



AGENDA
HAMPSHIRE LIQUOR COMMISSION MEETING
October 7, 2021
6:00 P.M.

- 1. Call to Order.**
- 2. Establish Quorum.**
- 3. Approve Meeting Minutes of June 23, 2021.**
- 4. Review Liquor License Application: Jimmy' Sports Bar, LLC**
- 6. Other Business**
- 7. Adjournment.**

HAMPSHIRE LIQUOR COMMISSION

June 23, 2021

Mike Reid, Chairman, called the meeting to order at 6:00 p.m.

Present: Trustee Koth, Mott

Absent: None

Also present: Ted Tegtman- Early times street rods

Trustee Koth moved, to approve the minutes for June 6, 2021.

Seconded by Mott
Motion carried by voice vote
Ayes: Koth, Mott, Reid
Nays: None
Absent: None

Trustee Mott moved, to approve Class- G Special Event to Early Times Street Rods. For August 8th 2021 contingent upon Certificate of liability and surety bond to be delivered to the clerk.

Seconded by Koth
Motion carried by roll call vote
Ayes: Koth, Mott, Reid
Nays: None
Absent: None

Adjournment

Trustee Mott moved, to adjourn the Liquor Commission meeting at 6:05 p.m.

Seconded by Koth
Motion carried by voice vote
Ayes: Koth, Mott, Reid
Nays: None
Absent: None

Mike Reid Jr., Village President



EMBRACE OPPORTUNITY
HONOR TRADITION

Village of Hampshire

234 S. State Street, Hampshire, IL 60140
Phone: 847-683-2181 ▪ www.hampshireil.org

APPLICATION FOR LIQUOR LICENSE

DATE: 9-23-2021

NAME OF BUSINESS: Jimmie's Sports Bar SALES TAX ID: 85-1552294

NAME OF APPLICANT: AIMA D CARRAZZA

ADDRESS OF BUSINESS: 125 W. Oak Knoll Dr Hampshire IL 60140

BUSINESS PHONE NO.: (224) 387 9178

MAILING ADDRESS: 125 W Oak Knoll Dr Hampshire IL 60140

TO: Local Liquor Control Commission
Village of Hampshire, Illinois

Pursuant to the provisions of Chapter IIIV, Alcoholic Liquor Regulations, of the Municipal Code of Hampshire, Illinois, as amended, and pursuant to Chapter 43 of the Illinois Revised Statutes, as amended, the undersigned hereby makes application for an Alcoholic Liquor License as follows:

1. License Class and Annual Fee (check one):

- | | |
|--|---|
| <input type="checkbox"/> Class A-1 - \$1,500.00 | <input type="checkbox"/> Class C-4 - \$1,500.00 |
| <input checked="" type="checkbox"/> Class A-2 - \$1,250.00 | <input type="checkbox"/> Class D - \$1,750.00 |
| <input type="checkbox"/> Class B-1 - \$1,500.00 | <input type="checkbox"/> Class E - \$1,750.00 |
| <input type="checkbox"/> Class B-2 - \$1,500.00 | <input type="checkbox"/> Class F - \$1,500.00 |
| <input type="checkbox"/> Class C-1 - \$1,500.00 | <input type="checkbox"/> Class G - \$ 75.00 |
| <input type="checkbox"/> Class C-2 - \$1,500.00 | <input type="checkbox"/> Class H- \$ 500.00 |
| <input type="checkbox"/> Class C-3 - \$1,750.00 | <input type="checkbox"/> Class I- \$ 500.00 |

2. License Period:

Commencing on ~~January 1~~, _____ and ending December 31, _____ or
Commencing on _____ and ending December 31, _____

3. Type of Business Entity (check one):

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Other (specify) <u>LLC</u> |

4. The following information must be provided with respect to any and all individual owners, partners, corporate officers, corporate directors, resident managers, and, if a corporation, all persons owning directly or beneficially more than 5% of the corporation stock:

NOTE: Full names must be listed with middle initials. Furthermore, the applicant must notify the Local Liquor Control Commission of change in the partnership, officers, directors, persons holding directly or beneficially more than 5% in interest of the stock or ownership interest, or managers of the establishment within ten (10) days of said change.

Name: AIMA D. CARRANZA
BIRTHDAY: 06-21-1982
HOME ADDRESS: 2641 Fallbrook Dr Hampshire IL 60140
DRIVERS LICENSE# C652-0048-2774 HOME PHONE# 224-387-9178
BUSINESS STATUS: Active
PERCENTAGE OF STOCK HELD: 100%

Name: _____
BIRTHDAY: _____
HOME ADDRESS: _____
DRIVERS LICENSE# _____ HOME PHONE# _____
BUSINESS STATUS: _____
PERCENTAGE OF STOCK HELD: _____

(If additional space is required, please attach a separate sheet of paper)

5. Is the applicant a citizen of the United States? yes
If naturalized, state date and place of naturalization: _____
If an Illinois corporation, state date of corporation: _____
If a foreign corporation, state date qualified to transact business in Illinois pursuant to the Illinois Business Corporation Act. _____

6. State the character of the applicant's business, and in case of a corporation, the objects for which it was formed. TO provide a place where people can come and enjoy
7. State the location and physical description of the premises which is to be operated under such license and the nature of the business at such location. 125 W OAK KNOLL DR Hampshire IL 60140

8. State whether the applicant has ever had a liquor license issued by the Federal government, any State government or any municipality. yes
If answer is in the affirmative, state the name of the licensing unit of government, when and where said of license was issued. East Dundee IL 2019

9. Has the applicant ever had any previous liquor license revoked? no
If answer is in the affirmative, state the date and reason for such revocation. _____

10. Has the applicant and the designated managers read and do they understand and agree not to violate any of the liquor laws of the United States, the State of Illinois or any of the ordinances of the Village of Hampshire in conducting business? yes

11. State whether all individual owners, partners, officers, directors, persons holding more than 5% of the corporate stock have been fingerprinted by the Illinois State Police and, if so the date thereof. _____

Note: This application will remain incomplete and will not be considered until question #11 can be answered in the affirmative.

12. State the name of the person who will generally be managing the ongoing affairs of this business at these premises. AMA D. BARBARA
State whether said manager has been fingerprinted by the Illinois State Police and, if so the date thereof. _____

Note: This application will remain incomplete and will not be considered until question #12 can be answered in the affirmative.

13. Has the applicant attached Surety Bond and Certificate of Liability Insurance to this application or already furnished it to the Village?

14. If the applicant does not own the premises for which the license is sought, does the applicant have a lease for the full period for which the license is to be issued? yes
If the answer is in the affirmative, attach a copy of said lease to the application.

15. State whether the applicant has ever been convicted of a felony offense under any Federal or State law? no

16. State whether the applicant has ever been convicted of a violation of any Federal or State law concerning the manufacture, possession or sale of alcoholic liquor? NO

17. State whether a Federal Gaming Device Stamp or Federal Wagering Stamp has been issued to the applicant, the premises, or to any corporation in which the applicant holds 5% or more Stock? NO
If answer is in the affirmative, has the stamp been issued for any portion or all of the time to be covered by this applicant? _____

18. Is the premises within 100 feet of any real property of any church, school, hospital, home for the aged or indigent persons or for veterans, their wives or children, or any military or naval station? yes

19. Are the premises for which license is herein applied for a store or other place of business where the majority of customers are minors of school age or where the principal business transacted consists of school books, school supplies, food, lunches or drinks for such minors? _____

20. Does the applicant understand and agree that during the license period, any violation of Federal, State or Village laws and ordinances will be referred to the Local Liquor Control Commission and that such violation may result in the suspension or revocation of said license? yes
21. Does the applicant understand and agree that members of the Local Liquor Control Commission and/or Hampshire Police Department shall have the authority to enter at any time upon the premises licensed hereunder to determine whether any State or Village laws and ordinances have been or are being violated, and at such time to examine the premises of said licensee in connection therewith? yes
22. Does the applicant understand and agree that a license shall be purely a personal privilege, and shall not constitute property, nor shall it be subject to attachment, garnishment or execution, nor shall it be alienable or transferable, voluntarily or involuntarily, or subject to being encumbered or hypothecated? yes
23. (If applying for other classes except Class B-1 and B-2): Does the applicant understand that the acceptability of all entertainment shall be subject to review by the Local Liquor Control Commission? yes
 On the attached addendum for Entertainment, please list and briefly describe, any and all entertainment to be provided in your establishment during the period of this license. (If any additional entertainment is planned during the period of this license, such entertainment must be listed and described for, and approved by, the Hampshire Liquor Commission prior to being conducted or performed. Additional entertainment forms are available at the Office of the Village Clerk.

SIGNATURE OF APPLICANT (S)

CORPORATION SIGNATURES

INDIVIDUAL OR PARTNERSHIP SIGNATURES

Pres. [Signature]

Sec. _____

STATE OF IL)

County of KANE) SS

The undersigned swears that all statements are true and correct.



ALMA CARRANZA

CORPORATE SEAL

Subscribed and sworn to before me this 5th day of OCTOBER, 2021.

[Signature]

Notary Public

\$2540

JMB/pmc

July 22, 2020

COMMERCIAL BUILDING LEASE

THIS LEASE AGREEMENT is made by and between Properties of Hampshire, LLC, (hereinafter referred to as "Lessor") and Jimmy's Sports Bar, LLC (hereinafter referred to as "Lessee").

W I T N E S S E T H:

Article 1. PREMISES. Lessor, for and in consideration of the covenants and agreements hereinafter mentioned to be kept and performed by Lessee, hereby leases to Lessee the real estate commonly known as 125 Oak Knoll, Hampshire, Illinois, (hereinafter referred to as the "Leased Premises"). The Leased Premises contains approximately 1440 sq. ft. in space, and is part of the Hampshire Commons Center (the "Building")

Article 2. TERM. The original term of the Lease shall be for five (5) years from July 17, 2020 (date of execution of the Lease) unless sooner terminated as provided herein., but the end of the initial term of the lease shall be determined in accordance with Exhibit A, to provide 5 full years of Base Rent payments measured from Full Rent Commencement Date.

Article 3. BASE RENT.

3.01 Lessee agrees to pay to Lessor, as rent for the Leased Premises for the term hereof, (hereinafter referred to as "Base Rent") in addition to all other sums due hereunder a monthly sum payable on the first day of each month during the term of this Lease, in accordance with the following schedule:

<u>Lease Year</u>	<u>Monthly Rent</u>
See attached Exhibit A	

3.02 All installment payments of the Base Rent, and all payments of Additional Rent, shall be made by Lessee to Lessor without notice or demand, except as may be expressly required in this Lease, and without abatement, deduction, set-off, discount or counterclaim. The payment of rent herein is independent of each and every covenant and agreement contained herein.

3.03 Each and all installment payments of the Base Rent, and all payments of Additional Rent, shall be paid in such coin and currency of the United States of America as at the time of payment or payments shall be legal tender for the payment of public and private debts and shall be made to, or upon the order of Lessor, at Hampshire, Illinois, or to such other person or

persons, or at such other place or places, as Lessor or Lessor's beneficiary may from time to time in writing designate.

3.04 Each and all installment payments of Base Rent shall be made by electronic deposit to Lessor's account at their financial institution.

3.05 If Lessee desires to utilize such, in addition to Base Rent, Lessee shall pay to Lessor, the additional sum of \$25.00 per month to Lessor as Additional Rent, as and for usage of Lessor's sign in the Common Areas. Lessee shall be entitled to use of the sign in the style, size and location as described on Exhibit A, in compliance with applicable governmental requirements. Said Additional Rent shall commence upon Lessor's installation of Lessee's signage on Lessor's sign. Lessee shall also pay to Lessor a one time set-up fee of \$100.00 upon Lessee's written request for said signage, which shall be made within 5 days of Lessor delivering possession of the Leased Premises to Lessee.

Article 4. USE OF PREMISES.

4.01 Subject to the succeeding paragraphs of this Article 4, Lessee may use the Leased Premises only for the following purpose:

The retail sale of alcohol, gaming and ancillary sale of packaged foods.

Lessor shall not lease other space in the Building to a tenant which provides a gaming facility, other than the existing liquor store in the Building, which store is applying for a gaming license, Lessor shall undertake reasonable efforts to cause other tenants in the Building to cease any such violation of this term of the Lease.

4.02 Lessee agrees that at all times during the term of this Lease, Lessee's use and occupancy of the Leased Premises shall conform to and comply with, at its own expense, all laws, ordinances and governmental regulations applicable to the Leased Premises including, but not limited to, all zoning ordinances, building codes and all pollution control laws, regulations and ordinances, and the conduct of Lessee's business therein shall at all times be in conformity with the requirements of all carriers of insurance on the Leased Premises.

4.03 Lessee will not allow the Leased Premises to be used for any purpose which will invalidate any insurance, and will not load floors with machinery or goods beyond the floor load rating prescribed by applicable municipal ordinances. Lessee will not permit the Leased Premises to be used for any unlawful purpose or for any purpose which constitutes a public or private nuisance or for any purpose that will injure the reputation of Lessor or increase the fire hazard of the Leased Premises, or discharge any pollutants into the sanitary sewage or storm sewer systems of the Leased Premises in contravention of applicable laws, ordinances or regulations, or disturb the neighborhood, and will not permit the Leased Premises to remain vacant or unoccupied

for more than thirty (30) consecutive days nor permit any alteration of or addition to any part of the Leased Premises, except as, and to the extent herein provided.

4.04 Lessee shall not commit, nor shall Lessee permit the committing of, any waste, nuisance, the emitting of any objectionable noise or odor, nor the sale, display, distribution or regular dispensing of any alcoholic liquors or beverages in or on the Leased Premises.

Article 5. TAXES, ENCUMBRANCES AND INSURANCE COSTS.

5.01 As Additional Rent for the Leased Premises, Lessee shall pay, at the times and in the manner hereinafter provided, all taxes and assessments, general and special water rates and all other impositions, ordinary and extraordinary, of every kind and nature whatsoever, which may be levied, assessed or imposed upon the Leased Premises, for any year or other tax period falling wholly or partly within the term of this Lease. Lessee may take the benefit of any provisions of any statute or ordinance permitting any assessment to be paid over a period of years provided that Lessee's obligation to pay such annual assessments shall terminate upon the expiration of the stated term of this Lease. The amount of any taxes or assessments for which Lessee is liable hereunder falling due after the end of the demised term shall be tentatively determined by Lessor based upon the prior year's bill, if any, for such taxes or assessments and otherwise upon Lessor's best good-faith estimate and shall be paid by Lessee to Lessor at the end of the term, subject to final redetermination of such taxes or assessments upon receipt of the actual bills therefor and to prompt payment of any credit resulting to the party entitled thereto by the other party.

5.02 As Additional Rent for the Leased Premises, Lessee shall pay, at the times and in the manner hereinafter provided, all insurance premiums insuring the Leased Premises.

5.03 Lessee shall deposit monthly with Lessor on the first day of each month during the term hereof a sum equal to one-twelfth (1/12) of the aggregate of the sums due pursuant to paragraphs 5.01 and 5.02 hereof, or such estimate to be based on the actual bills for the prior year or on Lessor's best good faith estimate, which monthly deposits shall be held by Lessor or, at Lessor's election, deposited with Lessor's present or future mortgagee or trustee and used as a fund to be applied, to the extent thereof, to the payment of said obligations as the same become due and payable. The existence of said fund shall not limit or alter Lessee's obligation to pay the taxes and assessments with respect to which the fund was created; provided, however, that said fund shall be fully utilized for the payment of such obligations. The amount of the fund shall be readjusted annually, as soon as practicable after the issuance of the tax bill or insurance premium in question showing the actual amount of such obligations for the year covered by said bills, to reflect the actual amount of obligations.

5.04 Lessor shall, at its option, have the right, but shall not be obligated so to do, to pay any such obligations not paid by Lessee, and the amounts so paid, including reasonable

expenses and attorney's fees, shall be so much Additional Rent due at the next rental payment day after such payments together with interest as hereinafter provided.

5.05 Notwithstanding anything herein contained to the contrary, Lessee shall not be required to pay any taxes, assessments, tax liens or other impositions or charges upon or against the Leased Premises, or any part thereof, nor shall Lessor have the right to pay the same, so long as Lessee shall in good faith and with due diligence, contest the same or the validity thereof by appropriate legal proceedings which shall have the effect of preventing the collection of the tax, assessment, tax lien or other imposition or charge so contested and the same or forfeiture of the Leased Premises or any part thereof or any interest therein to satisfy the same, and provided that, pending any such legal proceedings Lessee shall deposit and keep on deposit with Lessor security, and from time to time shall deposit and keep on deposit with Lessor additional security if any, in such form and amount as Lessor may reasonably require to insure payment of the amount of such tax, assessment, tax lien or other imposition or charge, and all interest and penalties thereon. Such security shall be held by Lessor until the Leased Premises shall have been released and discharged from any such tax, assessment, tax lien or other imposition or charge, and shall thereupon be returned to Lessee less the amount of any loss, cost, damage and reasonable expenses that Lessor may sustain in connection with the tax, assessment, tax lien or other charge so contested; provided, however, that if Lessee fails to prosecute such contest with due diligence, or fails to make or maintain deposits as above provided, Lessor may use the security so deposited to pay the same.

Article 6. INSURANCE.

6.01 As of the Commencement Date of this Lease and at all times during the term of this Lease, Lessee shall, with respect to the Leased Premises and Lessee's business operation thereon, procure and maintain, at Lessee's sole cost and expense, a policy or policies of insurance expressly insuring Lessor, Lessor's beneficiaries, Properties of Hampshire, LLC, Lessor's present or future mortgagees and Lessee as their respective interests may appear, as follows:

(a) Comprehensive General Public Liability Insurance against claims for personal injury, death or property damage occurring in connection with the use and occupancy of the Leased Premises, with a combined single limit of liability not less than Two Million Dollars (\$2,000,000.00);

(b) Casualty damage insurance insuring against loss or damage to the Leased Premises and all appurtenances thereto, caused by fire, explosion, windstorm, malicious mischief, vandalism and all other insurable casualties customarily insured in a full and complete all-risk policy of insurance, for not less than one hundred percent (100%) of the full replacement cost thereof. "Full replacement cost", for purposes of this provision, shall be determined at the commencement of the term hereof and, at Lessor's option, shall be redetermined every two (2) years thereafter. If

the parties are unable to agree on such full replacement cost, the same shall be determined by an insurance appraiser selected and approved by Lessor and paid by Lessee. The appraiser shall submit a written report of his appraisal and, if said report shows that the Leased Premises are not insured as herein required, Lessee shall promptly obtain such additional insurance as is required.

6.02 With respect to the aforementioned policies of insurance which Lessee is required to procure and maintain hereunder:

(a) Each such policy shall contain an agreement or endorsement that it will not be canceled by the insurer without at least ten (10) days prior written notice to Lessor;

(b) The original of each such policy, together with satisfactory evidence of the payment of the premiums therefor, shall be deposited with Lessor not less than ten (10) days prior to the Commencement Date and not less than thirty (30) days prior to the date of each subsequent renewal of such policy;

(c) If Lessee furnishes any insurance in the form of a Blanket Policy, it shall furnish satisfactory proof that such Blanket Policy complies in all respect to the provisions of this Lease and the coverage which would be provided under a separate policy covering only the Leased Premises;

(d) Each such policy shall be issued by insurers of recognized responsibility licensed to do business in the State of Illinois and reasonably acceptable to Lessor.

6.03 Lessee will not do, suffer or permit any acts or omissions, whether upon the Leased Premises or otherwise, which might increase the risk of loss or premiums payable on said policies or would result in voiding or impairing the obligations of the underwriters under such policies of insurance.

6.04 If Lessee fails to comply with the provisions of this Article 6, Lessor may obtain such insurance and keep the same in effect and Lessee shall pay to Lessor the premium costs thereof upon demand as Additional Rent.

6.05 Lessor and Lessee agree to use their best efforts to have all fire and extended coverage and other property damage insurance which may be carried with respect to the Leased Premises or the contents thereof to be endorsed with the clause which reads substantially as follows:

"This insurance shall not be invalidated should the insured waive in writing prior to a loss any and all rights of recovery against any party for loss occurring to the property described herein."

Lessor and Lessee each hereby waive all claims for recovery or from the other or rights of subrogation against the other for any loss or damage to the Leased Premises except as may be otherwise provided in this Lease or to the contents of the building located on said Leased Premises where such loss or damage is insured by a valid and collectible insurance policy but only to the extent of any amount recovered from such insurer with respect to such loss; subject to the condition that this waiver shall be effective only when the waiver is permitted by such insurance policy and does not invalidate same.

Article 7. CONDITION, MAINTENANCE AND REPAIRS.

7.01 Lessee acknowledges that immediately prior to such Commencement Date, Lessee has examined the condition of the Leased Premises and agrees to take possession of the same on an "as is" basis. Lessee agrees that no representations with respect to the condition of the Leased Premises or with respect to the condition of any plumbing, electrical, heating, ventilating, air-conditioning, cooling or refrigeration equipment, or any mechanical equipment or apparatus located in the Leased Premises have been made by Lessor or its agents, except as contained herein on Exhibit A, and that Lessor shall not be bound by any promises to decorate, alter, repair, modify, maintain or improve the Leased Premises or any of the foregoing unless the same are contained herein or made a part hereof. Lessor shall assign to Lessee any warranties relating to the Special Systems, as hereinafter defined and any other equipment installed by Lessor pursuant to Exhibit A.

7.02 Lessee shall, at its own expense, keep and maintain the Leased Premises, including, without limitation, the repair and maintenance of the interior portions of walls, doors and windows, all interior plumbing equipment and water pipes, sewer and gas pipes, drains, fixtures, structures, lighting, electrical, heating, air-conditioning, cooling and refrigeration equipment and all other equipment, apparatus and appurtenances to the Leased Premises, and shall keep the Leased Premises in a clean, healthful and safe condition and in accordance and in compliance with all applicable laws, ordinances and other governmental regulations, orders and directions during the term of this Lease. Upon the termination of this Lease, in any way, Lessee shall yield up the Leased Premises to Lessor in good condition and repair, and shall deliver the keys therefor at the place of payment of Base Rent. Should Lessee fail or neglect to make such repairs, restoration or replacement promptly with or without notice from Lessor to do so, Lessor shall have the right to make all such necessary repairs, restorations or replacements at Lessee's expense and the costs of such shall become Additional Rent payable in full on the first day of the month following the completion of such repairs, restoration or replacements.

7.03 Lessee shall, as a part of, and not in full and complete discharge of its obligation of maintenance and repair as set forth above, cause the hot water, heating, cooling and

air conditioning systems on the Leased Premises (hereinafter sometimes referred to as the "Special Systems") to be serviced, at least bi-annually, by a third-party, reputable and recognized independent contractor regularly engaged in the business of servicing such equipment and who is acceptable to Lessor. The heating system shall be serviced in October of each year during the term hereof and the cooling system in April of each year and said contractors shall service all such equipment as suggested by the manufacturers thereof. Lessee shall promptly forward copies of said maintenance and repair invoices during the prior and/or current lease year to Lessor upon Lessor's request.

7.04 Intentionally deleted.

7.05 Notwithstanding any provisions in the Lease to the contrary, Lessor shall keep and maintain in good sanitary condition and working order and repair (including making any necessary replacements) and in compliance with applicable governmental laws and ordinances: (a) the Common Areas; (b) common building systems, including sprinkler systems, fire alarms and backflow systems; (c) the building roof, exterior walls (except doors, windows and interior portions of exterior walls), foundation, floor slabs, exterior canopies, gutters and water spouts, utility services extending to the service connection within the Leased Premises and building structural components, the costs of which shall be included in Lessor's Operating Costs, as hereinafter defined.

Article 8. UTILITY CHARGES. Lessee shall, in addition to the Base Rent above specified, pay all water and sewer charges, taxes or rents, heating and air conditioning energy costs, gas, electric, light and power bills and other utility bills levied or charged on the Leased Premises. In case such utility bills shall not be paid within thirty (30) days after demand by Lessor, Lessor shall have the right, but not the obligation, to pay the same, which amounts so paid, together with any sums paid by Lessor to keep the Leased Premises in a clean and healthy condition, as herein specified, are declared to be so much Additional Rent and shall be payable to Lessor with the installment of rent next due thereafter together with a penalty of ten percent (10%) of the total amount of same. Lessor shall not be liable for damages, except if caused by Lessor's gross negligence, by abatement of Base Rent or otherwise, for interruption or failure of, or delay in, furnishing any service or utility or for the breakdown or failure of any mechanical equipment located on the Leased Premises, all such services, utilities and equipment being the sole responsibility of Lessee.

Article 9. ALTERATIONS AND IMPROVEMENTS.

9.01 Except as otherwise permitted herein, Lessee shall not, during the term of this Lease, make any structural or non-structural alterations, modifications, additions or deletions to or from the Leased Premises (hereinafter referred to as "Alterations") whatsoever, without in each instance the prior written consent of Lessor. Lessor shall give reasonable consideration to any request of Lessee to make any such Alterations if Lessee first shall have strictly complied with the following terms and conditions:

(a) Lessee shall furnish to Lessor plans, specifications and working drawings covering any and all such proposed Alterations, for approval by Lessor, which approval shall not be unreasonably withheld or delayed by Lessor, so long as (1) such plans, specifications, and working drawings comply with all applicable municipal ordinances, and the rules, regulations and requirements of proper municipal officers promulgated pursuant thereto, (2) the Alterations contemplated by such plans, specifications and working drawings will not, in the sole discretion of Lessor, cause the value or usefulness of the Leased Premises to diminish or impair the structural integrity of the Leased Premises, and (3) such Alterations will not, in Lessor's sole discretion, materially change the nature of character of the Leased Premises, will not decrease the desirability of said Leased Premises for future rental, and will not result in same not being in conformity with the existing zoning and building laws, codes, ordinances and regulations.

(b) Lessee shall provide Lessor with all required permits, licenses and approvals issued by appropriate governmental units approving all Alterations to be completed.

(c) Lessee shall provide Lessor with a schedule showing the total price of doing such Alterations and a detailed breakdown of all costs involved in such work.

(d) Lessee shall provide Lessor with a contract with a bondable general contractor reasonably acceptable to Lessor, needing only Lessee's execution thereon to be binding, pursuant to which said contractor contracts to undertake the Alterations shown in the plans and specifications described in subparagraph (a) hereof for the price described in the schedule provided pursuant to subparagraph (c) hereof.

(e) Lessee shall have demonstrated to Lessor's satisfaction the source or sources of funds necessary to pay for such Alterations.

(f) Lessee shall furnish Lessor with certificates of insurance from all contractors performing labor or furnishing material insuring Lessor against any and all liability which may arise out of or be connected in any way with such Alterations.

9.02 Any such Alterations performed by Lessee shall be in quality at least equal to the original construction of the Leased Premises when the same was constructed, shall comply with all insurance requirements and shall comply with all applicable laws, regulations, ordinances and codes of all public authorities having jurisdiction thereover, and shall be done free and clear of all liens or claims for liens. Subject to paragraph 9.03 below, all such improvements resulting from such Alterations shall, at the termination or expiration of this Lease, become the property of Lessor and remain with the Leased Premises.

9.03 At the termination of this Lease, whether by lapse of time or otherwise, without compensation, allowance or credit to Lessee, Lessor may, but shall not be obligated to, require Lessee to remove from the Leased Premises any or all improvements and alterations made by Lessee or for Lessee by Lessor, except for those items listed on Exhibit A and additionally, any improvements peculiar to the use of the Leased Premises by Lessee, including but not limited to, all lead materials. If Lessor requests that any of such improvements or Alterations be so removed and Lessee refuses to do so, Lessor may remove or cause the removal of same and the expense to Lessor therefor, together with interest as hereafter provided, shall become so much additional rent due hereunder.

Article 10. DAMAGE OR DESTRUCTION.

10.01 The Leased Premises shall be deemed to have suffered a "Total Loss" by reason of the occurrence of a casualty if the probable cost of repairing the damage caused thereby and restoring the Leased Premises to the condition it was in immediately prior to such casualty exceeds fifty-five percent (55%) of the fair market value of the Leased Premises as it existed immediately prior to such casualty. Any loss, the probable cost of repair and restoration of which is less than the aforesaid percentage of fair market value shall be deemed to be, and shall be hereinafter referred to as a "Partial Loss".

10.02 Upon the occurrence of a Total Loss or Partial Loss, subject to the provisions of Section 10.07, all insurance proceeds payable with respect to such loss shall be paid over to Lessor as its sole and exclusive property and Lessee shall have no right thereto.

10.03 If the Leased Premises suffers a Total Loss then Lessor may elect:

(a) To terminate this Lease as of the date of such loss by notice to Lessee given within sixty (60) days following the date of such loss; or

(b) To repair, restore or rehabilitate the Leased Premises to substantially the condition it was in prior to the occurrence of said loss (such work being hereinafter referred to as "Restoration") in which case this Lease should not terminate except as provided below.

10.04 If the Leased Premises shall suffer only a Partial Loss, Lessor shall be required to make Restoration.

10.05 As to any Restoration which Lessor undertakes pursuant to Paragraphs 10.03 or 10.04 above:

(a) Such Restoration shall be commenced upon the last to occur of (i) Lessor obtaining possession of the Leased Premises as provided in Subparagraph 10.05(e) below; and (ii) Lessor's receipt from the insurance carrier of the proceeds of insurance payable with regard to said Total Loss or Partial Loss (as the case may be);

(b) Lessor and its agents and contractors shall diligently pursue the completion of the work required for the Restoration in a good and workmanlike manner and shall substantially complete same within a period (the "Completion Period") equal to:

(i) One Hundred Eighty (180) days following the commencement of such Restoration plus

(ii) Such additional time as may be reasonably required by reason of construction delays caused by the occurrence of any Acts of Nature, riots, strikes, lockouts, boycotts, labor disturbances or other similar causes beyond the control of Lessor (herein called "Reasons of Force Majeure").

(c) If Lessor shall fail to so complete the Restoration within the Completion Period then Lessee, at Lessee's election and as Lessee's sole and exclusive remedy, may terminate this Lease as of the day of such Total Loss or Partial Loss (as the case may be) by notice given to Lessor not sooner than the end of said Completion Period.

(d) If this Lease is not terminated by reason of any Total Loss or Partial Loss, then no Base Rent or other sums required to be paid by Lessee to Lessor hereunder shall abate, be apportioned or cease in whole or in part. If, however, this Lease is terminated, by reason of such Total Loss or Partial Loss as provided herein, then all Base Rent and other sums due and payable by Lessee to Lessor hereunder shall be apportioned on a per diem basis and shall be paid to the date of such Loss.

(e) In the case of Restoration following a Total Loss, Lessor and its agents and contractors shall have total and exclusive possession of the Leased Premises in order to complete such Restoration. In the case of

Restoration following a Partial Loss, Lessee shall afford Lessor and its agents and contractors possession of such portion of the Leased Premises as may be reasonably required to complete such Restoration without needless cost and expense, and for the storage of materials and equipment to be used in connection therewith.

10.06 In no event shall Lessor be required to expend in and about the completion of such Restoration any sums in excess of the proceeds of insurance covering such loss paid to Lessor plus such additional sums as Lessee is required to and does provide to Lessor for the completion of same. For all purposes of this Lease, the term "Restoration" shall mean the reconstruction of the Building upon the Leased Premises to a condition substantially similar to its condition immediately preceding any Total or Partial Loss.

10.07 Lessee shall be entitled to carry and, in the event of loss, to recover and retain as its exclusive property appropriate insurance to insure all of its contents, personalty and trade fixtures from time to time owned by Lessee and located on the Premises.

Article 11. ACCESS TO PREMISES.

11.01 Lessee agrees that Lessor, its agents, employees or servants, or any person authorized by Lessor, may enter the Leased Premises at reasonable times with prior notice to an officer of Lessee, and from time to time, with Lessee's prior consent, which consent shall not be unreasonably withheld, upon reasonable notice and during normal business hours, for the purpose of inspecting the condition of same, to exhibit the same to prospective purchasers of the Leased Premises and place "For Sale" signs thereon, and, during the last six (6) months of the term of this Lease and during any other time as Lessee may be in default hereunder, to post "For Rent" signs on the Leased Premises and exhibit the same to prospective tenants.

11.02 In the event of any emergency presenting an immediate serious threat to persons or property in or about the Leased Premises, Lessor shall have the absolute right at any time to enter upon the Leased Premises, using such force as may be necessary to effect such entrance without liability to Lessee therefor, in order to abate such emergency.

11.03 If Lessor deems any repairs or maintenance required to be made by Lessee to be necessary, Lessor may demand that Lessee make the same forthwith, and if Lessee refuses or neglects to commence such repairs or maintenance within ten (10) days after notice by Lessor and complete the same in a good and workmanlike manner with reasonable dispatch, Lessor and its servants and agents shall have reasonable access to the Leased Premises in order to make or cause such repairs to be made as Lessor may elect to make. Nothing herein contained shall require Lessor to make any repairs which are the obligation of Lessee, but if Lessor does cause such repairs to be made, then Lessee agrees to pay to Lessor upon demand Lessor's costs incurred in connection therewith together with interest thereon as hereafter provided and Lessee's failure to make such payment shall be deemed a default by Lessee under the terms of this Lease and shall give rise to

all of Lessor's remedies whether contained herein or at law or equity. Nothing contained in this paragraph 11, however, shall be construed to impose upon Lessor any obligation for repairs, additions, changes, or alterations of the Leased Premises.

Article 12. ASSIGNMENT OR SUBLETTING.

12.01 Lessee shall not sublease the whole or any part of the Leased Premises without Lessor's prior written consent, which consent shall not be unreasonably withheld provided that:

(a) The proposed sublessee shall not be permitted to make any use of the premises not permitted to be made by the Lessee hereunder; and

(b) A copy of the proposed sublease between Lessee and the proposed sublessee shall first be provided to Lessor;

(c) Lessee herein named shall continue to remain primarily liable to Lessor for the full performance of all of the terms, covenants and conditions of this Lease on the part of Lessee to be performed; and

(d) Lessee shall pay to Lessor: all attorney's fees and expenses incurred by Lessor in connection with the sublease, not to exceed \$1,000.00.

12.02 Lessee shall have no right to assign all or any portion of its interest in this Lease or the Leased Premises, without Lessor's prior written consent, which consent shall not be unreasonably withheld or delayed, considering the financial condition, character, image and reputation of the proposed transferee. Any approved assignment shall not release Lessee from this Lease. Acceptance of an assignment shall not constitute a waiver of Lessor's right to withhold consent to a future assignment. Lessee shall pay to Lessor all attorney's fees and expenses incurred by Lessor in connection with the assignment, not to exceed \$1000.00. Any such assignment in violation of this provision shall be of no force and effect and, at the election of Lessor, shall constitute a default by Lessee hereunder.

Article 13. EMINENT DOMAIN.

13.01 In the event that the whole of the Leased Premises, or so much thereof as to render the balance of the Leased Premises completely unusable for the purposes hereinabove set forth, shall be taken or condemned by any public authority having the power of eminent domain, or conveyed to such public authority in lieu of the exercise by such public authority of its power of eminent domain, then the term of the Lease shall cease upon but not before the date when possession of the Leased Premises, of such portion thereof so taken, shall be required by the condemning authority without apportionment of the condemnation award and all rent shall be paid up to that day. Lessee shall have no right to share in such award except to the extent provided in subparagraph 13.03 hereof.

13.02 In the event that only a portion of the Leased Premises is so taken or conveyed under the power of eminent domain as aforesaid, and such taking or conveyance does not thereby render the Leased Premises completely unusable, in the parties reasonable opinion, for the purposes hereinabove set forth, this Lease shall remain in full force and effect except that the Base Rent shall be reduced by an amount which bears the same proportion to the total Base Rent as that portion of the Leased Premises so taken or conveyed bears to the entire Leased Premises, and Lessor shall, at its own cost and expense, promptly make all necessary repairs or alterations to the Leased Premises so as to render it reasonably suitable for the purposes for which it was leased, provided that Lessor shall not be required to expend any sum for such purpose in excess of the amount received for such condemnation or taking.

13.03 All damages awarded for such taking, or compensation made for such conveyance, whether for the whole or only part of the Leased Premises, shall belong to and be the property of Lessor whether such damages or compensation is paid for the diminution in value to the leasehold or to the fee of the Leased Premises; provided, however, that Lessor shall not be entitled to any separate award made to Lessee for loss of business, depreciation to and cost of removal of stock, equipment or fixtures, provided that such separate award is not made as a result of Lessee's contest of Lessor's right to receive the entire award for diminution in value of the leasehold or of the fee.

Article 14. COVENANT TO HOLD HARMLESS.

14.01 Lessee agrees to the extent permitted by law to indemnify Lessor, and Lessor's mortgagees, beneficiaries, agents, and employees, against, and hold Lessor and Lessor's mortgagees, beneficiaries, agents and employees harmless from any and all liabilities, obligations, claims, charges, penalties, damages, causes of action, judgments, suits, costs or other expenses, including, but not limited to reasonable attorney's fees and expenses, imposed upon or incurred by or asserted against Lessor or its mortgagees, beneficiaries, agents or employees or arising directly or indirectly from:

- (a) Ownership of the Leased Premises or any interest therein, or receipt of any Base Rent or other sum therefrom.
- (b) Any accident, injury to or death of persons or loss of or damage to property occurring on or about the Leased Premises.
- (c) Any failure on the part of Lessee to perform or comply with any of the terms of this Lease.
- (d) Performance of any labor or service, or the furnishing of any materials or other property, in respect to the Leased Premises or any part thereof.

(e) The operation of Lessee's business, or from Lessee's use and occupancy of the Leased Premises.

(f) Any negligent or willful or wanton misconduct, act or omission in or about the Leased Premises by Lessee, its agents, contractors, employees, sublessees, licensees, invitees or customers.

(g) Any penalty, damages or charges imposed for any violation of any laws or ordinances by Lessee or by any agent, or employee or sublessee of Lessee.

In case any action, suit or proceedings is brought against Lessor or Lessor's mortgagees, beneficiaries, agents or employees by reason of any such occurrence, Lessee will, at Lessee's expense, resist and defend such action, suit or proceedings, or cause the same to be resisted and defended, by counsel approved by Lessor. The providing by Lessee of any insurance, whether pursuant to the requirement of this Lease, or otherwise, shall in no way diminish the obligations of Lessee as contained in this Article 14.

14.02 Notwithstanding the foregoing, Lessee shall not be obligated to indemnify and hold any party harmless under Paragraph 14.01 above if (i) such party's own negligence or misconduct substantially contributed to the damage against which indemnification is sought and (ii) in equity, such party should not be indemnified by Lessee.

Article 15. NON-LIABILITY. Lessor, and Lessor's beneficiaries, except for the negligent acts or omissions of Lessor, shall not be responsible or liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying any premises adjoining the Leased Premises, or for any loss or damage resulting to Lessee or its property from burst or broken pipes, stopped or leaking water, gas, sewer or steam pipes or electrical or heating failures, or from any damage or loss of property within the Leased Premises from any cause whatsoever.

Article 16. NET RETURN. Except as to those expenses for which Lessor may be required to pay under the express provisions provided for in this Lease, the Base Rent shall be an absolutely net return to Lessor for the term hereof, free of any expense or charges with respect to the use or occupancy of the Leased Premises, including, without limitation, maintenance and repairs, utilities, insurance and taxes and assessments imposed upon the Leased Premises, commonly known as real estate taxes, any taxes and assessments whether by way of an income tax or otherwise, which may be levied, assessed or imposed by the State of Illinois or by any political or taxing subdivision thereof upon the income arising from the operation or control of the Leased Premises in lieu of or as a substitute for taxes and assessments imposed upon or related to the Leased Premises and commonly known as real estate taxes, and that Lessee, and not Lessor, shall be required to and shall pay as Additional Rent all such expenses or charges, taxes and assessments, but Lessee shall not be obliged to pay any income, personal property or franchise

taxes which may be levied against Lessor, except personal property taxes attributable to any improvements to the Leased Premises made by Lessee and taxed to Lessor.

Article 17. SUBORDINATION OF LEASE TO MORTGAGE.

17.01 Lessee agrees to subordinate this Lease and all of Lessee's rights and options arising hereunder to any mortgage, trust deed, or other encumbrance which may hereafter be placed on the Leased Premises and to any advances to be made thereunder and to interests thereon and all renewals, replacements and extensions thereof, and Lessee agrees to execute any instrument or instruments which Lessor or any such encumbrancer may reasonably require to effect such subordination, provided that Lessee, its successors and assigns, shall have the right to freely, peaceably and quietly occupy and enjoy the full possession and use of the Leased Premises so long as Lessee shall not be in default under this Lease. In the event any mortgagee, trustee or encumbrancer elects to have this Lease remain a prior lien to its mortgage, trust deed or encumbrance, then, in such event, upon such mortgagee, trustee or encumbrancer notifying Lessee to that effect, this Lease shall be deemed prior in lien to said mortgage, trust deed or encumbrance whether or not this Lease is dated prior to or subsequent to the date of said mortgage, trust deed or encumbrance. In the event Lessor should default in the payment of any indebtedness secured by the pledge, mortgage or hypothecation of the Leased Premises to which this Lease is subordinate, Lessee may, but need not, cure such default and any sums so paid by Lessee shall be credited by Lessor as rent paid by Lessee.

17.02 In the event any proceedings are brought for the foreclosure of any such mortgage, Lessee covenants that it will, to the extent of Lessor's interest affected by such foreclosure, attorn to the purchaser upon any foreclosure sale and recognize such purchaser's interest as Lessor under this Lease; provided however, that Lessee shall have previously received from each holder of any such mortgage a written agreement that Lessee's use, occupancy, possession and enjoyment of the Leased Premises shall not be disturbed so long as Lessee is not in default of any of its obligations under this Lease or so long as the period for curing any such default has not expired. Lessee agrees to execute and deliver, at any time and from time to time, upon request of Lessor or any such holder, such instrument or instruments which, in the sole judgement of Lessor, may be necessary or appropriate in any such foreclosure proceeding otherwise to evidence such attornment.

Article 18. LIENS.

18.01 Lessee shall not permit the Leased Premises to become subject to any mechanics', laborers' or materialmen's lien on account of labor or material furnished or claimed to have been furnished to Lessee in connection with work of any character performed or claimed to have been performed on the Leased Premises by, or at the direction of or sufferance of Lessee; provided, however, that Lessee shall have the right to contest in good faith and with reasonable diligence any such lien or claimed lien if Lessee shall deposit and keep on deposit with Lessor security, and from time to time shall deposit and keep on deposit with Lessor additional security,

in such form and amount as Lessor may reasonably require to insure payment thereof and to prevent any sale, foreclosure, or forfeiture of the Leased Premises by reason of nonpayment thereof; provided further, however, that on final determination of the lien or claim for lien, Lessee shall immediately pay any judgment rendered, with all proper costs and charges, and shall have the lien released and any judgment satisfied.

18.02 If Lessee shall fail to contest any lien or claimed lien referred to in the preceding Paragraph 18.01 or to give to Lessor security as herein required to insure a payment thereof, or having commenced to contest the same and having given such security, shall fail to prosecute such contest with diligence, or shall fail to have the same released and satisfy any judgment rendered thereon, then Lessor may at its election, upon 10 day notice to Lessee, but shall not be required so to do, remove or discharge such lien or claim for lien or any portion thereof, with the right, in Lessor's discretion, to settle or compromise the same without inquiring as to the validity thereof, and any amount advanced by Lessor for such purposes together with interest thereon as hereafter provided shall be so much Additional Rent due from Lessee to Lessor at the time of the next Base Rent payment date after such payment by Lessor. Failure by Lessee to pay such Additional Rent shall be a default by Lessee hereunder.

18.03 Lessee shall not do any act which shall in any way encumber the title of Lessor in and to the Leased Premises, nor shall the interest or estate of Lessor in the Leased Premises be in any way subject to any claim by way of lien or encumbrance, whether by operation of law or by virtue of any express or implied contract by Lessee. Any claim to, or lien upon, the Leased Premises arising from any act or omission of Lessee shall accrue only against the leasehold estate of Lessee and shall be subject and subordinate to the paramount title and rights of Lessor in and to the Leased Premises.

Article 19. SURRENDER OF PREMISES.

19.01 Upon the termination of this Lease, whether by forfeiture, lapse of time or otherwise, or upon the termination of Lessee's right to possession of the Leased Premises, Lessee shall at once surrender and deliver up the Leased Premises, together with all improvements which were located thereon at the inception of this Lease and all improvements placed thereon by Lessee, in good condition and repair, reasonable wear and tear which is not required to be repaired by Lessee elsewhere in this Lease excepted. Said improvements shall include all plumbing, lighting, electrical, heating, cooling and ventilating fixtures and equipment and articles of personal property used in the operation of the Leased Premises, as distinguished from operations incident to the business of Lessee, together with all duct work. All additions, hardware, non-trade fixtures and all improvements, temporary or permanent, in or upon the Leased Premises placed there by Lessee shall become Lessor's property and shall remain upon the Leased Premises upon such termination of this Lease by lapse of time or otherwise, without compensation or allowance or credit to Lessee, except that Lessor may require the removal of all improvements made by Lessee as provided elsewhere in this Lease.

19.02 Upon the termination of this Lease by lapse of time, or by termination under Articles 10 or 13, Lessee may remove Lessee's trade fixtures and all of Lessee's personal property and equipment other than such personal property and equipment as are referred to in subparagraph 19.01 above; provided, however, that Lessee shall repair any injury or damage to the Leased Premises which may result from such removals. If Lessee does not remove Lessee's furniture, machinery, trade fixtures and all other items of personal property of every kind and description from the Leased Premises prior to the end of the term, however ended, Lessor may, at its option, remove the same and deliver the same to any other place of business of Lessee or warehouse the same, and Lessee shall pay the cost of such removal, including the repair or any injury or damage to the Leased Premises resulting from such removal, delivery and warehousing to Lessor on demand, or Lessor may treat such property as having been conveyed to Lessor with this Lease as a Bill of Sale, without further payment or credit by Lessor to Lessee.

19.03 Lessee shall, at the termination of this Lease by lapse of time or otherwise, yield up immediate possession to Lessor and, if Lessee shall fail so to do, then Lessor shall be entitled to any and all rights and remedies provided to Lessor under this Lease, or at law or in equity. The receipt of rent or any part thereof, or any other act in apparent affirmance of tenancy shall never operate as a waiver of the right to forfeit this Lease, and the term hereby granted for the period still unexpired, for a breach of any of the covenants herein.

Article 20. REMEDIES OF LESSOR.

20.01 Lessor may terminate the term demised by thirty (30) days written notice to Lessee upon the failure of Lessee to pay an installment of Base Rent or Additional Rent when due, and by thirty (30) days written notice to Lessee upon the happening of any one or more of the following events: (a) the making by Lessee of an assignment for the benefit of its creditors; (b) the taking of an action for the voluntary dissolution of Lessee; (c) the doing or permitting to be done by Lessee of any act which creates a mechanic's lien or claim therefor against the land or building of which the Leased Premises are a part; (d) if proceedings are instituted in a court of competent jurisdiction for the reorganization, liquidation or involuntary dissolution of Lessee, for its adjudication as a bankrupt or insolvent or for the appointment of a receiver of the property of Lessee and said proceedings are not dismissed and any receiver, trustee, or liquidator appointed therein is not discharged within sixty (60) days after the institution of said proceedings; or (e) the failure of Lessee to perform any other of its covenants under this Lease. If, after the giving of said thirty (30) days notice by Lessor to Lessee, Lessee shall commence to cure any such default and proceeds diligently and with reasonable dispatch to take steps and do the work required to cure such default, then Lessor shall not have the right to terminate the term demised by reason of such default, and if, after the giving of said thirty (30) days notice by Lessor to Lessee for failure to pay an installment of Base Rent or Additional Rent when due, Lessee shall pay such installment and all other installments, if any, then due, within said thirty (30) day period, then Lessor shall not have the right to terminate the term demised by reason of such failure to pay an installment of Base Rent or Additional Rent.

20.02 If Lessor has the right to terminate the term demised, Lessor may, in lieu of exercising its right of termination, re-enter said Leased Premises, or any part thereof, with or without process of law, and remove Lessee or any persons occupying the same, without prejudice to any remedies which might otherwise exist. Such re-entry and repossession shall not work a forfeiture on the rent to be paid and the covenants to be performed by Lessee during the term of this Lease.

20.03 Upon the happening of any one or more of the events specified in paragraph 20.01 above, Lessor may repossess the Leased Premises by forcible entry or detainer suit, or otherwise without demand or notice of any kind to Lessee, except as hereinabove expressly provided for, and without terminating this Lease, in which event Lessor may, but shall be under no obligation so to do, relet all or any part of the Leased Premises for such rent and upon such terms as shall be satisfactory to Lessor, including the right to relet the Leased Premises for a term greater or lesser than that remaining under the term of this Lease, and the right to relet the Leased Premises as a part of a larger area, and the right to change the character or use made of the Leased Premises. For the purpose of such reletting, Lessor may decorate or make any repairs, changes, alterations or additions in or to the Leased Premises that may be reasonably necessary or convenient. If the Leased Premises are relet and a sufficient sum shall not be realized from such reletting after paying all of the expenses of such decorations, repairs, changes, alterations, additions, the expenses of such reletting, reasonable attorney's fees and reasonable brokers' commissions, to satisfy the rent herein provided to be paid for the remainder of the term of this Lease, Lessee shall pay to Lessor on demand any deficiency and Lessee agrees that Lessor may file suit to recover any sums falling due under the terms of this paragraph from time to time.

20.04 If Lessor at any time, by reason of any breach by Lessee of any of the provisions of this Lease is compelled to pay or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or incurs any expense, including reasonable attorney's fees, in instituting or prosecuting any action or proceedings to enforce Lessor's rights hereunder, provided Lessor is the prevailing party in such action or proceedings, the sum or sums so paid by Lessor shall be deemed to be Additional Rent hereunder and shall be due from Lessee to Lessor with any installment of rent following the payment of such respective sums or expenses. If Lessor or Lessee brings an action or proceeding to enforce its rights under this Lease, the prevailing party in any such action or proceeding, or appeal thereon, shall be entitled to receive its court costs and reasonable attorney's fees.

20.05 In addition to any other available remedy to Lessor upon default by Lessee, if Lessee fails to cause Lessor to receive by the fifth (5th) day of the month the Base Rent and Additional Rent due on the first day thereof, Lessor shall be entitled to receive as Late Rent a sum equal to:

- (a) \$50.00 per day for each day beginning on the fifth (5th) day of said month up to and including the last day of such month (the "First Late

Period") until such Base Rent and Additional Rent is actually received by Lessor; plus

(b) \$100.00 per day for each day following the end of the First Late Period until such Base Rent and Additional Rent are actually received by Lessor.

All such Late Rent sums due Lessor under this Article 20 shall be due and payable along with the payment of the Base Rent and Additional Rent for the month in question and non-payment of such additional sums shall be a default hereunder by Lessee. Receipt by Lessor of Lessee's check shall not constitute receipt by Lessor on such date of the funds represented by said check if same is subsequently dishonored by the bank on which it is drawn.

20.06 No remedy herein or other conferred upon or reserved to Lessor shall be considered to exclude or suspend any other remedy but the same shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease to Lessor may be exercised from time to time as often as occasion may rise or as may be deemed expedient. No delay or omission of Lessor to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Neither the rights herein given to receive, collect, sue for or distrain for any rent or rents, monies or payments, or to enforce the terms, provisions and conditions of this Lease, or to prevent the breach of any such right or of any other right or remedy hereunder or otherwise granted or arising, shall in any way affect or impair or toll the right or power of Lessor to declare the lease term hereby granted ended, and to terminate this Lease as provided for in this Lease, or to repossess without terminating the Lease, because of any default in or breach of the covenants, provisions or conditions of this Lease.

20.07 No waiver of any breach of any of the covenants of this Lease shall be construed, taken or held to be a waiver of any other breach or waiver, acquiescence in or consent to any further or succeeding breach of the same covenant.

20.08 Lessee shall pay Lessor's expenses including, without limitation, court costs and reasonable attorney's fees incurred in connection with the enforcement of any obligations of Lessee under this Lease, provided that a breach by Lessee of any such obligations hereunder shall be first established, or in connection with any litigation in which Lessor shall, without Lessor's fault, become engaged through or on account of this Lease.

Article 21. NOTICES. Any notice permitted under this Lease shall be deemed sufficiently given or served if personally delivered or delivered by certified mail (return receipt requested) to the parties as follows, and either party may, by like notice, at any time and from time to time designate a different address to which notices shall be sent:

covenants or obligations on the part of Lessor contained in this Lease thereafter to be performed, and any funds in the hands of said Lessor or the then transferee at the time of such transfer in which Lessee has an interest shall be turned over to the transferee who shall assume all responsibility therefor, and Lessor shall thereupon be relieved of any further liability to Lessee for such funds.

Article 26. SUCCESSORS AND ASSIGNS. The terms, covenants and conditions hereof shall be binding upon, apply and inure to the benefit of the heirs, executors, administrators, successors in interest and assigns of the parties hereto. No rights, however, shall inure to the benefit of any assignee, sublessee or licensee of Lessee unless such assignment, sublease or license has been consented to by Lessor in writing as provided herein.

Article 27. RECEIPT OF MONEY. No receipt of money by Lessor from Lessee after the termination of this Lease, or after the termination of Lessee's right of possession of the Premises, or after the service of any notice, or after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue or extend the term of this Lease or affect any such notice, demand or suit.

Article 28. INTERPRETATION. The submission of this Lease for examination does not constitute an offer to lease, nor a reservation of or option for the Premises, and this Lease becomes effective only upon execution and delivery thereof by Lessor and Lessee. This Lease, when executed, shall constitute the entire agreement between the parties and the parties shall not be bound by any oral or written discussions, negotiations, correspondence, terms or conditions not contained herein. This Lease may be modified only by a written document executed by all parties hereto.

Article 29. RECORDING. This Lease shall not be recorded, but the parties agree, at the request of either of them, to execute a Short Form Lease or Memorandum of Lease for recording containing the names of the parties, the legal description and the term of this Lease.

Article 30. SEVERABILITY. If any clause, phrase, provisions or portion of this Lease shall be invalid or shall later be declared invalid, or unenforceable under any applicable law or by decision of any court of competent jurisdiction, such event shall not affect or impair this Lease, nor shall such event be considered so material as to render invalid or unenforceable the remainder of this Lease nor any other clause, phrase, provision or portion hereof, nor shall it affect the application of any clause, phrase, provisions or portion hereof to other persons or circumstances.

Article 31. TIME OF THE ESSENCE. Time is of the essence of this Lease and all provisions herein relating thereto shall be strictly construed.

Article 32. COUNTERPARTS. This Lease may be executed in any number of counterparts. Each such executed counterpart shall together constitute but one and the same

instrument, which instrument shall for all purposes be sufficiently evidenced by any such executed counterpart.

Article 33. INTERRUPTIONS OF LESSEE'S BUSINESS.

33.01 No abatement, diminution or reduction of the rent, or other charges, payable by Lessee under this Lease, shall be claimed by or allowed to Lessee for any inconvenience, interruption, cessation or loss of business or otherwise, caused directly or indirectly, by any present or future laws, rules, requirements, order, directions, ordinances or regulations of the United States of America, or of the state, county or city governments, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of Lessor, nor shall this Lease be affected by any such causes.

33.02 Lessee shall, at Lessee's own cost and expense, procure each and every permit, license, certificate or other authorization required in connection with the lawful and proper use of the Leased Premises or required in connection with any building or improvements now or hereafter erected on the Leased Premises.

Article 34. ESTOPPEL CERTIFICATES. Upon Lessor's written request, Lessee shall furnish to Lessor a statement in writing certifying: (a) that this Lease 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, (b) whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants, or conditions hereof upon the part of Lessee to be performed, and if so, specifying the same, and (c) the dates to which the rent has been paid in advance, if any, it being intended that any such statement delivered pursuant to this Article may be relied upon by any prospective purchaser of the fee of mortgagee hereof or any assignee of any mortgage upon the fee of the demised premises.

Article 35. WARRANTIES OF LESSOR. Lessor represents and warrants: (a) Lessor has full power and authority to execute and perform this Lease and to grant the estate demised herein, and (b) that if Lessee shall faithfully perform all of its obligations under the Lease to be performed, Lessee shall peaceably and quietly have, hold and enjoy the Leased Premises and all appurtenances during the full term of this Lease and any renewal hereof.

Article 36. AUTHORITY OF LESSEE Lessee represents and warrants: (a) that it has been duly authorized by its shareholders and directors to execute this Lease and to perform the covenants set forth therein and (b) that a certified copy of such enabling resolutions of said shareholders and directors shall be delivered to Lessor simultaneously with the execution of this Lease by Lessee.

Article 37. ENVIRONMENTAL MATTERS.

37.01 Lessee shall, and shall cause the Leased Premises to, comply with all Environmental Laws. If any portion of the Leased Premises, or materials, equipment or supplies used by Lessee in the operation of its business, are declared to be or contain Hazardous Substances, Lessee, at its sole cost and expense, shall comply with the appropriate removal abatement or regulation requirements, and in such event Lessee, at its sole cost and expense, shall replace those materials with others of similar quality, excepting they shall contain no Hazardous Substances. Lessee, at its sole cost and expense, shall comply with all such laws, ordinances, codes, rules and regulations, including, without limitation, removal of Hazardous Substances, if and as legally required, from Leased Premises, including providing an Environmental Report to Lessor in order to demonstrate that the Leased Premises has not been adversely affected by the hazardous materials on the Leased Premises.

37.02 The Term "Environmental Law" means and includes, without limitation, any federal, state or local law, statute, regulation, or ordinance pertaining to health, industrial hygiene or the environmental or ecological conditions on, under or about the Premises, and the rules, regulations and ordinances of the U.S. Environmental Protection Agency, Illinois Environmental Protection Agency, and of all other federal, state and local agencies, boards, commissions, bodies and officers having jurisdiction over the Premises or the use or operation thereof.

37.03 The term "Hazardous Substance" means and includes, without limitation:

- (a) Those substances included within the definitions of "hazardous substances," "Hazardous materials," "toxic substances," or "solid waste" in any Environmental Law; or
- (b) Those substances listed in the U.S. Department of Transportation Table or amendments thereto (49 CFR 172.101) or by the U.S. Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and any amendments thereto); or
- (c) Those other substances, materials and wastes which are or become regulated under any applicable federal, state or local law, regulation or ordinance or by any federal, state or local governmental agency, board, commission, or other governmental body, or which are or become classified as hazardous or toxic by such law, regulation or ordinance; or
- (d) Any material, waste or substance which is any of the following: (i) asbestos; (ii) polychlorinated biphenyl; (iii) designated or listed as a "hazardous substance" pursuant to sections 307 or 311 of the Clean Water Act (33 U.S.C. 1251 et. seq; (iv) explosive; or (v) radioactive.

37.04 Lessee shall be responsible for any increase in Lessor's insurance premiums arising as a result of Lessee's possession, use or storage of Hazardous Substances. Lessor shall have the right of entry and access to the Leased Premises at any reasonable time for the purpose of ascertaining the nature of Lessee's activities and the type, kind and quantity of all products, materials and substances brought on to the Leased Premises. Lessee shall provide Lessor promptly with copies of all summons, citations and information requests relating to environmental matters at the Leased Premises. Lessor shall similarly provide Lessee with copies of notices received from any party with respect to environmental matters affecting the Leased Premises. Lessee shall indemnify Lessor with respect to all claims and costs relative to Hazardous Substances at the Leased Premises.

Article 38. SECURITY DEPOSIT. To secure the faithful performance by Lessee of all of the covenants, conditions and agreements in this Lease, Lessee shall deposit with Lessor the sum of \$2300.00 on or by lease execution as a security deposit hereunder. Lessor may apply such security deposit to cure any default by Lessee under the terms of this Lease that may exist from time to time, without prejudice to any other remedy or remedies which the Lessor may have. Upon termination of this Lease, Lessor shall return to Lessee any unused portion of the security deposit within thirty (30) days after the date of termination.

Article 39. OPTION. Provided that Lessee is not in default hereunder and provided further that Lessee has not assigned or sublet all or any part of the Leased Premises, Lessee may elect to extend the Lease term for an option period of five (5) years, by giving Lessor written notice of its desire to do so at least one hundred and eighty (180) days prior to the end of the initial term in which case this Lease shall automatically be extended for such option period upon the same terms and conditions as provided for herein, except that the Base Rent shall be the amount specified as follows:

Option Lease Year

Monthly Rent

See attached Exhibit A
See attached Exhibit A
See attached Exhibit A
See attached Exhibit A
See attached Exhibit A

Article 40. LESSEE'S REMEDY. Intentionally deleted.

Article 41. COMMON AREAS.

41.01 Lessor grants to Lessee a non-exclusive license to use the Common Areas in common with others during the term of this Lease, subject to the exclusive control and management thereof at all times by Lessor.

41.02 Lessor shall operate and maintain, or shall cause to be operated and maintained, the Common Areas in a manner deemed by Lessor to be reasonable and appropriate and in the best interests of the Leased Premises. Lessor shall have the right (a) to establish, modify and terminate easements and regulations with respect to the Common Areas; (b) to enter into, modify and terminate easements and other agreements pertaining to the use and maintenance of the Common Areas; (c) to close all or any portion of the Common Areas to such extent as may, in the opinion of the Lessor, be necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein; (d) to close temporarily any or all portions of the Common Areas; (e) to discourage non-customer parking; and (f) to do and perform such other acts in and to said areas and improvements as, in the exercise of good business judgment, Lessor shall determine to be advisable.

41.03 Lessee shall pay Lessor, as Additional Rent, a proportionate share of Lessor's operating costs which shall be computed by multiplying Lessor's operating costs by a fraction, the numerator of which is Lessee's leased square footage and the denominator of which is the square footage of the Hampshire Commons, 30,900 sq. ft.. Such proportionate share shall be paid by Lessee in arrears in monthly installments in such amounts as are estimated and billed by Lessor at the beginning of each calendar year, each installment being due on the first day of each calendar month. Within one hundred twenty (120) days, or such additional time thereafter as is reasonable under the circumstances, after the end of each calendar year, Lessor shall deliver to Lessee a statement of Lessor's operating costs for such twelve (12) month period and the monthly installments paid or payable shall be adjusted between Lessor and Lessee, and Lessee shall pay Lessor or Lessor shall credit Lessee's account, or, if such adjustment is at the end of the term, Lessor shall pay Lessee, as the case may be, within thirty (30) days of receipt of such statement, such amounts as may be necessary to effect such adjustment. Upon reasonable notice, Lessor shall make available for Lessee's inspection, which inspection shall be at Lessee's sole cost and expense, at Lessor's office, during normal business hours, Lessor's records relating to Lessor's operating costs for such preceding twelve (12) month period. Failure or delay of Lessor to provide the statement called for hereunder within the time prescribed shall not relieve Lessee from its obligations hereunder nor be deemed a default herein or be a waiver of Lessors' right to collect the operating costs.

41.04 The term "Lessor's operating costs" means all costs and expenses incurred by or on behalf of Lessor in operating, managing, insuring, securing and maintaining the Common Areas pursuant to Article 41. "Lessor's operating costs" includes, but is not limited to, all costs and expenses of operating, maintaining, repairing, lighting, signing, cleaning, painting, striping, policing and security of the Common Areas; alarm and life safety systems, insurance, including coverage against fire, flood, theft or other casualties, worker's compensation insurance or similar insurance covering personnel, insurance against liability for assault and battery, defamation and claims of false arrest occurring on and about the Common Areas, maintenance of sprinkler systems; removal of water, snow, ice, trash, and debris; the costs of all materials, supplies and services purchased or hired therefore; installing and maintaining of signs; fire protection;

maintenance, repair and replacement of utility systems serving the Common Areas, including, but not limited to, water, sanitary sewer and storm water lines and other utility lines, pipes and conduits; costs and expenses of inspecting machinery and equipment used in the operation and maintenance of the Common Areas and personal property taxes and other charges; costs and expenses of repair or replacement of awnings, paving, curbs, walkways, landscaping, drainage, pipes, ducts, conduits and similar items, lighting facilities, and roof; costs and expenses of planting, replanting, replacing and displaying flowers, shrubbery and planters; costs of providing light and power to the Common Areas; and administrative costs attributable to the Common Areas equal to fifteen percent (15%) of the total costs and expenses of operating and maintaining the Common Areas.

Lessor's operating costs shall not include costs of lessee alterations, capital improvements (unless amortized by Lessor in accordance with generally applied accounting principles), interest and principal payments on Lessor's loans, leasing commissions, costs or expenditures for which Lessor is reimbursed, except through lessee reimbursements, any kind of service furnished to any other tenant in the building which Lessor does not make available to all tenants, legal expenses in connection with leasing, tenant disputes or enforcement of leases, merchant's association fees.

41.05. All Lessor operating costs, Taxes and Insurance not billed by Lessor to Lessee within one year from the end of the calendar year in which such expense was incurred shall not be subsequently billed by Lessor to Lessee and shall not be payable by Lessee. The total amount of Lessor operating costs, Taxes and Insurance billed to Lessee during the year 2020 shall not exceed \$550/month.

Article 42. RULES AND REGULATIONS. Lessee shall occupy and use the Leased Premises in compliance with the Rules and Regulations set forth on the attached Exhibit B. Notwithstanding the above, no Rules and Regulations shall unreasonably interfere with Lessee's authorized use of the Leased Premises as set forth in Section 4.01.

Article 43. GUARANTY. The Guaranty attached hereto as Exhibit C is made part and parcel of this Lease.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date written below.

LESSOR: Properties of Hampshire
1313 LLC

LESSEE: Jimmy's Sports Bar, LLC

~~Algonquin State Bank, N.A.,~~
~~UTA~~ Dated _____

By: [Signature]
James V. Esposito, Manager

By: [Signature]
Its: Member

Dated: 8-19-20

Attest: _____
Its: _____

Dated: 8-19-2020

LLC MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this “**Agreement**”), dated as of August 25, 2021, is between JAMES V. ESPOSITO (“**Seller**”), and ALMA D. CARRANZA (“**Purchaser**”).

RECITAL

A. Seller is the owner of one hundred percent (100%) of the Membership Interests (the “**Membership Interests**”) of JIMMY’S SPORTS BAR, LLC, an Illinois limited liability company (the “**Company**”); and

B. Purchaser desires to purchase, and Seller desires to sell, all of the Membership Interests, as described herein for an aggregate consideration set forth herein.

AGREEMENTS

In consideration of the representations, warranties and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Definition.** In addition to terms defined elsewhere in this Agreement, as used in this Agreement:

“**Operating Agreement**” means that certain Operating Agreement of the Company dated as of June 16, 2020, as subsequently amended and restated.

2. **Purchase and Sale of the Membership Interests.**

(a) Purchase and Sale. In consideration of the Purchase Price (as defined below), Seller agrees to sell, transfer, assign and deliver to Purchaser on the date hereof, and Purchaser agrees to purchase and accept from Seller, the Membership Interests free and clear of all liens, pledges, encumbrances and claims of every kind.

(b) Purchase Price. Seller hereby acknowledges receipt of \$43,000.00 (the “**Purchase Price**”) from Purchaser as consideration for the Membership Interests.

(c) Assignment and Acceptance. Concurrently with their execution and delivery of this Agreement, Seller and Purchaser have executed and delivered to each other an Assignment and Acceptance in the form of the Assignment and Acceptance attached to this Agreement as Exhibit A, which Exhibit A is made a part of this Agreement by this reference.

3. Representations and Warranties.

(a) By Seller. In order to induce Purchaser to enter into this Agreement and consummate the transactions contemplated hereby, Seller hereby represents and warrants to Purchaser as of the date hereof as follows:

(i) Seller owns the Membership Interests and has valid title thereto, free and clear of all liens, pledges, encumbrances and claims of every kind;

(ii) there are no outstanding warrants, options or rights of any kind to acquire from Seller any of the Membership Interests, there are no restrictions on the transfer of any of the Membership Interests (other than those arising from federal and state securities laws and other than the transfer restrictions set forth in the Operating Agreement), and there are no agreements relating to the transfer or voting of any of the Membership Interests;

(iii) upon consummation of the transaction contemplated hereby, title to all of the Membership Interests will vest in Purchaser, free and clear of all liens, pledges, encumbrances and claims of every kind;

(iv) the execution, delivery and performance of this Agreement do not require Seller to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any law or regulation applicable to Seller or any agreement or instrument to which Seller is a party or by which Seller is bound;

(v) this Agreement is valid, binding and enforceable against Seller in accordance with its terms; and

(vi) Seller is relying on his own investigation and is not relying on information provided by Purchaser in Seller's decision to sell the Membership Interests to Purchaser.

(b) By Purchaser. In order to induce Seller to enter into this Agreement and consummate the transactions contemplated hereby, Purchaser hereby represents and warrants to Seller as of the date hereof as follows:

(i) Purchaser has knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the Company and making an informed investment decision with respect thereto;

(ii) Purchaser has reviewed and evaluated all information that it deems necessary to assess the merits and risks of its investment in the Company and has had answered to its satisfaction any and all questions regarding such information;

(iii) Purchaser is acquiring the Membership Interests for investment only and not with a view to, or for resale in connection with, any distribution to the public or public offering thereof;

(iv) the Membership Interests in the Company have not been registered under the securities laws of any jurisdiction;

(v) the execution, delivery and performance of this Agreement do not require Purchaser to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any law or regulation applicable to Purchaser or any agreement or instrument to which Purchaser is a party or by which Purchaser is bound;

(vi) this Agreement is valid, binding and enforceable against Purchaser in accordance with its terms; and

(vii) Purchaser is relying on its own investigation and is not relying on information provided by Seller in Purchaser's decision to purchase the Membership Interests from Seller.

4. Other Covenants and Agreements.

- (a) Purchaser agrees to be bound by the terms and conditions of the Operating Agreement and shall execute the Joinder Agreement attached hereto as Exhibit B.
- (b) Seller shall retain the two bicycles located at the business and cash in the Company bank accounts;
- (c) Closing on the assignment of Seller's Membership Interest is conditioned on Seller being released of his personal guaranty of the Company premises Lease. Seller can waive this condition.
- (d) Purchaser understands and agrees that the Company has not yet paid August rent.
- (e) Seller agrees to assist in transferring transferrable licenses to Purchaser as manager, all at Purchaser's sole expense.
- (f) Seller shall execute amended Articles of Organization, providing that Purchaser shall be manager and registered agent.

5. Miscellaneous

(a) Survival of Representations, Warranties and Covenants. The representations, warranties, covenants and agreements of the parties hereto contained herein shall survive the consummation of the transactions contemplated hereby.

(b) Amendment and Modification. The parties hereto may amend, modify and supplement this Agreement in such manner as may be agreed upon by them, provided that such amendment, modification or supplement is evidenced in writing executed by each party.



(c) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

(d) Entire Agreement. This Agreement contains the entire agreement of the parties hereto with respect to the purchase and sale of the Membership Interests and supersedes all prior understandings, agreements, representations, warranties, covenants and conditions of the parties with respect to the subject matter hereof.

(e) Headings. The descriptive headings in this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

(f) Execution in Counterparts; Facsimile Signatures. This Agreement may be executed in two counterparts and by each party hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. This Agreement and each other agreement or instrument entered into in connection herewith or contemplated hereby, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, shall be treated in all manner and respects and for all purposes as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or other electronic transmission to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic transmission as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(g) Governing 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 Illinois.

(h) Further Assurances. Each party will execute and deliver all documents and take such other actions as the other party may reasonably request in order to accomplish the purposes of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.
SIGNATURE PAGE FOLLOWS.]

A.L.
J.E.

The parties hereto have caused this Agreement to be duly executed as of the day and year first set forth above.

SELLER



Name: JAMES V. ESPOSITO

PURCHASER


Name: ALMA D. CARRANZA

Consented to by:

JIMMY'S SPORTS BAR, LLC

By: 
JAMES V. ESPOSITO
Title: Manager
Date: August 25, 2021

A.C.
JL

EXHIBIT A

ASSIGNMENT AND ACCEPTANCE OF MEMBERSHIP INTEREST

This Assignment and Acceptance of Membership Interest (hereinafter designated “Assignment”) is effective as of August 25, 2021, by and between JAMES V. ESPOSITO (“Assignor”), and ALMA D. CARRANZA (“Assignee”), upon the following facts:

Recitals:

WHEREAS, Assignor owns one hundred percent (100%) of the membership interests (hereinafter designated “Membership Interest”) in JIMMY’S SPORTS BAR, LLC, an Illinois limited liability company (the “Company”); and

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to accept from Assignor, the Membership Interest.

NOW, THEREFORE, in consideration of the covenants and mutual promises contained herein, together with the consideration hereinafter described, Assignor and Assignee hereby agree as follows:

1. Assignor hereby SELLS, ASSIGNS, TRANSFERS and CONVEYS, without representation or warranty (other than such representations and warranties of Assignor as are set forth in that certain Membership Interest Purchase Agreement dated as of even date), to Assignee all of Assignor’s right, title and interest in and to the Membership Interest including the right to become a member of the Company.
2. Assignor hereby agrees to make, execute and deliver to Assignee any and all further instruments of conveyance, assignment or transfer, and any and all other instruments, as may be necessary or proper to carry out the purpose and intent of this Assignment and to fully vest Assignee in all right, title and interest of Assignor in and to the Membership Interest, which instruments shall be delivered to Assignee as soon as possible without any condition or delay on the part of Assignor.
3. Assignee hereby accepts the assignment of the Membership Interest conveyed and assumes all of the obligations of Assignor with regard to the Company subject to all of the terms and conditions of this Assignment and of the Company’s “Operating Agreement” (as defined below).

Effective on and as of the date of this Assignment, Assignee is admitted as a member of the Company and Assignor dissociates as a member of the Company. Assignee hereby consents to Assignor’s dissociation from the Company. Assignor agrees that the Company is not obligated to purchase the Membership Interest from the Assignor by virtue of Assignor’s dissociation from the Company pursuant to §35-60 of the Limited Liability Company Act of the

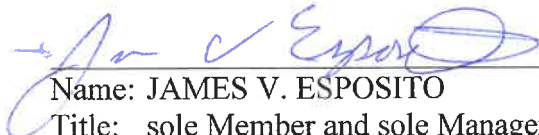
executed and delivered to the Company a Joinder Agreement agreeing to be bound by the terms of the Company's Operating Agreement.

[Signatures on Following Page]

Handwritten initials or signature in the bottom right corner, possibly reading "A. K." or similar.

IN WITNESS WHEREOF, the Assignor and Assignee have executed this Assignment as of the date first written above.

ASSIGNOR:


Name: JAMES V. ESPOSITO
Title: sole Member and sole Manager

ASSIGNEE:

By: 
Name: ALMA D. CARRANZA



Acknowledgment

JIMMY'S SPORTS BAR LLC, an Illinois limited liability company, acknowledges that (a) Assignee has acquired the entire Membership Interest, (b) Assignee has been admitted as a member of the Company and is the sole member of the Company, (c) Assignor has dissociated as a member of the Company, (d) Company has received a Joinder Agreement from Assignee and (e) the admission of Assignee as a member of the Company and the disassociation of Assignor as a member of the Company are reflected in the books and records of the Company. All capitalized terms in this Acknowledgment shall have the meanings ascribed to them in the foregoing Assignment and Acceptance of Membership Interest unless defined in this Acknowledgment.

Date: August 25, 2021

THE COMPANY:

JIMMY'S SPORTS BAR, LLC
An Illinois limited liability company

By: 
Name: JAMES V. ESPOSITO
Title: Manager



EXHIBIT B

JOINDER AGREEMENT

In consideration of the admission of the undersigned as a member of Jimmy's Sports Bar, LLC, an Illinois limited liability company (the "Company"), the undersigned hereby joins in the Operating Agreement of the Company, the terms of which are incorporated herein by reference (the "Operating Agreement"), and hereby agrees to be bound by the terms of the Operating Agreement and to abide by all of its provisions. This Joinder Agreement is binding upon the undersigned and the personal representatives, heirs, successors, and assigns of the undersigned and is for the benefit of the Company and all of its members.

IN WITNESS WHEREOF, the undersigned has executed this Agreement this 25th day of August, 2021.


[Signature]

ALMA D. CARRANZA
[Printed Name]



LLC MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this “**Agreement**”), dated as of August 25, 2021, is between JAMES V. ESPOSITO (“**Seller**”), and ALMA D. CARRANZA (“**Purchaser**”).

RECITAL

A. Seller is the owner of one hundred percent (100%) of the Membership Interests (the “**Membership Interests**”) of JIMMY’S SPORTS BAR, LLC, an Illinois limited liability company (the “**Company**”); and

B. Purchaser desires to purchase, and Seller desires to sell, all of the Membership Interests, as described herein for an aggregate consideration set forth herein.

AGREEMENTS

In consideration of the representations, warranties and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Definition.** In addition to terms defined elsewhere in this Agreement, as used in this Agreement:

“**Operating Agreement**” means that certain Operating Agreement of the Company dated as of June 16, 2020, as subsequently amended and restated.

2. **Purchase and Sale of the Membership Interests.**

(a) **Purchase and Sale.** In consideration of the Purchase Price (as defined below), Seller agrees to sell, transfer, assign and deliver to Purchaser on the date hereof, and Purchaser agrees to purchase and accept from Seller, the Membership Interests free and clear of all liens, pledges, encumbrances and claims of every kind.

(b) **Purchase Price.** Seller hereby acknowledges receipt of \$43,000.00 (the “**Purchase Price**”) from Purchaser as consideration for the Membership Interests.

(c) **Assignment and Acceptance.** Concurrently with their execution and delivery of this Agreement, Seller and Purchaser have executed and delivered to each other an Assignment and Acceptance in the form of the Assignment and Acceptance attached to this Agreement as Exhibit A, which Exhibit A is made a part of this Agreement by this reference.



3. Representations and Warranties.

(a) By Seller. In order to induce Purchaser to enter into this Agreement and consummate the transactions contemplated hereby, Seller hereby represents and warrants to Purchaser as of the date hereof as follows:

(i) Seller owns the Membership Interests and has valid title thereto, free and clear of all liens, pledges, encumbrances and claims of every kind;

(ii) there are no outstanding warrants, options or rights of any kind to acquire from Seller any of the Membership Interests, there are no restrictions on the transfer of any of the Membership Interests (other than those arising from federal and state securities laws and other than the transfer restrictions set forth in the Operating Agreement), and there are no agreements relating to the transfer or voting of any of the Membership Interests;

(iii) upon consummation of the transaction contemplated hereby, title to all of the Membership Interests will vest in Purchaser, free and clear of all liens, pledges, encumbrances and claims of every kind;

(iv) the execution, delivery and performance of this Agreement do not require Seller to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any law or regulation applicable to Seller or any agreement or instrument to which Seller is a party or by which Seller is bound;

(v) this Agreement is valid, binding and enforceable against Seller in accordance with its terms; and

(vi) Seller is relying on his own investigation and is not relying on information provided by Purchaser in Seller's decision to sell the Membership Interests to Purchaser.

(b) By Purchaser. In order to induce Seller to enter into this Agreement and consummate the transactions contemplated hereby, Purchaser hereby represents and warrants to Seller as of the date hereof as follows:

(i) Purchaser has knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the Company and making an informed investment decision with respect thereto;

(ii) Purchaser has reviewed and evaluated all information that it deems necessary to assess the merits and risks of its investment in the Company and has had answered to its satisfaction any and all questions regarding such information;

(iii) Purchaser is acquiring the Membership Interests for investment only and not with a view to, or for resale in connection with, any distribution to the public or public offering thereof;

(iv) the Membership Interests in the Company have not been registered under the securities laws of any jurisdiction;

(v) the execution, delivery and performance of this Agreement do not require Purchaser to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any law or regulation applicable to Purchaser or any agreement or instrument to which Purchaser is a party or by which Purchaser is bound;

(vi) this Agreement is valid, binding and enforceable against Purchaser in accordance with its terms; and

(vii) Purchaser is relying on its own investigation and is not relying on information provided by Seller in Purchaser's decision to purchase the Membership Interests from Seller.

4. Other Covenants and Agreements.

- (a) Purchaser agrees to be bound by the terms and conditions of the Operating Agreement and shall execute the Joinder Agreement attached hereto as Exhibit B.
- (b) Seller shall retain the two bicycles located at the business and cash in the Company bank accounts;
- (c) Closing on the assignment of Seller's Membership Interest is conditioned on Seller being released of his personal guaranty of the Company premises Lease. Seller can waive this condition.
- (d) Purchaser understands and agrees that the Company has not yet paid August rent.
- (e) Seller agrees to assist in transferring transferrable licenses to Purchaser as manager, all at Purchaser's sole expense.
- (f) Seller shall execute amended Articles of Organization, providing that Purchaser shall be manager and registered agent.

5. Miscellaneous

(a) Survival of Representations, Warranties and Covenants. The representations, warranties, covenants and agreements of the parties hereto contained herein shall survive the consummation of the transactions contemplated hereby.

(b) Amendment and Modification. The parties hereto may amend, modify and supplement this Agreement in such manner as may be agreed upon by them, provided that such amendment, modification or supplement is evidenced in writing executed by each party.

(c) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

(d) Entire Agreement. This Agreement contains the entire agreement of the parties hereto with respect to the purchase and sale of the Membership Interests and supersedes all prior understandings, agreements, representations, warranties, covenants and conditions of the parties with respect to the subject matter hereof.

(e) Headings. The descriptive headings in this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

(f) Execution in Counterparts; Facsimile Signatures. This Agreement may be executed in two counterparts and by each party hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. This Agreement and each other agreement or instrument entered into in connection herewith or contemplated hereby, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, shall be treated in all manner and respects and for all purposes as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or other electronic transmission to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic transmission as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(g) Governing 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 Illinois.

(h) Further Assurances. Each party will execute and deliver all documents and take such other actions as the other party may reasonably request in order to accomplish the purposes of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.
SIGNATURE PAGE FOLLOWS.]

A.C.
J.E.

The parties hereto have caused this Agreement to be duly executed as of the day and year first set forth above.

SELLER



Name: JAMES V. ESPOSITO

PURCHASER


Name: ALMA D. CARRANZA

Consented to by:

JIMMY'S SPORTS BAR, LLC

By: 
JAMES V. ESPOSITO
Title: Manager
Date: August 25, 2021


A.C.


EXHIBIT A

ASSIGNMENT AND ACCEPTANCE OF MEMBERSHIP INTEREST

This Assignment and Acceptance of Membership Interest (hereinafter designated “Assignment”) is effective as of August 25, 2021, by and between JAMES V. ESPOSITO (“Assignor”), and ALMA D. CARRANZA (“Assignee”), upon the following facts:

Recitals:

WHEREAS, Assignor owns one hundred percent (100%) of the membership interests (hereinafter designated “Membership Interest”) in JIMMY’S SPORTS BAR, LLC, an Illinois limited liability company (the “Company”); and

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to accept from Assignor, the Membership Interest.

NOW, THEREFORE, in consideration of the covenants and mutual promises contained herein, together with the consideration hereinafter described, Assignor and Assignee hereby agree as follows:

1. Assignor hereby SELLS, ASSIGNS, TRANSFERS and CONVEYS, without representation or warranty (other than such representations and warranties of Assignor as are set forth in that certain Membership Interest Purchase Agreement dated as of even date), to Assignee all of Assignor’s right, title and interest in and to the Membership Interest including the right to become a member of the Company.
2. Assignor hereby agrees to make, execute and deliver to Assignee any and all further instruments of conveyance, assignment or transfer, and any and all other instruments, as may be necessary or proper to carry out the purpose and intent of this Assignment and to fully vest Assignee in all right, title and interest of Assignor in and to the Membership Interest, which instruments shall be delivered to Assignee as soon as possible without any condition or delay on the part of Assignor.
3. Assignee hereby accepts the assignment of the Membership Interest conveyed and assumes all of the obligations of Assignor with regard to the Company subject to all of the terms and conditions of this Assignment and of the Company’s “Operating Agreement” (as defined below).

Effective on and as of the date of this Assignment, Assignee is admitted as a member of the Company and Assignor dissociates as a member of the Company. Assignee hereby consents to Assignor’s dissociation from the Company. Assignor agrees that the Company is not obligated to purchase the Membership Interest from the Assignor by virtue of Assignor’s dissociation from the Company pursuant to §35-60 of the Limited Liability Company Act of the


executed and delivered to the Company a Joinder Agreement agreeing to be bound by the terms of the Company's Operating Agreement.

[Signatures on Following Page]

Handwritten initials and a checkmark in the bottom right corner of the page. The initials appear to be 'A' and 'K' with a checkmark above them.

IN WITNESS WHEREOF, the Assignor and Assignee have executed this Assignment as of the date first written above.

ASSIGNOR:


Name: JAMES V. ESPOSITO
Title: sole Member and sole Manager

ASSIGNEE:

By: 
Name: ALMA D. CARRANZA



Acknowledgment

JIMMY'S SPORTS BAR LLC, an Illinois limited liability company, acknowledges that (a) Assignee has acquired the entire Membership Interest, (b) Assignee has been admitted as a member of the Company and is the sole member of the Company, (c) Assignor has dissociated as a member of the Company, (d) Company has received a Joinder Agreement from Assignee and (e) the admission of Assignee as a member of the Company and the disassociation of Assignor as a member of the Company are reflected in the books and records of the Company. All capitalized terms in this Acknowledgment shall have the meanings ascribed to them in the foregoing Assignment and Acceptance of Membership Interest unless defined in this Acknowledgment.

Date: August 25, 2021

THE COMPANY:

JIMMY'S SPORTS BAR, LLC
An Illinois limited liability company

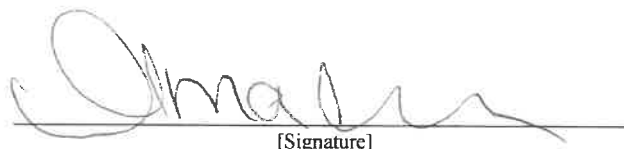
By: 
Name: JAMES V. ESPOSITO
Title: Manager

EXHIBIT B

JOINDER AGREEMENT

In consideration of the admission of the undersigned as a member of Jimmy's Sports Bar, LLC, an Illinois limited liability company (the "Company"), the undersigned hereby joins in the Operating Agreement of the Company, the terms of which are incorporated herein by reference (the "Operating Agreement"), and hereby agrees to be bound by the terms of the Operating Agreement and to abide by all of its provisions. This Joinder Agreement is binding upon the undersigned and the personal representatives, heirs, successors, and assigns of the undersigned and is for the benefit of the Company and all of its members.

IN WITNESS WHEREOF, the undersigned has executed this Agreement this 25th day of August, 2021.



[Signature]

ALMA D. CARRANZA

[Printed Name]

A.C.
jk

CLOSING STATEMENT

SELLER: James V. Esposito
BUYER: Alma D. Carranza
BUSINESS: Jimmy's Sports Bar, LLC – 100% of Membership Interests
DATE OF CLOSING: August ~~27~~²⁵, 2021 *JE AC*

SELLER'S CLOSING STATEMENT

	<u>Buyer's Credits</u>	<u>Seller's Credits</u>
Purchase Price		<u>\$43,000.00</u>
Cash to Seller at Closing		\$43,000.00

BUYER'S CLOSING STATEMENT

Purchase Price	<u>\$43,000.00</u>
Total Funds Needed to Close	\$43,000.00

SELLER:

BUYER:

By:

James V. Esposito

JAMES V. ESPOSITO

Alma D. Carranza

ALMA D. CARRANZA

JIMMY'S SPORTS BAR, LLC
an Illinois Limited Liability Company
OPERATING AGREEMENT

This Operating Agreement (the "Agreement") is made and entered into and effective as of the 16th day of June, 2020, by and between James V. Esposito (hereinafter referred to as "Member"), and JIMMY'S SPORTS BAR, LLC, an Illinois Limited Liability Company (hereinafter referred to as the "LLC").

RECITALS

A limited liability company named JIMMY'S SPORTS BAR, LLC, an Illinois Limited Liability Company was formed under the laws of the State of Illinois (hereinafter referred to as the "LLC").

The Articles of Organization were filed on the 16th day of June, 2020, with the Illinois Secretary of State (hereinafter referred to as "Articles of Organization").

In consideration of the covenants and the promises made herein, the parties hereby agree as follows:

SECTION I: DEFINITIONS

- 1.1 "Agreement" means this Limited Liability Company Operating Agreement, as amended.
- 1.2 "Articles of Organization" means the Articles of Organization which were filed on , with the Illinois Secretary of State for the purpose of forming this LLC.
- 1.3 "Code" means the Internal Revenue Code of 1986, as amended.
- 1.4 "Capital Account" means the amount of a Member's Capital Contribution, as adjusted, including but not limited to increases due to profits or additional contributions and decreases due to losses and distributions.
- 1.5 "Capital Contribution" means any contribution of value, including but not limited to cash, property, assets, etc., by a Member to the capital of the LLC.
- 1.6 "Financial Interest" means a right to share in the profits, losses, incomes, expenses, or other monetary items and to receive distributions and allocations from the LLC.
- 1.7 "LLC" means JIMMY'S SPORTS BAR, LLC, an Illinois Limited Liability Company under the laws of the State of Illinois.
- 1.8 "LLC Interest" or "Interest" means an ownership interest in the LLC, which includes the Financial Interest, the right to vote, the right to participate in management, and the right to obtain information concerning the LLC and any other rights granted to a Member under the Articles of Organization or this Agreement.
- 1.9 "Manager" or "Managers" means the person(s) elected, appointed, or otherwise designated in accordance with this Agreement to manage and operate the LLC.
- 1.10 "Member" means any person or entity who owns any interest in this LLC and is a party to this Agreement but does not include any person who holds only a Financial Interest as a result of an involuntary transfer or assignment or a transfer or assignment in violation of this Agreement.
- 1.11 "Property" means any and all assets, in whole or in part, of the LLC, both tangible and intangible.
- 1.12 "Statute" means the Illinois Limited Liability Company Act, as amended.

SECTION 2: FORMATION

- 2.1 Formation of the LLC. The LLC was formed pursuant to the laws of the State of Illinois by filing the Articles of Organization with the Illinois Secretary of State.
- 2.2 Name. The name of the LLC is "JIMMY'S SPORTS BAR, LLC." The Manager(s) shall operate the business of the LLC under such name or use such other names as the Manager(s) deems necessary provided that such names do not violate the statute.
- 2.3 Principal Office. The LLC's principal place of business will be located at Mr. James V. Esposito, 115 Pauline Ave., Crystal Lake, IL 60014, or any other location determined by the Manager(s). If the principal office is located outside the state of organization, and the LLC has one or more business offices in the state of organization, the Manager(s) shall fix and designate a principal business office in the state of organization. Branch or subordinate offices may be established at any time and at any place as determined by the Manager(s).
- 2.4 Term. The LLC will continue to exist until terminated or dissolved in accordance with its Articles of Organization or this Agreement.
- 2.5 Business Purpose. The purpose of the LLC is to engage in any lawful activities for which an LLC may be organized under the Statute.
- 2.6 Registered Agent. The LLC's registered agent will be Robert A. McNees or any other person or entity with an office in the state of organization as determined by the Manager(s).
- 2.7 Registered Office. The LLC's registered office will be the office of the registered agent located at 195 Hiawatha Drive, Carol Stream, Illinois 60188 or any other location within the state of organization as determined by the Manager(s).

SECTION 3: MEMBERSHIP

- 3.1 Initial Members. The initial Member of the LLC is the person set forth in this Agreement.
- 3.2 Additional Members. Additional persons or entities may be admitted to the LLC as Members, and LLC Interests may be issued to those additional Members if the Member consents to the admission of the additional Members on such terms and conditions as determined by the Member and in accordance with the Articles of Organization and this Agreement. All new Members must sign a copy of this Agreement and agree to be bound by the terms of this Agreement.
- 3.3 Liability to Third Parties. No Member shall be liable for the debts, obligations, or liabilities of the LLC to a third party unless the Member agrees in writing to be liable.
- 3.4 No Member has the authority or power to act for or on behalf of, to bind, or to incur any liability on behalf of the LLC except as provided in this Agreement.

SECTION 4: CAPITAL ACCOUNTS

- 4.1 Initial Contributions. The initial Member shall contribute to the LLC the following Capital Contribution and shall receive the following LLC Interest:

Name	Contribution	LLC Interest
James V. Esposito	\$1,000.00	100%

4.2 Additional Contributions. Except as specifically set forth in this Agreement, Member shall not be required to make any additional Capital Contributions. If the Member determines that additional contributions are necessary or desirable, the Member shall contribute to the LLC such additional contributions as the Member determines in his or her sole and absolute discretion.

4.3 Capital Accounts. A Capital Account (hereinafter referred to as "Capital Account") shall be established and maintained for the Member. A Member's Capital Account will be accounted for separately and will be maintained in accordance with generally accepted accounting principles. If a Member validly transfers his or her LLC Interest, the Capital Account of the transferring Member shall carry over to the transferee Member in accordance with the Code.

4.4 Adjustments to Capital Accounts. A Member's Capital Account shall be adjusted as follows:

- (a) Increases. A Member's Capital Account shall be increased by:
 - (1) capital contributions of cash and/or property at its agreed upon fair market value;
 - (2) all items of LLC income and gain (including income and gain exempt from tax).
- (b) Decreases. A Member's Capital Account shall be decreased by:
 - (1) distributions of cash and/or property at its agreed upon fair market value;
 - (2) all items of LLC deduction and loss (including deductions and loss exempt from tax).

4.5 Advances by Member. The Member may, at any time, advance monies to the LLC. An advance is a loan from the Member to the LLC and shall bear interest at the prevailing interest rate. An advance is not a Capital Contribution.

4.6 Return of Capital. The Member shall have the right to withdraw or obtain a return of his or her capital contribution at such times and in such amounts as the Manager(s) determines in the Manager's absolute discretion subject to any restrictions in this Agreement or the state of organization's LLC Statute. The return of a Member's capital contribution may be withdrawn in the form of property other than cash.

SECTION 5: ALLOCATION OF PROFITS AND LOSSES AND DISTRIBUTIONS

5.1 Determination of Profits and Losses. Profits and losses shall mean net income and net loss as determined by the books and records of the LLC which shall be kept in accordance with generally accepted accounting principals and the Code.

5.2 Distributions. Distribution of LLC assets and property shall be made at such times and in such amounts as the Manager(s) determines subject to any restrictions in this Agreement.

SECTION 6: MANAGEMENT

6.1 Management. The LLC shall be managed by the Manager(s) who shall be responsible for the management of the LLC's business and affairs.

6.2 Place of Meeting. Meetings of the Member may be held at any place within the United States designated by the Member. If no place is so specified, Member meetings shall be held at the LLC's principal office.

6.3 Annual Meeting. An annual meeting of Member may be held on the 2nd Tuesday in June of each year at 115 Pauline Ave., Crystal Lake, IL 60014 provided, however, that should such day fall upon a legal

holiday, then the annual meeting of the Member may be held at the same time and place on the next day thereafter which is a full business day. At the annual meeting, any proper business may be transacted.

6.4 Special Meetings. A special meeting of the Member may be held at any time, without notice, and at any place as determined by the Member. At the special meeting, any proper business may be transacted.

6.5 Member Action by Written Consent without a Meeting. Any action which may be taken at any annual or special meeting of the Member may be taken without a meeting if consent is in writing, sets forth the action so taken, and is signed by the Member. All such consents shall be filed with the LLC's books and records.

6.6 Managers. The LLC shall be managed by one Manager, until changed by an amendment to this Agreement, who shall be responsible for the management of the LLC's business and affairs. Managers must be Members of the LLC. The first Manager shall be James V. Esposito and shall serve until successor(s) are duly elected pursuant to the Operating Agreement, or until resignation or removal, as the case may be.

6.7 Election and Term of Office of Managers. Managers elected at the annual meeting of the Member will hold office until the next annual Member's meeting.

6.8 Vacancies. A Manager vacancy shall be deemed to exist if: (a) a Manager dies, resigns, or is removed by the Member; (b) the other Managers, if any, declare a Manager vacancy; (c) the authorized number of Managers is increased, or (d) if at a Member's meeting the Member fails to elect the full authorized number of Managers. However, no reduction of the authorized number of Managers shall have the effect of removing any Manager prior to the expiration of his or her term of office.

Vacancies are to be filled by election at a special meeting of the Member in accordance with Section 6 of this Agreement.

6.9 Resignation. Any Manager may resign effective upon the delivery of written notice to the Member, unless the notice specifies a later effective date.

6.10 General Manager. If the Member elects more than one Manager, the Member shall designate one of the Managers as the General Manager. The General Manager shall preside at all meetings. The General Manager shall have the general powers and duties of management typically vested in the office of president of a corporation, and such other powers and duties as may be prescribed by the Member.

6.11 Powers. The Manager(s) have general supervision, direction, and control of the business of the LLC. In addition, subject to the provisions of the state of organization's law, any limitations in the Articles of Organization and this Agreement relating to actions requiring approval by the Member, the Managers may make all decisions and take all actions on behalf of the LLC not otherwise provided for in this Agreement including but not limited to the following:

(a) select and remove all officers, agents, and employees of the LLC; prescribe any powers and duties for the Officers that are consistent with law, with the Articles of Organization, and with this Agreement; fix the Officers' compensation; and require from the Officers security for faithful service;

(b) change the principal business office from one location to another; qualify the LLC to do business in any State, territory, dependency, or country; conduct business within or outside the United States; and designate any place within the United States for the holding of any Members' or Managers' meetings;

(c) borrow money and incur indebtedness on behalf of the LLC, and cause to be executed and delivered for the LLC's purposes, in the LLC name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities;

- (d) call a special meeting of the Members at any time upon notification;
- (e) enter into, make, and perform contracts and agreements which bind the LLC that are necessary and appropriate in the ordinary course of business of the LLC;
- (f) open and maintain bank and investment accounts and designate authorized persons to sign checks or drafts or give instructions concerning those accounts;
- (g) maintain the assets of the LLC;
- (h) collect sums due and owing to the LLC;
- (i) pay the debts and obligations of the LLC; or
- (j) acquire, use, and dispose of assets during the ordinary course of business.

6.12 Limitation on Powers. Except by the written authorization of the Member, neither a Manager nor any Officer of the LLC shall have the authority to:

- (a) enter into any agreement, contract, or commitment on behalf of the LLC which would obligate any Member to find additional capital, to guarantee a loan or to increase a Member's personal liability either to the LLC or to a third party;
- (b) materially alter the business of the LLC, deviate from any approved business plan of the LLC as set forth in this Agreement, or perform any action which would make it impossible to carry on the business of the LLC;
- (c) perform any action that is contrary to this Agreement;
- (d) place title to any LLC asset or property in the name of a nominee or sell, lease, pledge, hypothecate, or grant a security interest in any LLC asset or property, except in the ordinary course of business;
- (e) commingle LLC funds with the funds of any other person or entity;
- (f) confess a judgment against the LLC;
- (g) admit any person as a Member, except as otherwise provided in this Agreement; or
- (h) attempt to dissolve the LLC.

6.13 Place of Meeting. Regular meetings of the Managers may be held without notice, at any time and at any place within the United States that is designated by the Managers. In the absence of the designation of a place, regular meetings shall be held at the principal office of the LLC. Special meetings of the Managers shall be held at any place that has been designated in the notice of the meeting or, if not stated in the notice, at the principal office of the LLC. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all Managers participating in such meeting can hear one another, and all such Managers shall be deemed to be present in person at such meeting.

6.14 Annual Meeting. Immediately following each annual meeting of the Member, the Managers may hold a regular meeting for purposes of organization, the election of Officers, if any, and the transaction of other business. Notice of such meeting shall not be required.

6.15 Other Regular Meetings. Other regular meetings of the Managers may be held without call at such time as determined by the Managers. Such regular meetings may be held without notice.

6.16 Special Meetings. Special meetings of the Managers for any purpose or purposes may be called at any time by the General Manager or a majority of the Managers. Notice of the time and place of special meeting shall be delivered personally or by telephone to each Manager or sent by first class mail or telegram, charges prepaid, addressed to each Manager at his or her address as it is shown upon the records of the LLC at least four (4) working days prior to the time of the holding of the meeting. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal office of the LLC.

6.17 Quorum. A majority of the authorized number of Managers shall constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Managers present at a meeting duly held at which a quorum is present shall be regarded as the act of the Managers. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Managers, if any action taken is approved by at least a majority of the required quorum for such meeting.

6.18 Waiver of Notice. The transactions of any meeting of the Managers, however called and noticed or wherever held, shall be as valid as though conducted at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the Managers not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes thereof. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the LLC books and records. Notice of a meeting shall also be deemed given to any Manager who attends the meeting without objecting to the lack of notice.

6.19 Adjournment. A majority of the Managers present, regardless of whether constituting a quorum, may adjourn any meeting to another time and place.

6.20 Notice of Adjournment. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of such time and place shall be given, prior to the time of the adjourned meeting, to the Managers who were not present at the time of the adjournment.

6.21 Action without Meeting. Any action required or permitted to be taken by the Managers may be taken without a meeting, if all Managers individually or collectively consent in writing to such action. Such action by written consent shall have the same force and effect as a unanimous vote of the Managers. Such written consent or consents shall be filed with the LLC's books and record.

6.22 Fees and Compensation of Managers. Managers may receive such compensation, if any, for their services, and such reimbursement of expenses as may be fixed or determined by the Member. Nothing herein contained shall be construed to preclude any Manager from serving the LLC in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation for such services.

6.23 Liability to Third Parties. No Manager shall be liable for the debts, obligations, or liabilities of the LLC to a third party unless the Manager agrees in writing to be liable.

6.24 Standard of Care; Liability. Each Manager shall exercise such powers and otherwise perform such duties in good faith, in the matters such Manager believes to be in the best interests of the LLC, and with such care including reasonable inquiry, using ordinary prudence, as a person in a like position would use under similar circumstances. In performing the duties of a Manager, a Manager shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in which case prepared or presented by:

(a) one or more officers or employees of the LLC who the Manager believes to be reliable and competent in the matters presented;

(b) counsel, independent accountants, or other persons as to matters which the Manager believes to be within such person's professional or expert competence; or

(c) a Committee upon which the Manager does not serve, as to matters within its designated authority, which Committee the Manager believes to merit confidence, so long as in any such case, the Manager acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

SECTION 7: TRANSFER AND ASSIGNMENT OF LLC INTERESTS

7.1 Transfer or Assignment of Member's Interest. Except as otherwise provided in this Agreement, the Member may not transfer and/or assign, in whole or in part, his or her LLC Interest at any time. For purposes of this Agreement transfer shall mean sale, exchange, assignment, alienation, disposition, gift, pledge, hypothecation, encumbrance, or grant of security interest in the LLC Interest. If an LLC Interest is transferred or assigned, the transferee shall have no rights in, nor may participate in, the management or operation of the business and affairs of the LLC nor have the right to become a Member of the LLC. Any transfer or assignment of an LLC Interest shall only affect a transfer or assignment of the Member's Financial Interest, and the transferring Member shall still be bound to the terms of this Agreement.

7.2 Transfer to Family Members. For purposes of this section, the restriction on the transfer or assignment of an LLC Interest shall not apply to transfers or assignments to the Member's immediate family, including his or her spouse, parents, siblings, and children, or a trust, corporation, or other entity controlled by the transferring Member.

7.3 Involuntary Transfer. No involuntary transfer or assignment of an LLC Interest, or any part thereof, will be valid. If an LLC Interest is involuntarily transferred or assigned, the transferee shall have no rights in, nor may participate in, the management or operation of the business and affairs of the LLC nor have the right to become a Member of the LLC. Any involuntary transfer or assignment of an LLC Interest shall only effect a transfer or assignment of the Member's Financial Interest, and the transferring Member shall still be bound to the terms of this Agreement.

SECTION 8: BOOKS AND RECORDS

8.1 Maintenance of Books and Records. The LLC shall establish and maintain appropriate books and records of the LLC in accordance with generally accepted accounting principles. There shall be kept at the principal office of the LLC and the registered office of the LLC, if different, the following LLC documents:

(a) the name and business or residence address of the Member and his or her Capital Contribution and LLC Interest;

(b) a current list of the name and business or residence address of each Manager, if any;

(c) a copy of the Articles of Organization and this Agreement and any amendments thereto;

(d) copies of the LLC's federal, state, and local income tax or information returns, if any, for the past six fiscal years;

(e) copies of the financial statements of the LLC, if any, for the past six fiscal years;

(f) originals or copies of all minutes, actions by written consent, consents to action, Member actions and consents; and

(g) any other information required to be maintained by the LLC pursuant to the state of organization's LLC statute.

8.2 Annual Accounting. Within ninety days after the close of each fiscal year of the LLC, the LLC shall cause to be prepared and submitted to the Member a balance sheet and income statement for the preceding fiscal year of the LLC (or portion thereof) in conformity with generally accepted accounting principles and provide to the Member all information necessary for the Member to complete federal and state tax returns.

8.3 Bank Accounts. All funds of the LLC shall be deposited in the LLC's name in such banks as determined by the Manager(s). All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the LLC, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the Manager(s).

8.4 Fiscal Year. The LLC's fiscal year shall end on December 31.

8.5 Accounting Method. For financial reporting purposes, the books and records of the LLC shall be kept on the cash method of accounting applied in a consistent manner and shall reflect all transactions of the LLC and be appropriate and adequate for the purposes of the LLC.

SECTION 9: TAXATION

9.1 Tax Year. The LLC's taxable year shall end on December 31.

SECTION 10: INDEMNIFICATION

10.1 Definitions: Agents, Proceedings, and Expenses. For the purposes of this Agreement, "Agent" means any person who is or was a Member, Manager, Officer, employee, or other agent of this LLC; "Proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "Expenses" means any and all costs, fees, and expenses including but not limited to court costs and attorney's fees.

10.2 Actions Other Than by the LLC. The LLC shall indemnify and hold harmless any person or Agent who was or is a party, or is threatened to be made a party, to any Proceeding (other than an action by or in the right of this LLC) by reason of the fact that such person is or was an Agent of this LLC, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such Proceeding, if that person acted in good faith and in a manner that person reasonably believed to be in the best interests of this LLC, and, in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this LLC or that the person had reasonable cause to believe that his or her conduct was unlawful.

10.3 Actions by the LLC.

(a) This LLC shall indemnify any person or Agent who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action by or in the right of this LLC to procure a judgment in its favor by reason of the fact that the person is or was an Agent of this LLC, against expenses actually and reasonably incurred by that person or Agent in connection with the defense or settlement of that action if that person or Agent acted in good faith, in a manner that person or Agent believed to be in the best interests of this LLC, and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances.

(b) No indemnification, however, shall be made under this section: (i) with respect to any claim, issue, or matter as to which that person or Agent shall have been adjudged to be liable to this LLC in the performance of that person's or Agent's duty to the LLC, unless the court in which that action was brought shall determine upon application that the person or Agent is fairly and reasonably entitled to indemnity for the expenses which the court shall determine; (ii) for amounts paid in settling or otherwise

disposing of a threatened or pending action, with or without court approval; or (iii) for expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval.

10.4 **Successful Defense by Agent.** To the extent that an Agent of this LLC has been successful on the merits in defense of any Proceeding, the agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection with the Proceeding.

10.5 **Required Approval.** Any indemnification under this section shall be made by the LLC only if authorized in writing upon a determination by the Member.

10.6 **Advance of Expenses.** Expenses incurred in defending any Proceeding may be advanced by the LLC before the final disposition of the Proceeding upon receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it shall be determined ultimately that the Agent is entitled to be indemnified.

10.7 **Other Contractual Rights.** Nothing contained in this section shall affect any right to indemnification to which Agents of this LLC or any subsidiary may be entitled by contract, by determination of the Member, as a matter of law or equity, or otherwise.

10.8 **Insurance.** The LLC may, upon a determination by the Member, purchase and maintain insurance on behalf of any Agent of the LLC against any liability which might be asserted against or incurred by the Agent in such capacity, or which might arise out of the Agent's status as such, regardless of whether the LLC would have the power to indemnify the Agent against that liability.

10.9 **Amendment to State of Organization's Laws.** In the event that the state of organization's law regarding indemnification of members, managers, directors, officers, employees, and other agents of an LLC, as in effect at the time of adoption of this Agreement, is subsequently amended to in any way that increases the scope of permissible indemnification beyond that set forth herein, the indemnification authorized by this section shall be deemed to be coextensive with the maximum afforded by the state of organization's law as so amended.

SECTION 11: TERMINATION AND DISSOLUTION

11.1 **Dissolution.** The LLC shall be dissolved upon the occurrence of any of the following events:

- (a) the expiration of the period fixed in the Articles of Organization;
- (b) the written consent of the Member;
- (c) the death, withdrawal, resignation, expulsion, bankruptcy or dissolution of the Member, or the occurrence of any other event which terminates the Member's continued membership in the LLC.

11.2 **Notice of Winding Up.** Upon the occurrence of any of the events specified above, the LLC shall execute and file a Notice of Winding Up, if required, with the Secretary of State of the State of Illinois.

11.3 **Conduct of Business.** Upon the occurrence of any of the events specified above, the Manager(s) shall act as liquidator and wind up all LLC business and affairs. However, the LLC shall continue to exist until Articles of Dissolution have been filed with the Secretary of State of the State of Illinois or until a decree dissolving the LLC has been entered by a court of competent jurisdiction.

11.4 **Distribution of Net Proceeds.** Upon the occurrence of any of the events specified above and the completion of the winding up of all LLC business and affairs, the assets of the LLC shall be promptly liquidated and distributed in the following order:

- (a) to the payment of creditors, excluding the Member, in the order of priority as provided by law;
- (b) to the payment of loans or advances made by the Member;
- (c) to the Member.

Where the distribution consists both of cash and noncash assets, the cash shall be distributed first, in descending order, to the above categories. With respect to the noncash assets, which distribution values are to be based on the fair market value of the noncash asset as determined in good faith by the liquidator, the liquidator may sell the noncash assets and distribute the cash proceeds or distribute the assets in kind, in descending order, to the above categories.

11.5 Termination. The LLC shall be terminated upon the distribution of all assets. The Manager(s) shall cause the LLC to file Articles of Dissolution with the Secretary of State of the State of Illinois or take any other actions necessary to terminate the LLC.

SECTION 12: AMENDMENTS

12.1 Amendments by Member. This Agreement may be adopted, amended, altered, or repealed by the written consent of the Member.

12.2 Amendments by Managers. Subject to the rights of the Member to adopt, amend, alter, or repeal this Agreement, this Agreement may be adopted, amended, altered or repealed by a vote of a majority of the Managers.

SECTION 14: GENERAL PROVISIONS

14.1 Entire Agreement/Modification. This Agreement contains the entire understanding of the parties with respect to the subject matter of the agreement, and it supersedes all prior understandings and agreements, whether written or oral, and all prior dealings of the parties with respect to the subject matter hereof. This Agreement, in whole or in part, cannot be changed, modified, extended, or discharged orally and no waiver of compliance with any provision or condition hereof and no consent provided for herein shall be effective unless evidenced by an instrument in writing duly executed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought. Further, no consent or waiver, express or implied, to or of any breach or default shall constitute a consent or waiver to or of any other breach.

14.2 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

14.3 Successor and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, legal representatives, and assigns. This Agreement may not be assigned by any party without the express written consent of the other parties.


14.4 Construction. Throughout this Agreement, the masculine, feminine, or neuter genders shall be deemed to include the masculine, feminine, and neuter and the singular, the plural, and vice versa. The section headings of this Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret, or construe the intentions of the parties.

14.5 Governing Law. This agreement shall be governed by, and interpreted in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of this

JIMMY'S SPORTS BAR, LLC
an Illinois Limited Liability Company

By: 
James V. Esposito, Manager


James V. Esposito, Member