

April 25, 2008

In the Matter of
GRAVITY NIGHTLIFE, LLC
DBA: Element Nightclub
10 5th Street South
Minneapolis, MN 55403

Conditions on
License # L210-50106
On Sale Liquor Class B
w/Sunday Sales

Ward 7

Your license, if granted, will be based on the following conditions:

- 1) 16+/all age's events will not take place at this establishment;
- 2) During an 18+ event an identification card reader shall be available, and shall be employed to verify, along with visual inspection of the identification, the age of each patron, if in the reasonable judgment of the on-site management or staff the individual may be underage;
- 3) During an 18+ event any patron under the age of 21 with any detectable presence of alcohol in his/her system shall be refused admittance into the establishment. As soon as alcohol is detected in the patron's system, the patron shall be escorted from the premises;
- 4) No VIP wristbands or similar such symbol which would indicate the patron is permitted or allowed to consume alcoholic beverages will be extended to any person without first verifying legal age to consume alcoholic beverages;
- 5) When in use, any VIP area within the establishment will be staffed at all times with at least one employee of the licensee who has received alcohol server training;
- 6) The business shall at all times keep an accurate occupancy count and immediately share such figures upon the request of any official or officer of the City of Minneapolis. The business shall not let more patrons into the establishment than is legally allowed;
- 7) Employees of the applicant shall receive alcohol server training from an approved independent training provider at a minimum biannually. All new employees shall attend server training within 60 days of serving beverage alcohol;

8) The applicant shall designate an employee, other than the on-site manager, as head of security staff equipped with a cell phone; said cell phone number shall be provided to the First Precinct and Licenses and Consumer Services. The applicant will schedule and maintain adequate security beyond closing time to assist in effective dispersal of venue-associated crowds from the sidewalk in front of the licensed premise;

9) The business agrees to follow all laws and rules of the City of Minneapolis and the State of Minnesota relating to operating an establishment with on sale beverage alcohol license;

10) The applicant or designated representative shall regularly attend the Downtown Entertainment District Security Meetings (Bar Watch) and maintain current email contacts with Travis Glampe of the First Police Precinct or another designated contact;

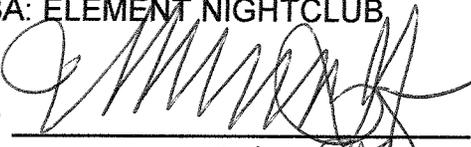
11) The applicant shall compile, maintain and share a "do not admit" list and video surveillance system recordings if any with the local Precinct or any other official of the City of Minneapolis upon request to prevent reoccurrence of disturbances by known persons;

12) Noise from the establishment will be kept to a minimum by taking appropriate measures as required by Minnesota State Rules or Laws. Noise coming from patrons of the establishment will be managed consistent with the requirements of Chapter 389 of the Minneapolis Code of Ordinances;

13) The licensee will collect and properly dispose of all litter, including handbills and cigarette butts, within 100 feet of the exterior of the building housing the licensed premises on a daily basis.

I have read and understand the conditions listed above. I agree with the conditions and I understand that failure on my part or the part of my company or employees to adhere to these conditions may be cause for future adverse licensing action including but not limited to: denial of the renewal of the license; denial of future expansion license requests; suspension; revocation; possible criminal prosecution and/or revocation of my business licenses. These conditions take effect upon the signing of this agreement and will be in full force and effect for the duration of the license.

GRAVITY NIGHTLIFE, LLC
DBA: ELEMENT NIGHTCLUB

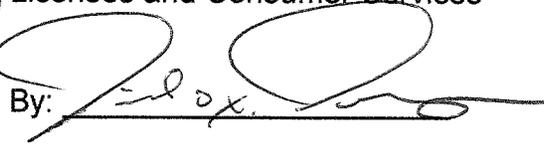
By: 

Print Name: W. M. [Handwritten]

Title: Chief Managing Director

Date: 4/26/08

City of Minneapolis Office of
Licenses and Consumer Services

By: 

Ricardo X. Cervantes
Deputy Director

Date: 4/28/08