockholders of Cantina Enterprises II, Inc. are Michael Versaci and Reynaldo Paez. Michael Versaci is the driving force behind the Miguel's concept. Michael Versaci, his father Anthony Versaci, and Mike Lucci (former Detroit Lion) developed the Baja Fresh Mexican Grill franchise in the Detroit area, opening seven restaurants starting in 2002. Michael Versaci managed the day-to-day operations until the sale of the restaurants in December 2008. Michael Versaci has extensive knowledge of Restaurant Operations and Financial Performance. He is a 1998 graduate of the University of Michigan and has worked in the restaurant industry since completing his degree.

Reynaldo Paez, a native of Mazatlan, Mexico, brings 20+ years of Mexican Food experience to Miguel's. Reynaldo Paez was part of the explosive growth of Senor Frog's, El Pollo Loco and Baja Fresh Mexican Grill. He will handle the day-to-day management of the restaurant, including employee hiring and scheduling, product ordering, and customer service, to name a few. He will also bring his extensive knowledge of authentic Mexican food to the kitchen of Miguel's by sharing many of his family recipes for the products Miguel's will serve.

Within 180 days of the opening of the restaurant, both stockholders and all managers and employees that serve and sell alcoholic beverages will complete the TIPS or TAM Training program.

### **HARD SHIP TRANSFER**

Los Cuatro was issued a new quota license from the City of Rochester Hills on August 25, 2008. The Michigan Liquor Control Commission ("MLCC") states in its Code that:

"A Class C license obtained in a manner other than by transfer shall not be transferred within 3 years after its issuance except under circumstances where the licensee clearly and convincingly demonstrates that unusual hardship will result if the transfer does not receive the consent of the commission."

Attached to this correspondence is the letter that was submitted to the MLCC requesting a hardship transfer of the Class C license. The reasoning behind the MLCC's prohibition on the transfer of new/quota licenses is that the MLCC does not allow "trafficking" in liquor licenses. But for this prohibition, an applicant may be able to obtain a quota license from a city for no cost (excluding application fees), and then sell it, at perhaps, a significant profit. While the MLCC will not allow "trafficking," it does recognize that in some instances, it is necessary to transfer a liquor license prior to the expiration of the three (3) year period. This is called a "Hardship Transfer."

While the MLCC Code does not define "hardship," we are able to give the City examples of what the MLCC considers sufficient "hardship" to transfer a license. We have personal experience with the MLCC granting "Hardship Transfers" in the event that the licensee becomes ill, has filed bankruptcy, has had a fire, or has family issues that require the licensee to cease operations. Another factor the MLCC considers is the sales price for the liquor license, again to avoid a "trafficking" issue.

The City of Rochester Hills does not strictly prohibit a transfer of a quota liquor license within the first three years. However, we are confident that the City has the same concerns as the MLCC. Further, the City may want to consider taking the liquor license back for its quota. Making this assumption, we offer the following:

1. The reason Los Cuatro has requested a "Hardship Transfer" is because Mark Fields, a one-third owner, has been very ill. Further, Los Cuatro filed for Chapter 11 Bankruptcy Protection and,
2. Since Los Cuatro was indebted to the Landlord, Los Cuatro voluntarily surrendered the liquor license to the Landlord to use for a future tenant, subject to the approval of the City and the MLCC.
3. Los Cuatro is not "selling" the liquor license, but rather is assigning it to Miguel's for \$10.00.
4. Even though Los Cuatro was not successful, we believe that Miguel's will be. The Versacis and Reynaldo Paez have significant experience and enthusiasm. Also, the Landlord is even further improving the space for this tenant;
5. Even if this liquor license were to go back into the City's quota, Miguel's would be requesting it.
6. Since the City does not have any quota licenses available at this time, it may avail itself of the "Redevelopment Licenses" as provided for in MCLA 436.1521. If this liquor license were to go back into the City's quota, the City would not be able to utilize Redevelopment Licenses until its quota was exhausted.

Therefore, we believe it makes sense to allow this transfer.

**APPLICATION**

Enclosed for your review are the following:

1. Application form for stockholder Michael Versaci with references.
2. Application form for stockholder Reynaldo Paez with references.
3. Filed Articles of Incorporation.
4. Bank statement regarding Michael Versaci's bank account.
5. Proposed Lease Agreement.
6. Liquor License Purchase Agreement.
7. Menu.
8. Business Plan.
9. Floor plan of the establishment.
10. Agreement regarding Tenant Improvement Costs.

Additionally enclosed is the application fee payable to City of Rochester Hills for \$1,000.00. Please begin the City's review of this application as soon as possible. Please call me if you have any questions, whatsoever. We look forward to meeting with you and being heard on the City Council's Agenda as soon as possible. Thank you for your assistance in this matter.

Very truly yours,

**ADKISON, NEED & ALLEN, P.L.L.C.**



Kelly A. Allen

/lbp  
Enclosures

cc: Michael Versaci

LAW OFFICES

**ADKISON, NEED & ALLEN**

PROFESSIONAL LIMITED LIABILITY COMPANY

PHILLIP G. ADKISON  
KELLY A. ALLEN  
LORNE B. GOLD  
LISA J. HAMAMEH  
BARRY D. MALONE  
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GREGORY K. NEED  
G. HANS RENTROP

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Telephone (248) 540-7400  
Facsimile (248) 540-7401  
www.ANAfirm.com

OF COUNSEL:  
KEVIN M. CHUDLER

August 14, 2009

Ms. Sara Weber  
Licensing Supervisor  
Michigan Liquor Control Commission  
7150 Harris Drive  
P.O. Box 30005  
Lansing, Michigan 48909

**Re: Los Cuatro Amigos, Inc., BID #198933, Request for Hardship Transfer of Class C Liquor License to Cantina Enterprises II, Inc.**

Dear Ms. Weber:

We represent Los Cuatro Amigos, Inc., located at 870 S. Rochester Road, Rochester Hills, Michigan, which is Business Id. No. 198933 ("Los Cuatro"). Los Cuatro was issued a Class C Quota License from the City of Rochester Hills which was activated by the Commission on August 25, 2008.

Los Cuatro is owned by Mark and Cheryl Fields, who are husband and wife, and Frederico Gomez. Late in 2008, Mark Fields became very ill. In 2009 the company, Los Cuatro, filed for Chapter 13 Bankruptcy protection due to personal and financial issues. Los Cuatro became indebted to its Landlord and has now reached an agreement with its Landlord. Also, Los Cuatro has entered into a Purchase Agreement with Cantina Enterprises II, Inc. to sell the License.

Los Cuatro is requesting approval from the Commission to transfer its license prior to having operated it for three (3) years. Since Los Cuatro was in arrears on its rent to the Landlord, Los Cuatro has agreed to transfer the License to Cantina Enterprises II, Inc. for One Dollar (\$1.00). The Landlord will secure the License through a new lease with Cantina Enterprises II, Inc.

Since Los Cuatro is a debtor in possession, it may continue to operate the business under a Management Agreement with Cantina Enterprises II, Inc. This has yet to be determined.

Los Cuatro has suffered undue hardship such that a transfer of the license is warranted and is therefore requesting the same from the Commission.

Thank you for your consideration.

Very truly yours,

**ADKISON, NEED & ALLEN, P.L.L.C.**



Kelly A. Allen

/rlg



### Appetizers

#### GUACAMOLE | \$3.95

Freshly made with the ripest Hass Avocados and served with tortilla chips to help you scoop up every last bit of deliciousness.

#### QUESADILLA | \$3.95

The sharpest of Jack Cheeses with your choice of meat grilled in between two flour tortillas. Would you like guacamole, sour cream or pico de gallo on the side? Just ask. But don't forget to say please. Or por favor.

#### NACHOS | \$3.95

Hope you brought your climbing gear to tackle this mountain of tortilla chips smothered with beans, melted jack cheese, your choice of meat, quac, sour cream and pico de gallo.

#### CHILE CON QUESO | \$3.95

Piping hot melted cheese dip with roasted jalapenos and served with tortilla chips. So good, you'll want to double-dip. But don't. Unless you're dining alone.

#### FLAUTAS | \$3.95

We take your choice of chicken or beef, wrap it in a flour tortilla and then fry it up. And if that's not enough to make your taste buds faint from excitement we add a spicy dipping sauce.

#### CHICKEN WINGS | \$3.95

Make sure you have a water or two handy before devouring these spicy Mexican style chicken wings.

### Soups and Salads

#### MIGUEL'S SALAD | \$3.95

So good that Miguel lent his name to this entrée sized salad with romaine lettuce, fresh avocado, tortilla strips, grilled chicken, jack cheese, and tomatoes. Served with house dressing.

#### CEASAR SALAD / ENTRÉE SALAD | \$3.95

Anything Caesar can do, Miguel can do better. Give this entrée sized salad a chance to prove that a twist on a classic can be even better than the original.

#### TOSTADA SALAD | \$3.95

Entrée salad served in a crunch shell, with beans, romaine lettuce, choice of meat, pico de gallo, and salsa. And if you're still hungry afterwards. Eat the bowl.

#### TORTILLA SOUP | \$3.95

Peppery tomato soup with tortilla strips, fresh avocado, and crema. So delicious you'll want to lift the bowl and slurp it. Go ahead. We're not looking.

#### CHICKEN SOUP | \$3.95

The soup Miguel's mom made whenever Miguel was sick. Order this twist on a classic and find out why Miguel faked being sick a lot.

### Tajitas | \$3.95

Brought to you on a sizzling platter (so don't touch) with your choice of chicken, steak, shrimp or any combination of the three. Served with tortillas, beans, rice, sour cream, and pico de gallo.

**Picado style** - Feeling adventurous? Then try them smothered in warm enchilada salsa and melted jack cheese.

Also available for 2 people

### Miguel's Combination Plates

PICK 2 FOR \$7.95 OR PICK 3 FOR \$9.95

#### Enchilada • Burrito • Taco • Chile Relleno

We'd let you pick four, but it's too much fun watching you try to decide what to get.

All combination plates are served with Mexican rice and refried beans

### Miguel's Specialties

all Plates served with Mexican rice and refried beans

#### TACOS | 2 FOR \$7.95 OR 3 FOR \$8.95

Just like you make at home. Only way better. And with less mess. Served crunchy or soft with your choice of meat and of course, lettuce, tomato and cheese.

#### ENCHILADAS | 2 FOR \$7.95 OR 3 FOR \$8.95

Smothered in melted cheese and our mouth-watering enchilada salsa. Just let us know if you want beef, chicken or cheese. Indecisive? Try all three.

#### MIGUEL'S BURRITO ENORME | \$8.95

Loosen your belt before you dig into this huge burrito filled with all the fixings - beans, rice, lettuce, and tomatoes, smothered in our enchilada salsa and melted cheese.

#### CARNE ASADA | \$8.95

Grilled skirt steak with salsa verde, pico de gallo and tortillas. The carnivore in you will feel like it's died and gone to heaven. Full.

#### CARNITAS | \$8.95

Slow-cooked pork that you'll gobble up fast. Served with salsa verde, pico de gallo and tortillas.

#### CHILE RELLENOS | \$2.95

Poblano peppers stuffed with jack cheese that are sure to leave you stuffed. Lightly breaded and fried, and finished with a light tomato sauce.

#### PLATO DE MIGUEL | \$8.95

A little something for the person who wants it all - Carne Asada, Carnitas and a Chile Relleno. Served with tortillas.

#### CHIMICHANGA | \$8.95

We take a huge burrito with all the fixings and fry it up. Just send your fan mail to us. We'll make sure Miguel gets it.

#### FISH TACOS | 2 FOR \$7.95 OR 3 FOR \$8.95

Delicious beer-battered fish on soft flour tortillas, served with Miguel's coleslaw and tangy salsa. Try them and you'll be hooked.

#### ENCHILADAS DE MOLE | \$8.95

Chicken enchiladas smothered in our slow-cooked, homemade Mole salsa that are so authentically delicious you'll feel like you should be wearing a sombrero.

### Para Niños (for kids)

all kids plates served with Mexican rice and refried beans

Quesadilla - cheese or chicken

Tacos - one taco with chicken or beef

Nachos - mini nachos

Burrito - mini burrito with chicken or beef

Chicken Fingers

### Drinks

Soft Drinks • Iced Tea • Coffee

### Desserts

MEXICAN FRIED ICE CREAM | \$3.95

MEXICAN STYLE APPLE PIE | \$3.95  
with Vanilla Ice Cream

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CITY OF ROCHESTER HILLS

**F**ire  
Department

**Todd M. Gary, Captain/Fire Marshal**

DATE: September 15, 2009

TO: Jane Leslie

RE: Class C Transfer –  
870 S. Rochester Road  
Cantina Enterprises

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Please be advised the Fire Department has no objections to the issuance of a Class C license to Southwest Dining, Inc. at 870 S. Rochester Road.

If you should have any questions, please feel free to contact me.

TMG/lak



## Jane Leslie

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**From:** DAlessandro, Judy [dalessandroj@oakgov.com]  
**Sent:** Tuesday, September 15, 2009 10:02 AM  
**To:** Jane Leslie  
**Subject:** FW: Liquor License Transfer

**Hi Jane**

**Below is from Lt. Jacobs regarding the Liquor License Transfer of Miguel's Cantina**

**Judy**

-----Original Message-----

**From:** Jacobs, Steve [mailto:jacobss@oakgov.com]  
**Sent:** Tuesday, September 15, 2009 8:13 AM  
**To:** 'DAlessandro, Judy'  
**Subject:** RE: Liquor License Transfer

We have no negative comments on this transfer.

Steve

-----Original Message-----

**From:** DAlessandro, Judy [mailto:dalessandroj@oakgov.com]  
**Sent:** Monday, September 14, 2009 11:25 AM  
**To:** Lt. Steve Jacobs  
**Subject:** FW: Liquor License Transfer

**Please advise me if you have any comments regarding this transfer so I can let Jane Leslie know**

-----Original Message-----

**From:** Judy DAlessandro [mailto:dalessandroj@rochesterhills.org]  
**Sent:** Monday, September 14, 2009 10:50 AM  
**To:** dalessandroj@oakgov.com  
**Subject:** FW: Liquor License Transfer



Michigan Department of Labor & Economic Growth  
**MICHIGAN LIQUOR CONTROL COMMISSION (MLCC)**  
7150 Harris Drive, P.O. Box 30005  
Lansing, Michigan 48909-7505

**FOR MLCC USE ONLY**

Request ID # 526785

Business ID # 221427

**LOCAL APPROVAL NOTICE**

[Authorized by MCL 436.1501]

August 26, 2009

**TO:** Rochester Hills City Council  
Attn: Clerk  
1000 Rochester Hills Drive  
Rochester Hills, MI 48309-3033

**APPLICANT:** Cantina Enterprises II, Inc.

**Home Address and Telephone No. or Contact Address and Telephone No.:**

Reynaldo Paez, 3590 Chartwood, Rochester Hills, MI 48306, H (248) 340-5936 / B (248) 719-6036

Michael Versaci, 735 Forest, # 303, Birmingham, MI 48009, H (248) 709-7443 / B (248) 709-7443

Contact: (Adkison, Need & Allen, PLLC), Kelly A. Allen, 39533 Woodward, Suite 210, Bloomfield Hills, MI 48304, Phone: (248) 540-7400, Fax: (248) 540-7401.

The MLCC cannot consider the approval of an application for a new or transfer of an on-premises license without the approval of the local legislative body pursuant to the provisions of MCL 436.1501 of the Liquor Control Code of 1998. For your information, local legislative body approval is also required for DANCE, ENTERTAINMENT, DANCE-ENTERTAINMENT AND TOPLESS ACTIVITY PERMITS AND FOR OFFICIAL PERMITS FOR EXTENDED HOURS FOR DANCE AND/OR ENTERTAINMENT pursuant to the provisions of MCL 436.1916 of the Liquor Control Code of 1998.

For your convenience a resolution form is enclosed that includes a description of the licensing application requiring consideration of the local legislative body. The clerk should complete the resolution certifying that your decision of approval or disapproval of the application was made at an official meeting. **Please return the completed resolution to the MLCC as soon as possible.**

If you have any questions, please contact the On-Premises Section of the Licensing Division as (517) 636-4634.

**PLEASE COMPLETE ENCLOSED RESOLUTION AND RETURN  
TO THE LIQUOR CONTROL COMMISSION AT ABOVE ADDRESS**

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### RESOLUTION

At a \_\_\_\_\_ meeting of the \_\_\_\_\_  
(Regular or Special) (Township Board, City or Village Council)

called to order by \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ P.M.

The following resolution was offered:

Moved by \_\_\_\_\_ and supported by \_\_\_\_\_

**That the request to transfer ownership of 2009 Class C licensed business, located at 870 Rochester, Rochester Hills, MI 48307, Oakland County, from Los Cuatro Amigos, Inc. (A Kentucky Corporation) to Cantina Enterprises II, Inc.**

be considered for \_\_\_\_\_  
(Approval or Disapproval)

#### APPROVAL

#### DISAPPROVAL

Yeas: \_\_\_\_\_

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Absent: \_\_\_\_\_

It is the consensus of this legislative body that the application be:

\_\_\_\_\_ for issuance  
(Recommended or Not Recommended)

State of Michigan \_\_\_\_\_)

County of \_\_\_\_\_)

I hereby certify that the foregoing is a true and complete copy of a resolution offered and

adopted by the \_\_\_\_\_ at a \_\_\_\_\_  
(Township Board, City or Village Council) (Regular or Special)

meeting held on \_\_\_\_\_  
(Date)

(Signed) \_\_\_\_\_  
(Township, City or Village Clerk)

SEAL

\_\_\_\_\_  
(Mailing address of Township, City or Village)