

Classic Affairs, Inc., 115 South 4<sup>th</sup> Street  
DBA: Sheiks Palace Royal  
On Sale Liquor Class A with Sunday Sales  
and 2:00 a.m. license

### LICENSE ADDENDUM AGREEMENT

This Agreement is entered in to this 25 day of April, 2007, by and between Classic Affairs, Inc. (the "Applicant") and the City of Minneapolis (the "City").

WHEREAS, the Applicant has applied to be the operator of a Class A On-Sale Liquor License to be operated at 115 south 4<sup>th</sup> Street; and

WHEREAS, the City Council has expressed concern with regard to permitting so-called adult entertainment on the licensed premises; and

WHEREAS, the Applicant desires to provide adult entertainment which requires a Class A On-Sale Liquor License; and

WHEREAS, with the additional restrictions and obligations on the Applicant's part recited below, the City Council will look more favorably upon the application of Applicant; and

WHEREAS, the Applicant agrees to operate under and fully perform the obligations set out hereunder;

NOW, THEREFORE, in consideration of the City granting the Applicant permission to operate a Class A On-Sale Liquor License at the premises at 115 South 4<sup>th</sup> Street, agrees as follows:

1. The Applicant will not allow any activities to occur on its premises which include or involve nude dancing, exposed genitals, genitals covered with non-opaque substance, revealing or inappropriate employee attire, lap or couch dancing where there is sexual contact or simulated sexual conduct, use of a hot tub or other bathtub fixtures for customer use, mud wrestling or wrestling in any other substance, employee wrestling with customers or with other employees or individuals, sexual contact (whether clothed or unclothed) or sexually suggestive touching, and other similar types of activities.

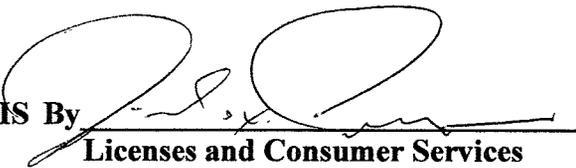
2.

The Applicant agrees to abide by all the provisions of all applicable ordinances and laws governing the Applicant's business, including those ordinances and laws enacted subsequent to the Applicant's submission or approval of it's application for a Class A On-Sale Liquor license, which shall include any ordinance pertaining to adult entertainment on the licensed premises. In event of a conflict between the provisions of said ordinance and this License Addendum Agreement, the ordinance shall control. The applicant further agrees not to distribute, or hire others to distribute, handbills, flyers, or business advertising cards to the public on any public right of way, open air plaza, open air parking lot or ramp, or near sporting event or convention facilities in the City of Minneapolis. Further, no entertainer or promoter providing entertainment services at the Licensee's establishment shall distribute or post handbills in Minneapolis that advertise events at the business.

3. Violation of the terms of paragraph 1 above shall provide a basis for suspension, revocation or denial renewal of the City's consent for Applicant to operate the Class A Liquor License. Sanctions may also include administrative fines.
4. All parties hereto agree that this Agreement is specifically enforceable and that in any litigation involving this Agreement, no defense will be raised as to its enforceability.

By   
Date 4-25-07 CEO

For And On Behalf Of Classic Affairs, Inc.

CITY OF MINNEAPOLIS By   
Licenses and Consumer Services  
Date 4/25/07