
**United States
Securities and Exchange Commission
Washington, D.C. 20549**

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 12, 2022

RCI HOSPITALITY HOLDINGS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Texas
(State or Other Jurisdiction
of Incorporation)

001-13992
(Commission
File Number)

76-0458229
(IRS Employer
Identification No.)

10737 Cutten Road
Houston, Texas 77066
(Address of Principal Executive Offices, Including Zip Code)

(281) 397-6730
(Issuer's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value	RICK	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On December 12, 2022, RCI Hospitality Holdings, Inc. (“RCIH,” “we,” or “us”) and certain subsidiaries entered into definitive agreements to acquire five gentlemen’s clubs, five related real estate properties, associated intellectual property and certain automated teller machines for a total purchase price of \$66.5 million, payable with a total of \$25.0 million in cash, a total of \$25.5 million in seller financing, and 200,000 restricted shares of common stock based on an \$80 per share price, subject to certain lock-up, leak out restrictions.

The five clubs are being purchased through five different Asset Purchase Agreements (collectively, the “Asset Purchase Agreements”), under which a newly formed subsidiary of BD Hospitality Acquisition, Inc., (“BD Hospitality”), a wholly-owned subsidiary of RCIH, will acquire from each club owning entity all of the tangible and intangible assets and personal property used in the business of that club, except for certain excluded assets. Below is a list of each club seller and purchaser, and the name and location of each club being sold:

Club Sellers	Club Purchasers	Club Name	Club Location
TTNA, Inc.	ST Dining Services, Inc.	Baby Dolls	10250 Shady Trail, Dallas, Tex.
DB Entertainment, Inc.	RCI Dining Service (Eules), Inc.	Baby Dolls	3601 Highway 157 Ft. Worth, Tex.
Duncan Burch, Inc.	RCI Dining Service (Southwest Freeway), Inc.	Chicas Locas (formerly Michael’s International)	6440 Southwest Freeway, Houston, Tex.
Millennium Restaurants Group, Inc.	RCI Dining Service (Composite), Inc.	Chicas Locas (formerly Cabaret Royale)	10723 Composite Dr., Dallas, Tex.
T&N, Inc.	RCI Dining Service (Majesty), Inc.	Chicas Locas	2711 Majesty Dr., Arlington, Tex.

Under the Asset Purchase Agreements, the purchase prices and payment terms to be paid by the club purchasers for the purchase of the five clubs is as follows: (1) \$4,850,000 for the Baby Dolls in Dallas, with \$1,500,000 payable in cash by wire transfer and \$3,350,000 payable by the issuance of a ten-year secured promissory note; (2) \$500,000 for the Baby Dolls in Fort Worth, payable by the issuance of a ten-year secured promissory note; (3) \$4,000,000 for the Chicas Locas in Houston, with \$1,500,000 payable in cash by wire transfer and \$2,500,000 payable by the issuance of a ten-year secured promissory note; and (4) \$1,850,000 for the Chicas Locas in Dallas, with \$500,000 payable in cash by wire transfer and \$1,350,000 payable by the issuance of a ten-year secured promissory note; and (5) \$500,000 for the Chicas Locas in Arlington, payable by the issuance of a ten-year secured promissory note. Each of the promissory notes issued to each club seller will bear interest at 7% per annum, and be payable, in arrears, in 120 equal monthly payments of principal and interest, and will be secured by all of the purchased assets acquired in that transaction.

Additionally, RCIH entered into two Intellectual Property Purchase Agreements with HQ Real Estate Management LLC (“HQ”) and ERAF, Inc. (“ERAF”), respectively (collectively, the “IP Purchase Agreements”). Under the agreement with HQ, RCIH will acquire all right, title and interest in certain service marks/trademarks with respect to the “Baby Dolls” name, along with certain other related intellectual property rights, for a purchase price of \$7,000,000, payable by the issuance of a ten-year secured promissory note. Under the agreement with ERAF, RCIH will acquire all right, title and interest in the service marks/trademark “Cabaret Royale,” the common law rights, if any, in “Chicas Locas” and “Michael’s International,” if any, along with certain other related intellectual property rights, for a purchase price of \$4,200,000, payable by the issuance of a ten-year secured promissory note. Each of the two promissory notes issued to HQ and ERAF will bear interest at 7% per annum, and be payable, in arrears, in 120 equal monthly payments of principal and interest, and will be secured by all of the intellectual property assets acquired in that transaction.

Also in connection with the above transactions, BD Hospitality entered into an Asset Purchase Agreement (the “ATM Purchase Agreement”) with ECAL-D&D, Inc. under which BD Hospitality will purchase certain automated teller machines (or ATMs) located at the five club locations for a purchase price of \$2,600,000, payable \$1,500,000 in cash and \$1,100,000 by the issuance of a ten-year secured promissory note, bearing interest at 7% per annum, payable, in arrears, in 120 equal monthly payments of principal and interest, which note will be secured by the automated ATM assets acquired in this transaction.

The Asset Purchase Agreements, IP Purchase Agreements and ATM Purchase Agreement each provide that the seller under each such agreement will indemnify the respective purchaser from all losses whether arising from a direct (or first party) claim or a third-party claim, arising from: (1) any breach of any representation or warranty; (2) any breach or nonfulfillment of any covenant or agreement; and (3) any liabilities arising prior to closing. Each purchaser under each such agreement will indemnify the respective seller from all losses whether arising from a direct (or first party) claim or a third-party claim, arising from: (1) any breach of any representation or warranty; (2) any breach or nonfulfillment of any covenant or agreement; and (3) any liabilities arising on or after closing. The above indemnifications are subject to certain limitations and thresholds, as set forth in the agreements. Additionally, prior to closing, Burch Management Company, Inc., the owner of all of the seller entities (“Burch Management”), will guaranty the indemnification obligations of such sellers, and BD Hospitality will guaranty the indemnification and payment obligations of such purchasers.

Additionally, Duncan Burch, an individual and the record owner of the real estate properties where the five clubs are located, entered into a Purchase and Sale Agreement (the “Real Estate Purchase Agreement”) under which our subsidiary RCI Holdings, Inc. (“RCI Holdings”) will purchase such properties for a total purchase price of \$41,000,000, payable as follows: (1) \$20,000,000 in cash payable by wire transfer; (2) \$5,000,000 by the issuance of a ten-year secured promissory note, bearing interest at 7% per annum, payable, in arrears, in 120 equal monthly payments of principal and interest; and (3) the issuance of 200,000 restricted shares of common stock of RCIH, which shares will be subject to a Lock-Up Agreement under which Mr. Burch will be restricted in the number of shares that he can sell for 24 month after closing.

The consummation and closing of the Asset Purchase Agreements, IP Purchase Agreements and ATM Purchase Agreement are subject to certain closing conditions, including without limitation (1) the requirement that the club purchasers will have obtained all necessary permits, licenses and other authorizations, whether city, county, state or federal, which may be needed to operate each club, consistent with the current operations of such club, as necessary, (2) satisfactory due diligence, and (3) other customary closing conditions for transactions of this nature. Further, RCIH, RCI Holdings, BD Hospitality, and its subsidiaries required that all of the parties to the Asset Purchase Agreements, IP Purchase Agreements, ATM Purchase Agreement and Real Estate Purchase Agreement enter into a Cooperation Agreement (the “Cooperation Agreement”) under which such parties have agreed that all of the transactions contemplated by such agreements must close and be consummated concurrently. The Cooperation Agreement also provides that closing will be subject to (a) Mr. Burch entering into a Non-Compete Agreement covering a 50-mile radius of each club location, with certain carve-outs for existing licenses held by affiliates of Mr. Burch, (b) RCI Dining Service (Euless), Inc. (the club purchaser of Baby Dolls – Ft. Worth) entering into a stock purchase agreement with DB Entertainment, Inc. to acquire the stock of Baby Dolls’ Topless Saloons, Inc., which holds the specialized certificate of occupancy allowing a sexually oriented business to operate at that location, for consideration of \$10.00, (c) each of the club purchasers will allow certain entities affiliated with the club sellers to lease space in the clubs for clothing boutiques for rent of \$1.00 per year for 10 years commencing on the date of closing, and (d) Burch Management will have the right to lease its current office and storage space at 10723 Composite from RCI Holdings for rent of \$1.00 per year for 10 years commencing on the date of closing.

The descriptions above of the agreements, including the Asset Purchase Agreements, IP Purchase Agreements, ATM Purchase Agreement, Real Estate Purchase Agreement and Cooperation Agreement, are qualified in their entirety by reference to the terms of such agreements, copies of which are filed hereto as Exhibits 10.1 through 10.10, respectively, and are incorporated herein by reference.

The agreements included as exhibits to this current report have been included to provide investors and security holders with information regarding their terms. They are not intended to provide any other factual information about RCIH, any parties to such agreements or their respective subsidiaries and affiliates. The agreements contain representations and warranties certain parties made solely for the benefit of such parties. The assertions embodied in those representations and warranties are subject to qualifications and limitations agreed to by the respective parties in negotiating the terms of the agreements. Moreover, certain representations and warranties in the agreements were made as of a specified date, may be subject to a contractual standard of materiality different from what might be viewed as material to investors, or may have been used for the purpose of allocating risk between the parties, rather than establishing matters as facts. Accordingly, the representations and warranties in the agreements should not be relied on by any persons as characterizations of the actual state of facts about RCIH or any other parties to the agreements at the time they were made or otherwise. In addition, information concerning the subject matter of the representations and warranties may change after the date of the agreements, which subsequent information may or may not be fully reflected in RCIH’s public disclosures.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES.

The disclosure under Item 1.01 of this current report on Form 8-K relating to the Real Estate Purchase Agreement and the sale and issuance of a total of 200,000 restricted shares of common stock of RCIH is incorporated herein by reference.

The securities to be issued under the Real Estate Purchase Agreement will be issued under the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933 and the rules and regulations promulgated thereunder. The subject issuance of securities does not involve a “public offering” based upon the following factors: (i) the issuance of the securities will be an isolated private transactions; (ii) a limited number of securities will be issued to a single purchaser; (iii) there are no public solicitations; (iv) the purchaser has represented that he is an “accredited investor”; (v) the investment intent of the purchaser; and (vi) the restriction on transferability of the securities to be issued.

ITEM 8.01 OTHER EVENTS.

On December 12, 2022, we issued a press release announcing the signing of the agreements described under Item 1.01 of this current report. A copy of the press release is attached as Exhibit 99.1 to this current report on Form 8-K and is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Asset Purchase Agreement with TTNA, Inc. dated December 12, 2022</u>
10.2	<u>Asset Purchase Agreement with DB Entertainment, Inc. dated December 12, 2022</u>
10.3	<u>Asset Purchase Agreement with Duncan Burch, Inc. dated December 12, 2022</u>
10.4	<u>Asset Purchase Agreement with Millennium Restaurants Group, Inc. dated December 12, 2022</u>
10.5	<u>Asset Purchase Agreement with T&N, Inc. dated December 12, 2022</u>
10.6	<u>Intellectual Property Purchase Agreement with HQ Real Estate Management LLC dated December 12, 2022</u>
10.7	<u>Intellectual Property Purchase Agreement with ERAF, Inc. dated December 12, 2022</u>
10.8	<u>Asset Purchase Agreement with ECAL-D&D, Inc. dated December 12, 2022</u>
10.9	<u>Purchase and Sale Agreement with Duncan Burch dated December 12, 2022</u>
10.10	<u>Cooperation Agreement dated December 12, 2022</u>
99.1	<u>Press release dated December 13, 2022</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RCI HOSPITALITY HOLDINGS, INC.

Date: December 15, 2022

By: /s/ Eric Langan

Eric Langan
President and Chief Executive Officer

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made and entered into this ___ day of December, 2022, by and among TTNA, Inc., a Texas corporation (the “**Company**”), and ST Dining Services, Inc., a Texas corporation (the “**Purchaser**”). The Company and the Purchaser are sometimes hereinafter collectively referred to as the “**Parties**.”

WHEREAS, BD Hospitality Acquisition, Inc., as Texas corporation (“**BD Hospitality**”), owns all of the issued and outstanding capital stock of Purchaser; and

WHEREAS, the Company owns and operates an adult entertainment cabaret known as Baby Dolls (the “**Business**”) located at 10250 Shady Trail, Dallas, Texas 75220 (the “**Premises**”); and

WHEREAS, the Purchaser and the Company desire that the Purchaser purchase all of the assets owned by the Company, including all assets used for the business of the Company on the Premises; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements and the respective representations and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

**Article I
PURCHASE AND SALE OF THE ASSETS**

Section 1.1 Assets of the Company to be Transferred to Purchaser. On the Closing Date (as defined in Section 4.1 hereof), and subject to the terms and conditions set forth in this Agreement, the Company shall sell, convey, transfer and assign, or cause to be sold, conveyed, transferred and assigned to Purchaser free and clear of all liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions, subject only to any liens created as part of the purchase, and Purchaser shall acquire from the Company all of the tangible and intangible assets and personal property of every kind and description and wherever situated of the Business from the Company, except the Excluded Assets, as defined in Section 1.2, including but not limited to, the following personal property of the Company:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated of the Business, including, without limitation, inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers (subject to Section 1.2) and software, appliances, sign inserts, sound and lighting and telephone systems not incorporated into the building, telephone numbers, and other personal property of whatever kind and nature owned or leased by the Company (subject to Section 1.1(d)), installed, located, situated or used in, on, or about, or in connection with the operation, use and enjoyment of the Premises and all other items on the subject Premises and used in connection with the operation of the Business;

(b) all of the Company’s inventory of supplies, accessories and any and all other items of personal property of whatever nature, excluding all alcoholic beverages sold by the Company in the operation of the Business(the “**Inventory**”);

(c) all supplies (other than Inventory) and other “consumable supplies” used in connection with the operation of the Business excluding food and non-alcoholic beverages (the “**Supplies**”);

(d) all of the Company's right, title, and interest, as lessee, of any and all equipment leased by the Company and located at the Premises (the "**Leased Equipment**") if disclosed by Company and for which Purchaser agrees to assume payment. The Company shall cancel and/or pay for (i) any equipment lease that the Purchaser does not elect to assume payment for and the use thereof and (ii) any undisclosed equipment lease;

(e) all right, title, and interest of the Company to the use of the telephone numbers presently being used by the Business, including all rotary extensions thereto, and all advertisements in the "Yellow Pages", "City Directory" and other social media and digital accounts such as Facebook and Instagram, and after the Closing, Purchaser shall assume all expenses for the Telephone Numbers and advertising;

(f) copies of the Company's lists of suppliers, and any and all of books, records, papers, files, memoranda and other documents relating to or compiled in connection with the operation of the Business which are requested by Purchaser, other than those assets listed in Section 1.2(i) (the "**Records**");

(g) all intellectual property of every kind owned or licensed by the Company or any rights thereto, including but not limited to common law rights, if any, to the name "Baby Dolls" or any derivative, all trademarks, tradenames, service marks, patents, copyrights, and trade secrets (collectively, the "**Intellectual Property**") (provided, however, that the Intellectual Property specifically excludes the federally registered service marks "Baby Dolls Saloon," "Baby Dolls" and "Baby Dolls Topless Saloon," which service marks are owned by a separate entity);

(h) all licenses, rights or ownership interests held by the Company to universal resource locators ("**URLs**") and internet domain names, all source code and associated files necessary to operate URLs, including but not limited to images, graphics, content of the web pages, page layouts, scripts, forms and databases, and all goodwill associated with or used in connection with the operation or business of the URLs and internet domain names; and

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult semi-nude entertainment business serving alcoholic beverages on the Premises which the Company has the right to transfer and convey, including all other licenses, consents, authorizations, accreditations, waivers and approvals (together with all government filings pertaining thereto), however designated, established, maintained or renewed and issued evidencing or authorizing the Company, the Company's agent(s) or nominee(s) for the purpose of engaging in the business and/or operation of an adult entertainment nightclub business, restaurant, bar, lounge, sale of liquor or any other business currently operating or capable of being operated on the Premises however characterized (collectively the "**Permits**"). The parties recognize that the right to operate as a Sexually Oriented Business/Adult Entertainment Establishment/Adult Cabaret requires a license (SOB License)" that is not transferable and not being transferred or sold herein. However, the Purchaser shall within three (3) business days of the execution of this Agreement apply for a SOB License at the location of the Company and use best efforts to obtain issuance thereof. The Company will cooperate as needed with such efforts. The parties recognize that the right to sell wine beer alcohol requires a permit from the Texas Alcoholic Beverage Commission ("TABC Permit)" that is not transferable and not being transferred or sold herein. However, the Purchaser shall within three (3) business days of the execution of this Agreement apply for a TABC Permit at the location of the Company and use best efforts to obtain issuance thereof. The Company will cooperate as needed with such efforts

(j) All interest and future obligation in every LICENSE AND LEASE AGREEMENT the Business has with independent contractor entertainers at the Business, which are assignable by the Business and will be assigned by the Business to Purchaser and accepted by the Purchaser upon Closing (same being subject to Purchaser's right to terminate upon thirty days written notice to any respective entertainer).

All of the items set forth in this Section 1.1 are collectively referred to as the "**Purchased Assets**". Exhibit 1.1, which will be completed prior to Closing, shall list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (i) the corporate seals, corporate books and minutes, corporate files, accounting, tax and financial records and records related to corporate governance of the Company; (ii) all Company bank accounts and all Company monies (including cash) on hand as of the Closing Date; (iii) all credit card receipts and ATM purchases as of the Closing Date; (iv) securities of any type, whether marketable or not; (v) prepaid expenses; (vi) all accounts or notes receivable of, or held by, the Company not generated by the business of the Company; (vii) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise, and which are not associated with the business of the Company or the Purchased Assets; (viii) the Company's rights under or pursuant to this Agreement and the other agreements, documents, certificates and other instruments entered into or delivered in connection with this Agreement to which the Company is a party; (ix) all business insurance policies of the Company; (x) all employee benefit plans of the Company; (xi) the liquor, spirits, wine or beer inventory located at the Business (subject to Section 1.5; (xii) any permit or license issued by the Texas Alcoholic Beverage Commission; (xiii) any real estate held in fee simple by the Business and (xiv) any permit or license issued by any governmental agency related to operation by the Company or at the Premises of an Adult Entertainment Establishment or Sexually Oriented Business and (xv) any intellectual property rights excluded in Section 1.1(g) hereof (; (hereinafter collectively referred to as the "**Excluded Assets**").

Section 1.3 Intent of the Parties. Although the description of the Purchased Assets in Section 1.1 is intended to be complete, in the event Section 1.1 fails to contain the description of any assets belonging to the Company which are used for the Business and are not otherwise an Excluded Asset, such assets shall nonetheless be deemed transferred to Purchaser at the Closing.

Section 1.4 Food Inventory. On date of Closing, Purchaser and the Company will conduct a physical inventory of said food and non-alcoholic beverage inventory in the Premises, at a cost price determined for said inventory and a specific and additional payment for same from Purchaser to the Company for same will be made within 30 days of closing.

Section 1.5 Liquor Inventory On date of the Closing of the transaction contemplated by this Agreement, the current the TABC permit holder must cease to sell liquor, spirits, beer, and wine (herein "liquor") as they will no longer have a legal right to occupy the Premises. Purchaser shall acquire from the TABC permit holder the TABC permit holder's liquor inventory present at the Premises location on the date of closing, which will require (a) an actual physical inventory of said liquor inventory to be conducted by Purchaser at close of business on day sale closes and reported to TABC before Purchaser reopens and (b) the payment within 30 days of closing for the inventory at its cost price by Purchaser to the TABC permit holder.

Article II LIABILITIES

Section 1.1 Excluded Liabilities. Purchaser shall have no obligation and is not assuming, and the Company shall retain, pay, perform, defend and discharge, all of the liabilities and obligations of every kind whatsoever related or connected to the Purchased Assets or the

business of the Company, which liabilities existed, arose, or accrued during the periods on or prior to the Closing Date, whether disclosed or undisclosed, known or unknown on the Closing Date, direct or indirect, absolute or contingent, secured or unsecured, liquidated or unliquidated, accrued or otherwise, whether liabilities for taxes, liabilities of creditors, liabilities arising under any existing lease agreement, liabilities arising under any profit sharing, pension or other benefit under any plan of the Company, liabilities to any Governmental Agency (as hereinafter defined) or third parties, liabilities assumed or incurred by the Company by operation of law or otherwise (collectively, the “**Excluded Liabilities**”), including, but not limited to, (i) contractual liabilities arising or accruing from the Company or the Business or ownership of the Purchased Assets on or prior to the Closing Date, (ii) any liability with respect to the Company’s or the Business’ or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period on or prior to the Closing Date, (iii) any existing litigation against the Company or the Business, (iv) any taxes owing by the Company for taxable periods or portions of taxable periods ending on or before the Closing Date, whether related to the Business, the Purchased Assets or otherwise, and any liens on the Purchased Assets relating to any such taxes, and (v) any suit, action, proceeding, claim or investigation against Purchaser Group (as hereinafter defined) which arises from or which is based upon or pertaining to the Company’s conduct or operation of the Business on or prior to the Closing Date; provided that any such liability shall only be an Excluded Liability to the extent the liability relates to the period ending on the Closing Date and, for clarity, any liability which arises from or which is based upon or pertaining to the Purchaser’s conduct or operation of the Business relating to any period ending after the Closing shall solely be a liability of the Purchaser. Nothing herein shall be interpreted to prevent the Company from contesting the validity of any of its alleged liabilities including as defined as “Excluded Liabilities” herein nor shall this agreement be construed to create a Third-Party Beneficiary related to any of the “Excluded Liabilities”. The Company retains all defenses, offsets and claims, and the right to assert same as to any and all of the “Excluded Liabilities.”

Section 1.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the Closing, to assume and agrees to pay, perform and discharge only the liabilities and obligations related or connected to the Purchased Assets or the operation by Purchaser of any Business on the Premises arising or accruing after the Closing Date, other than liabilities arising out of a breach of this Agreement by the Company (collectively, the “**Assumed Liabilities**”), including, but not limited to, (i) contractual liabilities arising from the Business, ownership of the Purchased Assets or operation by Purchaser of any Business on the Premises after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser), (ii) any litigation resulting from the use or ownership of any of the Purchased Assets that occurs subsequent to the Closing Date as a result of Purchaser’s operation of any business on the Premises, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending after the Closing Date, whether related to the Business or the Purchased Assets or Purchaser’s operation of any business on the Premises, and any liens on the Purchased Assets relating to any such taxes accruing during the period subsequent to the Closing Date, and (iv) any suit, action, proceeding, claim or investigation by any individual or Governmental Agency alleging that, during any period after the Closing Date, Purchaser, through its operation of the Business during such period or periods, misclassified entertainers. For clarity, Purchaser will only assume liabilities which arise from or which are based upon or pertain to the Purchaser’s conduct or operation of the Business or on the location of the Premises which occur after the Closing Date.

Section 1.3 Taxes. The Company shall pay when due any sales, transfer, excise, or other taxes which may be imposed in any jurisdiction in connection with or arising from the sale and transfer of any of the Purchased Assets to Purchaser.

Section 1.4 Bulk Sales Laws. The Company acknowledges that any applicable provisions of any tax clearance or bulk sales laws pertaining to the transactions contemplated by this Agreement are being complied with and that the Company agrees to indemnify and hold

harmless Purchaser from and against any and all liabilities arising out of or relating to any such tax clearance or bulk sales law. Any such liability shall be an Excluded Liability.

Article III PURCHASE PRICE FOR THE PURCHASED ASSETS

The Purchaser shall pay to the Company for all of the Purchased Assets a total purchase price of Four Million Eight Hundred Fifty Thousand Dollars (\$4,850,000.00) plus sums calculated under 1.4 herein (the “**Purchase Price**”), which will be payable at the Closing, as follows: (a) One Million Five Hundred Thousand Dollars (\$1,500,000) cash by wire transfer; (b) issue to the Company a 10-year promissory note (the “**Promissory Note**”) with a principal amount equal to Three Million Three Hundred Fifty Thousand (\$3,350,000.00) Dollars, which Promissory Note will bear interest at the rate of 7% per annum and be payable, in arrears, in 120 equal monthly payments of principal and interest of \$38,896.34, based on a 10-year amortization schedule, with the first payment due 30 days after Closing. The Promissory Note will be secured by a first lien on the Purchased Assets pursuant to a security agreement and the filing of a UCC financing statement and additionally the provision of an absolute, unconditional, and continuing guarantee of BD Hospitality Acquisition, Inc. and a Pledge by BD Hospitality Acquisition, Inc. of its Stock in Purchaser. Purchaser shall remain liable under 1.5 hereof.

Article IV CLOSING

Section 1.1 The Closing. The closing (the “**Closing**”) of the transactions contemplated by this Agreement shall take place as soon as practicable and when agreed to by the parties, but in no event until the satisfaction or waiver of the conditions set forth in Article VIII and Article IX (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to satisfaction or waiver of those conditions), or on such other date as the Parties may mutually agree in writing (the “**Closing Date**”). The Closing will take place at the office of Title Partners, 5501 LBJ Freeway, Suite 200, Dallas, Texas 75240, or at such other place as agreed upon among the parties hereto, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. Notwithstanding the foregoing, in the event the conditions to Closing have not been satisfied or waived by January 31, 2023, then the Company or Purchaser may terminate this Agreement by giving written notice to the other Parties as provided for in Section 12.2, and this Agreement will be of no further force or effect.

Section 1.2 Delivery of Documents at Closing. At the Closing: (a) the Company shall deliver to Purchaser all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all liens, charges or encumbrances, other than Permitted Encumbrances, against delivery by Purchaser to the Company of payment in an amount equal to the Purchase Price of the Purchased Assets being purchased by Purchaser in the manner set forth herein in accordance with Article III hereof; and (b) the Company and Purchaser shall deliver the various certificates, instruments and documents (and shall take the required actions) referred to in Articles VIII and IX below.

Article V REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedules accompanying this Agreement (each a “**Schedule**” and collectively the “**Schedules**”), the Company hereby represents and warrants to Purchaser as follows:

Section 1.1 Organization, Good Standing and Qualification of the Company. The Company is a Texas corporation duly organized and validly existing and in good standing under the laws of the state of Texas, has all requisite power and authority to carry on its business, and is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Company.

Section 1.2 Subsidiaries. The Company does not own any subsidiaries.

Section 1.3 Ownership of the Purchased Assets. The Company owns all of the Purchased Assets free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances, other than Permitted Encumbrances. The Company has the unrestricted right and power to transfer, convey and deliver full ownership of the Purchased Assets without the consent or agreement of any other person and without any designation, declaration or filing with any Governmental Authority. Upon the transfer of the Purchased Assets to Purchaser as contemplated herein, Purchaser will receive title thereto, free, and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances, or other restrictions other than Permitted Encumbrances. For purposes of this Agreement, “**Permitted Encumbrances**” means (a) liens for taxes, assessments or government charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and which are subject to reasonable reserves, all as listed on Schedule 5.3, attached hereto; (b) those encumbrances, if any, listed on Schedule 5.3 attached hereto.

Section 1.4 Authorization. All action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein have been taken by the Company or will be taken prior to the Closing Date. The Company has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors’ rights and to general equitable principles.

Section 1.5 No Breaches or Defaults. Except as shown on Schedule 5.5, the execution, delivery, and performance of this Agreement by the Company does not: (i) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of the Company, (ii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets, (iii) conflict with or result in a breach or violation of, or default under, or give rise to any right of acceleration or termination of, any of the terms, conditions or provisions of any note, bond, lease, license, agreement or other instrument or obligation to which the Company is a party of by which the Company’s assets or properties are bound or (iv) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (a) any applicable Legal Requirement (as defined below), or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Company is a party or by which the Purchased Assets may be bound or affected. For purposes of this Agreement, “**Governmental Authority**” means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, “**Legal Requirement**” means any law, statute, injunction, decree, order, or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority. Provided however, any license to operate as a Sexually

Oriented Business or sell alcoholic beverages by Purchaser in the future using the Purchased Assets must be approved by the appropriate Governmental Agency or Entity.

Section 1.6 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of the Company in connection with the execution and delivery by the Company of this Agreement or the consummation and performance of the transactions contemplated hereby. Provided however, any license to operate as a Sexually Oriented Business or sell alcoholic beverages by Purchaser in the future using the Purchased Assets must be approved by the appropriate Governmental Agency or Entity

Section 1.7 Pending Claims. There is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or, to the Company's knowledge, threatened against the Company before any court, arbitration, administrative or regulatory body or any governmental agency which would reasonably be expected to result in any judgment, order, award, decree, liability or other determination which will or would reasonably be expected to have any material effect upon the Company or the Business or the transfer by the Company to Purchaser of the Purchased Assets, and there is no basis known to the Company for any such action. No litigation is pending, or, to the Company's knowledge, threatened against the Company, which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. The Company is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against it or which would reasonably be expected to materially and adversely affect the Company, the Purchased Assets, the Real Property or the Business. There are however claims, suits, arbitrations, investigations, actions, litigations, or other proceedings, now pending or threatened against the Company as listed in Schedule 5.7 hereof.

Section 1.8 Taxes. The Company has timely and accurately prepared and filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates by the Company and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes, and withholding or other payroll related taxes shown on such returns. The Company to the best knowledge of the Company, is not delinquent in the payment of any tax or governmental charge of any nature. The Company has no knowledge of any liability for any tax to be imposed by any taxing authorities upon the Company as of the date of this Agreement and as of the Closing that is not adequately provided for. No assessments or notices of deficiency or other communications have been received by the Company with respect to any tax return of the Company which has not been paid, discharged, or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. Except as shown on Schedule 5.8, none of the federal, state, foreign and local tax returns of the Company have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations, or claims pending. The Company has no knowledge of any additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company for any period, nor of any basis for any such assessment, adjustment, or contingency. There are no agreements between the Company and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 1.9 Financial Statements. The Company has or will deliver to the Purchaser the unaudited Balance Sheets of the Company as of September 30, 2022, together with the related unaudited Statements of Income for the periods then ended (hereinafter referred to as the "**Financial Statements**"). Such Financial Statements are in accordance with the books and records of the Company and fairly represent in all material respects the financial position of the Company and the results of operations and changes in financial position of the Company as of the dates and for the periods indicated, in each case in conformity with income tax-basis of

accounting principles applied on a consistent basis. Except as shown on Exhibit 5.9 and except as and to the extent reflected or reserved against in the Financial Statements, the Company, as of the date of the Financial Statements, has no material liability or obligation of any nature required to be disclosed in a balance sheet in accordance with income tax-basis of accounting principles. The Company is an accrual method taxpayer.

Section 1.10 No Material Adverse Change. To the best knowledge of the Company, since the date of the Financial Statements, the Company has conducted its business in the ordinary course, consistent with past practice, and there has been no (i) change that has had or would reasonably be expected to have a material adverse effect upon the assets or business or the financial condition or other operations of the Company; (ii) acquisition or disposition of any material asset by the Company or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (iii) material change in the Company's accounting principles, practices or methods; (iv) incurrence of any material indebtedness or lending of money to any person or entity; (v) acceleration, termination, modification or cancellation of any agreement, contract, lease or license (or series of related agreements, contracts, leases or licenses) involving more than \$10,000 to which the Company is a party; or (vi) delay or postponement in the payment of any accounts payable or other liabilities.

Section 1.11 Labor Matters. The Company is not a party or otherwise subject to any collective bargaining agreement with any labor union or association. There are no discussions, negotiations, demands or proposals that are pending or have been conducted or made with or by any labor union or association, and there are not pending or threatened against the Company any labor disputes, strikes or work stoppages. All employees, including upper management level personnel of the Business are employed at will and their employment or engagement may be terminated at will.

Section 1.12 Compliance with Laws. To the knowledge of the Company, the Company is, and at all times prior to the date hereof, has been in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. The Company has not received any written order or written notice of any such violation or claim of violation of any such statute, order, rule, ordinance, or regulation by the Company, except as listed on Schedule 5.12. The Company owns, holds, possesses, or lawfully uses in the operation of its business all permits and licenses which are in any manner necessary or required for it to conduct its operation and business as now being conducted. Schedule 5.12 sets forth a list of all licenses and permits held by the Company used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date, unless surrendered by the Company to effectuate this transaction. To the knowledge of the Company, no material record violations exist in respect of any such permit or license and no investigation or proceeding is pending or threatened, that would reasonably be expected to result in the suspension, revocation, modification, non-renewal, limitation or restriction of any such permits or licenses.

Section 1.13 Contracts and Leases. Except as shown on Schedule 5.13, the Company does not (i) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) have any have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (iii) have given any power of attorney to any person or organization for any purpose relating to the Purchased Assets or business of the Company or the Business. The Company operates its adult entertainment cabaret located at the Premises under an existing lease agreement. The Company shall make available to Purchaser prior to the Closing Date each and every written contract, lease or other document relating to the Purchased Assets of the Company to which it is subject or is a party or a beneficiary. To the Company's knowledge, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute legal, valid and binding obligations of the Company and the other respective parties thereto and are enforceable in accordance with their terms, except as may be limited by

bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles. The Company has no knowledge of any default or breach under such contracts, leases, or other documents or of any pending or threatened claims under any such contracts, leases, or other documents, except as listed on Schedule 5.13. Neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the financial condition of the Company or the operation of the Business after the Closing.

Section 1.14 No Pending Transactions. Except for the transactions contemplated by this Agreement, the Company is not a party to or bound by or the subject of any agreement, undertaking, commitment or discussions or negotiations with any person that would reasonably be expected to result in: (i) the sale, merger, consolidation or recapitalization of the Company; (ii) the sale of any of the Purchased Assets of the Company (other than in the ordinary course of its business); (iii) the sale of any outstanding capital stock of the Company; (iv) the acquisition by the Company of any operating business or the capital stock of any other person or entity; (v) the borrowing of money; (vi) any agreement with any of the respective officers, managers or affiliates of the Company; or (vii) the expenditure of more than \$10,000 or the performance by the Company extending for a period more than one year from the date hereof.

Section 1.15 Material Agreements; Action. Except as shown on Schedule 5.15 and except for the transactions contemplated by this Agreement, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Company is a party or by which it is bound that involve or relate to (i) any of the respective officers, directors, stockholder or partners of the Company or (ii) covenants of the Company not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with the Company in any line of business or in any geographical area.

Section 1.16 Environmental Matters. To the best knowledge of the Company, the Company has conducted its Business in compliance with all Environmental Laws (as hereinafter defined), except for any such instance of non-compliance that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Purchased Assets. The Company is in compliance with all Permits required under applicable Environmental Laws, except where the absence of, or the failure to be in compliance with, any such Permit would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Business. There are no written claims, notices of violation or any other actions, investigations or proceedings pending or threatened against the Company alleging violations of or liability under any Environmental Law. To the best knowledge of the Company, there has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Company, and no property currently or formerly owned, leased, or operated by the Company, has been contaminated by the Company or to the knowledge of the Company, by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Company. The Company is not subject to any order, decree, injunction or other agreement with any Governmental Authority or any indemnity or other agreement with any other Person relating to liability under any Environmental Law. "**Environmental Laws**" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 1201 *et seq.*, the Clean Water Act, 33 U.S.C. § 1321 *et seq.*, the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and any other federal, state, local or other governmental statute, regulation, law or ordinance dealing with the protection of human health, natural resources or the environment. "**Hazardous Materials**" means any substance, material or waste that is listed, classified, or regulated by a Governmental Authority as a "toxic substance", "hazardous substance", "solid waste" or "hazardous material" or words of similar meaning or effect or otherwise regulated for potentially harmful effects to

human health or the environment by any Governmental Authority, including petroleum and petroleum products.

Section 1.17 Insurance Policies. Copies of all insurance policies maintained by the Company relating to the operation of the Business will be made available to Purchaser. All such insurance policies are in full force and effect and all premiums due thereon have been paid and will be paid through the Closing.

Section 1.18 No Default. To the best knowledge of the Company, the Company is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Company, under any other contract, lease, agreement, commitment or undertaking to which the Company is a party or by which it or its assets or properties are bound.

Section 1.19 Books and Records. The books of account, minute books, stock record books and other records of the Company, all of which have been made available to Purchaser, are accurate and complete in all material respects and have been maintained in accordance with sound business practices.

Section 1.20 Certificates. All certificates of occupancy, licenses, permits, authorizations, and approvals required by law or by any governmental authority having jurisdiction over the Premises have been obtained and are in full force and effect unless listed on schedule 5.7 hereof.

Section 1.21 Disclosure. To the best of the Company's knowledge, no representation or warranty of the Company contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Section 1.22 Brokerage Commission. No broker or finder has acted on behalf of the Company or any of its affiliates in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Company.

Article VI REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Company as follows:

Section 1.1 Organization, Good Standing and Qualification of the Purchaser. The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Purchaser.

Section 1.2 Authorization. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein has been taken by the Purchaser or will be taken prior to the Closing Date. The Purchaser has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in

accordance with its terms, will constitute a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 1.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by Purchaser does not: (i) conflict with, violate, or constitute a breach of or a default under or (ii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which Purchaser is a party.

Section 1.4 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 1.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Purchaser.

Section 1.6 Disclosure. To the best of Purchaser's knowledge, no representation or warranty of Purchaser contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Article VII COVENANTS OF THE COMPANY

Section 1.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Company agrees that until the Closing Date or the termination of this Agreement, neither the Company nor any representative of the Company will offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, merger, corporate reorganization of the Company, or the sale, transfer, encumbrance, pledge, collateralization or hypothecation of any assets of the Company or the Business. The Company hereby agrees to advise the Purchaser of any contact from any third party regarding the acquisition or other investment in the Company or the Business, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 1.2 Access; Due Diligence. Between the date of this Agreement and the Closing Date, the Company shall, subject to the Parties previous Non-Disclosure Agreement (a) provide Purchaser and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Company, and to the books and records of the Company, and the Business; (b) permit the Purchaser to make inspections thereof; and (c) cause the officers and advisors of the Company and the Business to furnish the Purchaser with such financial and operating data and other information with respect to the business and properties and to discuss such information with the Purchaser, as the Purchaser may from time to time reasonably request.

Section 1.3 Taxes. The Company shall file or cause to be filed all tax returns required to be filed by the Company, prepared in a manner consistent with past practice and timely pay all

taxes due and payable. The Company shall not (a) change any method of accounting of the Company for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Company; (c) change an accounting period of the Company with respect to any tax; (d) make, change or revoke any election with respect to taxes; or (e) extend or waive the applicable statute of limitations with respect to any taxes.

Section 1.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Company shall operate itself and the Business in the ordinary course consistent with past practices, and:

(a) The Company will not authorize, declare, pay, or effect any dividends or liquidate or distribute any common stock or other equity interest or undertake any direct or indirect redemption, purchase, or other acquisition of any equity interest;

(b) The Company will not make any changes in its condition (financial or otherwise), liabilities, assets, or business or in any of its business relationships, including relationships with suppliers or customers, that, when considered individually or in the aggregate, would reasonably be expected to have a material adverse effect on it;

(c) The Company will not increase the salary or other compensation payable or to become payable by it to any employee, or the declaration, payment, or commitment or obligation of any kind for the payment by it of a bonus or other additional salary or compensation to any such person except in the normal course of business, consistent with its past practices;

(d) The Company will not sell, lease, transfer or assign any of their assets, tangible or intangible, other than inventory for a fair consideration, in the ordinary course of business;

(e) The Company will not accelerate, terminate, modify, or cancel any agreement, contract, lease, or license (or series of related agreements, contracts, leases and licenses) involving more than \$10,000, either individually or in the aggregate, to which it is a party, other than in the ordinary course of business, absent the consent of Purchaser;

(f) The Company will not make any loans to any person or entity, or guarantee any loan, absent the consent of Purchaser;

(g) The Company will not waive or release any right or claim held by it, absent the consent of Purchaser;

(h) The Company will operate its business in the ordinary course and consistent with past practices so as to preserve its business organization intact, to retain the services of their employees and to preserve their goodwill and relationships with suppliers, creditors, customers, and others having business relationships with them;

(i) The Company will not issue any note, bond or other debt security or create, incur, or assume, or guarantee any indebtedness for borrowed money or capitalized lease obligations;

(j) The Company will not delay or postpone the payment of accounts payable and other liabilities outside the ordinary course of business;

(k) The Company will not make any change in any method, practice, or principle of accounting involving its business or assets;

(l) The Company will not issue, sell, or otherwise dispose of any of its capital stock or create, sell, or dispose of any options, rights, conversion rights or other agreements or commitments of any kind relating to the issuance, sale, or disposition of any of its equity interests;

(m) The Company will not reclassify, split up or otherwise change any of its common stock or capital structure;

(n) The Company will not be a party to any merger, consolidation, or other business combination; and

(o) The Company shall perform in all material respects all of its obligations under material contracts, leases and other documents relating to or affecting any of its assets, property or its business.

Nothing herein shall be deemed to prevent the Company from fulfilling current existing obligations and obligations incurred in the normal course of business until Closing.

Article VIII CONDITIONS TO CLOSING OF THE COMPANY

Each obligation of the Company to be performed on the Closing Date shall be subject to the satisfaction of each of the conditions stated in this Article VIII, except to the extent that such satisfaction is waived by the Company in writing:

Section 1.1 Representations and Warranties Correct. The representations and warranties made by Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. Purchaser shall provide to the Company certificates, dated the Closing Date, and signed by its President, to the effect set forth in Section 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Payment of Purchase Price. Purchaser shall have tendered the Purchase Price as referenced in Article III to the Company concurrently with the Closing.

Section 1.5 Corporate Resolutions. Purchaser shall provide corporate resolutions of the Board of Directors which approve the transactions contemplated herein and authorize the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against Purchaser.

Section 1.7 Consents; Status of Permits and Licenses. Purchaser shall have obtained all necessary permits and other authorizations, whether city, county, state or federal, which may

be needed to operate an establishment serving liquor and providing live female adult semi-nude entertainment on the Premises, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and to the continued performance of live female adult semi-nude entertainment at the Business, without any interruption.

Article IX CONDITIONS TO CLOSING OF PURCHASER

Each obligation of Purchaser to be performed on the Closing Date will be subject to the satisfaction of each of the conditions stated in this Article IX, except to the extent that such satisfaction is waived by Purchaser in writing.

Section 1.1 Representations and Warranties Correct. The representations and warranties made by the Company shall be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. The Company will provide to Purchaser certificates, dated the Closing Date, and signed by the President of the Company to the effect set forth in Section 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Delivery of Purchased Assets. The Company shall have delivered all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all encumbrances (except Permitted Encumbrances) in form and substance satisfactory to the Purchaser.

Section 1.5 Corporate Resolutions. The Company shall provide to Purchaser resolutions of its board of directors and shareholders, which approve all of the transactions contemplated herein and authorizes the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Consents; Status of Permits and Licenses. Purchaser shall possess all necessary permits and other authorizations, whether city, county, state or federal, which may be needed to operate an establishment serving liquor and providing live female adult semi-nude entertainment on the Premises, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and to the continued performance of live female adult semi-nude entertainment at the Business, without any interruption.

Section 1.7 Financial Records. The financial records of the Business shall be maintained and exist in such a manner as to allow for a certified audit as determined by the Purchaser.

Section 1.8 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority will have been commenced and no investigation by any governmental or regulatory authority will have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against the Company or any of its assets.

Article X CLOSING ADJUSTMENTS

The Company and the Purchaser agree that there shall be an adjustment made within 90 days of the Closing Date to adjust for any Excluded Assets and/or Excluded Liabilities that are found to exist as of the Closing Date, as such Excluded Assets or Excluded Liabilities may relate to the Purchased Assets or the Business, so that the Company shall be responsible and liable to the Purchaser for the liabilities of the Company that exist as of the Closing Date, less a credit for any miscellaneous cash on hand (for clarity, the Parties intend that cash on hand at Closing will be zero), credit card receivables or pro rata portion of pre-paid items.

Article XI INDEMNIFICATION

Section 1.1 Indemnification from the Company. The Company hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold Purchaser, its officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the “**Purchaser Group**”) harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys’ fees and costs of any suit related thereto) (collectively, “**Losses**”), whether arising from a direct (or first-party) claim or a third-party claim, suffered or incurred by any of the Purchaser Group arising from: (a) any breach of any representation or warranty of the Company contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Company hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Company under this Agreement; or (c) any Excluded Liability.

Section 1.2 Indemnification from Purchaser. Purchaser agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to the Company) and hold the Company and its officers, directors, affiliates, agents, legal counsel, successors and assigns (collectively, the “**Company Group**”) harmless from and against any and all Losses, whether arising from a direct (or first party) claim or a third-party claim, suffered or incurred by any of Company Group, arising from (a) any breach of any representation or warranty of Purchaser contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Purchaser hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of Purchaser under this Agreement; or (c) any Assumed Liability.

Section 1.3 Defense of Claims. If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the Indemnitor within ten (10) business days after receipt of notice or other date by which action must be taken; provided that the failure of any Indemnitee to give timely notice shall not affect rights to indemnification hereunder except to the extent that the Indemnitor demonstrates damage caused by such failure. After such notice, the Indemnitor shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the Indemnitor’s cost, risk and expense; and such Indemnitee shall cooperate in all reasonable respects, at its cost, risk and expense, with the Indemnitor and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the Indemnitee may, at its own cost, participate in such investigation, trial and defense of such lawsuit or action and any appeal arising therefrom, but the fees and expenses of its legal counsel shall be at the expense of the Indemnitee, except to the extent that (i) the employment thereof has been specifically authorized by the Indemnitor in writing, (ii) the Indemnitor has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict of any material issue between the position of the Indemnitor and the position of

such Indemnitee, in which case the Indemnitor shall be responsible for the reasonable fees and expenses of no more than one separate legal counsel. The Indemnitor shall not, without the prior written consent of the Indemnitee, effect any settlement of any proceeding in respect of which any Indemnitee is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the Indemnitor and includes an unconditional release of such Indemnitee from all liability on claims that are the subject matter of such proceeding.

Section 1.4 Default of Indemnification Obligation. If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys' fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 1.5 Survival of Representations and Warranties. The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "**Indemnitor**") under this Agreement unless the party entitled to indemnification (the "**Indemnitee**") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

Section 1.6 Right to Offset. In the event that the Purchaser is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser of any debts or liabilities resulting from the purchase of the Purchased Assets which were incurred prior to the Closing Date, then Purchaser shall have the right to offset any such amount from any obligations that are then due and payable to the Company by the Purchaser.

Article XII MISCELLANEOUS

Section 1.1 Amendment; Waiver. Neither this Agreement nor any provision hereof may be amended, modified, or supplemented unless in writing, executed by all the parties hereto. Except as otherwise expressly provided herein, no waiver with respect to this Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power, or remedy.

Section 1.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in Person or sent by registered or certified mail (return receipt requested) or nationally recognized overnight delivery service, postage pre-paid, or electronic mail, provided that any notice sent by electronic mail must include a reference to this Section 12.2 to be effective, addressed as follows, or to such other address as such party may notify to the other parties in writing:

(a) If to the Company: TTNA, Inc.
Attn: Charles J. Quaid
% Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

with a copy to: Charles J. Quaid
Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

(b) If to the Purchaser: ST Dining Services, Inc.
Attn: Travis Reese, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to: Robert D. Axelrod
Axelrod & Smith
1502 Augusta Drive, Suite 320
Houston, Texas 77057
Email: rdaxel@asklawhou.com

A notice or communication will be effective (i) if delivered in Person, by electronic mail, or by overnight courier, on the business day it is delivered and (ii) if sent by registered or certified mail, three (3) business days after dispatch. In the event either party delivers a notice by electronic mail, such party agrees to deposit the original notice in a post office, branch office post office, or mail depository maintained by the U.S. Postal Service postage prepaid and addressed as set forth above.

Section 1.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 1.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 1.5 Public Announcements. The parties hereto agree that prior to making any public announcement or statement with respect to the transactions contemplated by this Agreement, the party desiring to make such public announcement or statement shall advise the other parties hereto and exercise their best efforts to agree upon the text of a public announcement or statement to be made by the party desiring to make such public announcement; provided, however, that if any party hereto is required by law to make such public announcement or statement, then such announcement or statement may be made without the approval of the other parties, provided that such party will advise the other parties hereto.

Section 1.6 Entire Agreement. This Agreement, the Cooperation Agreement of this date required of Seller by Buyer and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings, contracts and communications, whether verbal or written among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

Section 1.7 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Texas, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Dallas County, Texas.

Section 1.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page was an original thereof.

Section 1.9 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with the negotiation and execution of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby.

Section 1.10 Section Headings. The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 1.11 No Third-Party Beneficiaries. Nothing in this Agreement will confer any third party beneficiary or other rights upon any person (specifically including any employees of The Company) or any entity that is not a party to this Agreement.

Section 1.12 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such actions as may be reasonably be requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

Section 1.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit, upon their respective acceptance of its terms, conditions and/or form.

Section 1.14 Termination of Agreement. This Agreement shall terminate and be of no force and effect and all other agreements executed herewith shall be of no force and effect if: (i) the transactions contemplated by this Agreement are not consummated on or before January 31, 2023, unless all of the parties hereto agree in writing to extend the Agreement or (ii) all of the parties agree in writing to terminate this Agreement sooner.

Section 1.15 Attorney Review - Construction. In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other that they have had the opportunity to be advised by attorneys of their own choice and, therefore, the normal rule of

construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

Section 1.16 Gender. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter gender and the singular shall include the plural and vice versa, wherever appropriate.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement to become effective as of the date first set forth above.

ST DINING SERVICES, INC.

By: /s/ Travis Reese
Travis Reese, President

TTNA, INC.

By: /s/ Steven William Craft
Steven William Craft, President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item

Quantity

Item

Quantity

Schedule 5.3

None

Schedule 5.5

None

Schedule 5.7

Gilbert Sotero, as the Representative of the Estate of Stephanie Sotero Hernandez, Eduviges Chapa III as Next friend of A.C.C., a minor, and Ivan Hernandez, Individually and as Representative of the Estate of Stephanie Sotero Hernandez, Deceased v. Baby Dolls Topless Saloons, Inc., Burch Management Company, Inc., BDS Restaurant, Inc. and TTNA, Inc. Defendants. Dram Shop with Insurance in place. Arbitration compelled by Texas Supreme Court. Arbitration pending

DOL/FLSA Audit (W2 workers) Settled Nov 2022 payments to be made per settlement on or before December 30, 2022.

Schedule 5.8

None

Schedule/Exhibit 5.9

None

Schedule 5.12

See Schedule 5.7

Schedule 5.13

To be Provided before Closing

Schedule 5.15

None

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made and entered into this ___ day of December, 2022, by and among DB Entertainment, Inc., a Texas corporation (the “**Company**”), and RCI Dining Service (Eules), Inc., a Texas corporation (the “**Purchaser**”). The Company and the Purchaser are sometimes hereinafter collectively referred to as the “**Parties**.”

WHEREAS, BD Hospitality Acquisition, Inc., as Texas corporation (“**BD Hospitality**”), owns all of the issued and outstanding capital stock of Purchaser; and

WHEREAS, the Company owns and operates an adult entertainment cabaret known as Baby Dolls-Ft. Worth (the “**Business**”) located at 3601 FM 157 Ft. Worth, Texas (the “**Premises**”); and

WHEREAS, the Purchaser and the Company desire that the Purchaser purchase all of the assets owned by the Company, including all assets used for the business of the Company on the Premises; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements and the respective representations and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

**Article I
PURCHASE AND SALE OF THE ASSETS**

Section 1.1 Assets of the Company to be Transferred to Purchaser. On the Closing Date (as defined in Section 4.1 hereof), and subject to the terms and conditions set forth in this Agreement, the Company shall sell, convey, transfer and assign, or cause to be sold, conveyed, transferred and assigned to Purchaser free and clear of all liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions, subject only to any liens created as part of the purchase, and Purchaser shall acquire from the Company all of the tangible and intangible assets and personal property of every kind and description and wherever situated of the Business from the Company, except the Excluded Assets, as defined in Section 1.2, including but not limited to, the following personal property of the Company:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated of the Business, including, without limitation, inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers (subject to Section 1.2) and software, appliances, sign inserts, sound and lighting and telephone systems not incorporated into the building, telephone numbers, and other personal property of whatever kind and nature owned or leased by the Company (subject to Section 1.1(d)), installed, located, situated or used in, on, or about, or in connection with the operation, use and enjoyment of the Premises and all other items on the subject Premises and used in connection with the operation of the Business;

(b) all of the Company’s inventory of supplies, accessories and any and all other items of personal property of whatever nature, excluding all alcoholic beverages sold by the Company in the operation of the Business(the “**Inventory**”);

(c) all supplies (other than Inventory) and other “consumable supplies” used in connection with the operation of the Business excluding food and non-alcoholic beverages (the “**Supplies**”);

(d) all of the Company’s right, title, and interest, as lessee, of any and all equipment leased by the Company and located at the Premises (the “**Leased Equipment**”) if disclosed by Company and for which Purchaser agrees to assume payment. The Company shall cancel and/or pay for (i) any equipment lease that the Purchaser does not elect to assume payment for and the use thereof and (ii) any undisclosed equipment lease;

(e) all right, title, and interest of the Company to the use of the telephone numbers presently being used by the Business, including all rotary extensions thereto, and all advertisements in the “Yellow Pages”, “City Directory” and other social media and digital accounts such as Facebook and Instagram, and after the Closing, Purchaser shall assume all expenses for the Telephone Numbers and advertising;

(f) copies of the Company’s lists of suppliers, and any and all of books, records, papers, files, memoranda and other documents relating to or compiled in connection with the operation of the Business which are requested by Purchaser, other than those assets listed in Section 1.2(i) (the “**Records**”);

(g) all intellectual property of every kind owned or licensed by the Company or any rights thereto, including but not limited to common law rights, if any, to the name “Baby Dolls” or any derivative, all trademarks, tradenames, service marks, patents, copyrights, and trade secrets (collectively, the “**Intellectual Property**”) (provided, however, that the Intellectual Property specifically excludes the federally registered service marks “Baby Dolls Saloon,” “Baby Dolls” and “Baby Dolls Topless Saloon,” which service marks are owned by a separate entity);

(h) all licenses, rights or ownership interests held by the Company to universal resource locators (“**URLs**”) and internet domain names, all source code and associated files necessary to operate URLs, including but not limited to images, graphics, content of the web pages, page layouts, scripts, forms and databases, and all goodwill associated with or used in connection with the operation or business of the URLs and internet domain names; and

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult semi-nude entertainment business serving alcoholic beverages on the Premises which the Company has the right to transfer and convey, including all other licenses, consents, authorizations, accreditations, waivers and approvals (together with all government filings pertaining thereto), however designated, established, maintained or renewed and issued evidencing or authorizing the Company, the Company’s agent(s) or nominee(s) for the purpose of engaging in the business and/or operation of an adult entertainment nightclub business, restaurant, bar, lounge, sale of liquor or any other business currently operating or capable of being operated on the Premises however characterized (collectively the “**Permits**”). The parties recognize that the right to operate as a Sexually Oriented Business/Adult Entertainment Establishment/Adult Cabaret requires a license (SOB License)” that is not transferable and not being transferred or sold herein. However, the Purchaser shall within three (3) business days of the execution of this Agreement apply for a SOB License at the location of the Company and use best efforts to obtain issuance thereof. The Company will cooperate as needed with such efforts. The parties recognize that the right to sell wine beer alcohol requires a permit from the Texas Alcoholic Beverage Commission (“TABC Permit”) that is not transferable and not being transferred or sold herein. However, the Purchaser shall within

three (3) business days of the execution of this Agreement apply for a TABC Permit at the location of the Company and use best efforts to obtain issuance thereof. The Company will cooperate as needed with such efforts

(j) All interest and future obligation in every LICENSE AND LEASE AGREEMENT the Business has with independent contractor entertainers at the Business, which are assignable by the Business and will be assigned by the Business to Purchaser and accepted by the Purchaser upon Closing (same being subject to Purchaser's right to terminate upon thirty days written notice to any respective entertainer).

All of the items set forth in this Section 1.1 are collectively referred to as the "**Purchased Assets**". Exhibit 1.1, which will be completed prior to Closing, shall list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (i) the corporate seals, corporate books and minutes, corporate files, accounting, tax and financial records and records related to corporate governance of the Company; (ii) all Company bank accounts and all Company monies (including cash) on hand as of the Closing Date; (iii) all credit card receipts and ATM purchases as of the Closing Date; (iv) securities of any type, whether marketable or not; (v) prepaid expenses; (vi) all accounts or notes receivable of, or held by, the Company not generated by the business of the Company; (vii) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise, and which are not associated with the business of the Company or the Purchased Assets; (viii) the Company's rights under or pursuant to this Agreement and the other agreements, documents, certificates and other instruments entered into or delivered in connection with this Agreement to which the Company is a party; (ix) all business insurance policies of the Company; (x) all employee benefit plans of the Company; (xi) the liquor, spirits, wine or beer inventory located at the Business (subject to Section 1.5; (xii) any permit or license issued by the Texas Alcoholic Beverage Commission; (xiii) any real estate held in fee simple by the Business and (xiv) any permit or license issued by any governmental agency related to operation by the Company or at the Premises of an Adult Entertainment Establishment or Sexually Oriented Business and (xiv) any intellectual property rights excluded in Section 1.1(g) hereof (; (hereinafter collectively referred to as the "**Excluded Assets**").

Section 1.3 Intent of the Parties. Although the description of the Purchased Assets in Section 1.1 is intended to be complete, in the event Section 1.1 fails to contain the description of any assets belonging to the Company which are used for the Business and are not otherwise an Excluded Asset, such assets shall nonetheless be deemed transferred to Purchaser at the Closing.

Section 1.4 Food Inventory. On date of Closing, Purchaser and the Company will conduct a physical inventory of said food and non-alcoholic beverage inventory in the Premises, at a cost price determined for said inventory and a specific and additional payment for same from Purchaser to the Company for same will be made within 30 days of closing.

Section 1.5 Liquor Inventory On date of the Closing of the transaction contemplated by this Agreement, the current the TABC permit holder must cease to sell liquor, spirits, beer, and wine (herein "liquor") as they will no longer have a legal right to occupy the Premises. Purchaser shall acquire from the TABC permit holder the TABC permit holder's liquor inventory present at the Premises location on the date of closing, which will require (a) an actual physical inventory of said liquor inventory to be conducted by Purchaser at close of business on day sale closes and reported to TABC before Purchaser reopens and (b) the payment within 30 days of closing for the inventory at its cost price by Purchaser to the TABC permit holder.

Article II LIABILITIES

Section 1.1 Excluded Liabilities. Purchaser shall have no obligation and is not assuming, and the Company shall retain, pay, perform, defend and discharge, all of the liabilities and obligations of every kind whatsoever related or connected to the Purchased Assets or the business of the Company, which liabilities existed, arose, or accrued during the periods on or prior to the Closing Date, whether disclosed or undisclosed, known or unknown on the Closing Date, direct or indirect, absolute or contingent, secured or unsecured, liquidated or unliquidated, accrued or otherwise, whether liabilities for taxes, liabilities of creditors, liabilities arising under any existing lease agreement, liabilities arising under any profit sharing, pension or other benefit under any plan of the Company, liabilities to any Governmental Agency (as hereinafter defined) or third parties, liabilities assumed or incurred by the Company by operation of law or otherwise (collectively, the “**Excluded Liabilities**”), including, but not limited to, (i) contractual liabilities arising or accruing from the Company or the Business or ownership of the Purchased Assets on or prior to the Closing Date, (ii) any liability with respect to the Company’s or the Business’ or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period on or prior to the Closing Date, (iii) any existing litigation against the Company or the Business, (iv) any taxes owing by the Company for taxable periods or portions of taxable periods ending on or before the Closing Date, whether related to the Business, the Purchased Assets or otherwise, and any liens on the Purchased Assets relating to any such taxes, and (v) any suit, action, proceeding, claim or investigation against Purchaser Group (as hereinafter defined) which arises from or which is based upon or pertaining to the Company’s conduct or operation of the Business on or prior to the Closing Date; provided that any such liability shall only be an Excluded Liability to the extent the liability relates to the period ending on the Closing Date and, for clarity, any liability which arises from or which is based upon or pertaining to the Purchaser’s conduct or operation of the Business relating to any period ending after the Closing Date shall solely be a liability of the Purchaser. Nothing herein shall be interpreted to prevent the Company from contesting the validity of any of its alleged liabilities including as defined as “Excluded Liabilities” herein nor shall this agreement be construed to create a Third-Party Beneficiary related to any of the “Excluded Liabilities”. The Company retains all defenses, offsets and claims, and the right to assert same as to any and all of the “Excluded Liabilities.”

Section 1.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the Closing, to assume and agrees to pay, perform and discharge only the liabilities and obligations related or connected to the Purchased Assets or the operation by Purchaser of any Business on the Premises arising or accruing after the Closing Date, other than liabilities arising out of a breach of this Agreement by the Company (collectively, the “**Assumed Liabilities**”), including, but not limited to, (i) contractual liabilities arising from the Business, ownership of the Purchased Assets or operation by Purchaser of any Business on the Premises after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser), (ii) any litigation resulting from the use or ownership of any of the Purchased Assets that occurs subsequent to the Closing Date as a result of Purchaser’s operation of any business on the Premises, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending after the Closing Date, whether related to the Business or the Purchased Assets or Purchaser’s operation of any business on the Premises, and any liens on the Purchased Assets relating to any such taxes accruing during the period subsequent to the Closing Date, and (iv) any suit, action, proceeding, claim or investigation by any individual or Governmental Agency alleging that, during any period after the Closing Date, Purchaser, through its operation of the Business during such period or periods, misclassified entertainers. For clarity, Purchaser will only assume liabilities which arise from or which are based upon or pertain to the Purchaser’s conduct or operation of the Business or on the location of the Premises which occur after the Closing Date.

Section 1.3 Taxes. The Company shall pay when due any sales, transfer, excise, or other taxes which may be imposed in any jurisdiction in connection with or arising from the sale and transfer of any of the Purchased Assets to Purchaser.

Section 1.4 Bulk Sales Laws. The Company acknowledges that any applicable provisions of any tax clearance or bulk sales laws pertaining to the transactions contemplated by this Agreement are being complied with and that the Company agrees to indemnify and hold harmless Purchaser from and against any and all liabilities arising out of or relating to any such tax clearance or bulk sales law. Any such liability shall be an Excluded Liability.

Article III PURCHASE PRICE FOR THE PURCHASED ASSETS

The Purchaser shall pay to the Company for all of the Purchased Assets a total purchase price of Five Hundred Thousand Dollars (\$500,000.00) plus sums calculated under 1.4 herein (the “**Purchase Price**”), which will be payable at the Closing, as follows: issue to the Company of a 10-year promissory note (the “**Promissory Note**”) with a principal amount equal to Five Hundred Thousand Dollars (\$500,000.00), which Promissory Note will bear interest at the rate of 7% per annum and be payable, in arrears, in 120 equal monthly payments of principal and interest of \$5805.42, based on a 10-year amortization schedule, with the first payment due 30 days after Closing. The Promissory Note will be secured by a first lien on the Purchased Assets pursuant to a security agreement and the filing of a UCC financing statement and additionally the provision of an absolute, unconditional, and continuing guarantee of BD Hospitality Acquisition, Inc. and a Pledge by BD Hospitality Acquisition, Inc. of its Stock in Purchaser. Purchaser shall remain liable under 1.5 hereof.

Article IV CLOSING

Section 1.1 The Closing. The closing (the “**Closing**”) of the transactions contemplated by this Agreement shall take place as soon as practicable and when agreed to by the parties, but in no event until the satisfaction or waiver of the conditions set forth in Article VIII and Article IX (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to satisfaction or waiver of those conditions), or on such other date as the Parties may mutually agree in writing (the “**Closing Date**”). The Closing will take place at the office of Title Partners, 5501 LBJ Freeway, Suite 200, Dallas, Texas 75240, or at such other place as agreed upon among the parties hereto, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. Notwithstanding the foregoing, in the event the conditions to Closing have not been satisfied or waived by January 31, 2023, then the Company or Purchaser may terminate this Agreement by giving written notice to the other Parties as provided for in Section 12.2, and this Agreement will be of no further force or effect.

Section 1.2 Delivery of Documents at Closing. At the Closing: (a) the Company shall deliver to Purchaser all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all liens, charges or encumbrances, other than Permitted Encumbrances, against delivery by Purchaser to the Company of payment in an amount equal to the Purchase Price of the Purchased Assets being purchased by Purchaser in the manner set forth herein in accordance with Article III hereof; and (b) the Company and Purchaser shall deliver the various certificates, instruments and documents (and shall take the required actions) referred to in Articles VIII and IX below.

Article V
REPRESENTATIONS AND WARRANTIES
OF THE COMPANY

Except as set forth in the disclosure schedules accompanying this Agreement (each a “**Schedule**” and collectively the “**Schedules**”), the Company hereby represents and warrants to Purchaser as follows:

Section 1.1 Organization, Good Standing and Qualification of the Company. The Company is a Texas corporation duly organized and validly existing and in good standing under the laws of the state of Texas, has all requisite power and authority to carry on its business, and is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Company.

Section 1.2 Subsidiaries. The Company owns one subsidiary.

Section 1.3 Ownership of the Purchased Assets. The Company owns all of the Purchased Assets free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances, other than Permitted Encumbrances. The Company has the unrestricted right and power to transfer, convey and deliver full ownership of the Purchased Assets without the consent or agreement of any other person and without any designation, declaration or filing with any Governmental Authority. Upon the transfer of the Purchased Assets to Purchaser as contemplated herein, Purchaser will receive title thereto, free, and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances, or other restrictions other than Permitted Encumbrances. For purposes of this Agreement, “**Permitted Encumbrances**” means (a) liens for taxes, assessments or government charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and which are subject to reasonable reserves, all as listed on Schedule 5.3, attached hereto; (b) those encumbrances, if any, listed on Schedule 5.3 attached hereto.

Section 1.4 Authorization. All action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein have been taken by the Company or will be taken prior to the Closing Date. The Company has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors’ rights and to general equitable principles.

Section 1.5 No Breaches or Defaults. Except as shown on Schedule 5.5, the execution, delivery, and performance of this Agreement by the Company does not: (i) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of the Company, (ii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets, (iii) conflict with or result in a breach or violation of, or default under, or give rise to any right of acceleration or termination of, any of the terms, conditions or provisions of any note, bond, lease, license, agreement or other instrument or obligation to which the Company is a party of by which the Company’s assets or properties are bound or (iv) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (a) any applicable Legal Requirement (as defined below), or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Company is a

party or by which the Purchased Assets may be bound or affected. For purposes of this Agreement, “**Governmental Authority**” means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, “**Legal Requirement**” means any law, statute, injunction, decree, order, or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority. Provided however, any license to operate as a Sexually Oriented Business or sell alcoholic beverages by Purchaser in the future using the Purchased Assets must be approved by the appropriate Governmental Agency or Entity.

Section 1.6 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of the Company in connection with the execution and delivery by the Company of this Agreement or the consummation and performance of the transactions contemplated hereby. Provided however, any license to operate as a Sexually Oriented Business or sell alcoholic beverages by Purchaser in the future using the Purchased Assets must be approved by the appropriate Governmental Agency or Entity

Section 1.7 Pending Claims. There is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or, to the Company’s knowledge, threatened against the Company before any court, arbitration, administrative or regulatory body or any governmental agency which would reasonably be expected to result in any judgment, order, award, decree, liability or other determination which will or would reasonably be expected to have any material effect upon the Company or the Business or the transfer by the Company to Purchaser of the Purchased Assets, and there is no basis known to the Company for any such action. No litigation is pending, or, to the Company’s knowledge, threatened against the Company, which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. The Company is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against it or which would reasonably be expected to materially and adversely affect the Company, the Purchased Assets, the Real Property or the Business. There are however claims, suits, arbitrations, investigations, actions, litigations, or other proceedings, now pending or threatened against the Company as listed in Schedule 5.7 hereof.

Section 1.8 Taxes. The Company has timely and accurately prepared and filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates by the Company and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes, and withholding or other payroll related taxes shown on such returns. The Company to the best knowledge of the Company, is not delinquent in the payment of any tax or governmental charge of any nature. The Company has no knowledge of any liability for any tax to be imposed by any taxing authorities upon the Company as of the date of this Agreement and as of the Closing that is not adequately provided for. No assessments or notices of deficiency or other communications have been received by the Company with respect to any tax return of the Company which has not been paid, discharged, or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. Except as shown on Schedule 5.8, none of the federal, state, foreign and local tax returns of the Company have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations, or claims pending. The Company has no knowledge of any additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company for any period, nor of any basis for any such assessment, adjustment, or contingency. There are no agreements between the Company and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 1.9 Financial Statements. The Company has or will deliver to the Purchaser the unaudited Balance Sheets of the Company as of September 30, 2022, together with the related unaudited Statements of Income for the periods then ended (hereinafter referred to as the “**Financial Statements**”). Such Financial Statements are in accordance with the books and records of the Company and fairly represent in all material respects the financial position of the Company and the results of operations and changes in financial position of the Company as of the dates and for the periods indicated, in each case in conformity with income tax-basis of accounting principles applied on a consistent basis. Except as shown on Exhibit 5.9 and except as and to the extent reflected or reserved against in the Financial Statements, the Company, as of the date of the Financial Statements, has no material liability or obligation of any nature required to be disclosed in a balance sheet in accordance with income tax-basis of accounting principles. The Company is an accrual method taxpayer.

Section 1.10 No Material Adverse Change. To the best knowledge of the Company, since the date of the Financial Statements, the Company has conducted its business in the ordinary course, consistent with past practice, and there has been no (i) change that has had or would reasonably be expected to have a material adverse effect upon the assets or business or the financial condition or other operations of the Company; (ii) acquisition or disposition of any material asset by the Company or any contract or arrangement therefore, otherwise than for fair value in the ordinary course of business; (iii) material change in the Company’s accounting principles, practices or methods; (iv) incurrence of any material indebtedness or lending of money to any person or entity; (v) acceleration, termination, modification or cancellation of any agreement, contract, lease or license (or series of related agreements, contracts, leases or licenses) involving more than \$10,000 to which the Company is a party; or (vi) delay or postponement in the payment of any accounts payable or other liabilities.

Section 1.11 Labor Matters. The Company is not a party or otherwise subject to any collective bargaining agreement with any labor union or association. There are no discussions, negotiations, demands or proposals that are pending or have been conducted or made with or by any labor union or association, and there are not pending or threatened against the Company any labor disputes, strikes or work stoppages. All employees, including upper management level personnel of the Business are employed at will and their employment or engagement may be terminated at will.

Section 1.12 Compliance with Laws. To the knowledge of the Company, the Company is, and at all times prior to the date hereof, has been in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. The Company has not received any written order or written notice of any such violation or claim of violation of any such statute, order, rule, ordinance, or regulation by the Company, except as listed on Schedule 5.12. The Company owns, holds, possesses, or lawfully uses in the operation of its business all permits and licenses which are in any manner necessary or required for it to conduct its operation and business as now being conducted. Schedule 5.12 sets forth a list of all licenses and permits held by the Company used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date, unless surrendered by the Company to effectuate this transaction. To the knowledge of the Company, no material record violations exist in respect of any such permit or license and no investigation or proceeding is pending or threatened, that would reasonably be expected to result in the suspension, revocation, modification, non-renewal, limitation or restriction of any such permits or licenses.

Section 1.13 Contracts and Leases. Except as shown on Schedule 5.13, the Company does not (i) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) have any have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (iii) have given any power of attorney to any person or organization for any purpose relating to the Purchased Assets or business of the Company or the

Business. The Company operates its adult entertainment cabaret located at the Premises under an existing lease agreement. The Company shall make available to Purchaser prior to the Closing Date each and every written contract, lease or other document relating to the Purchased Assets of the Company to which it is subject or is a party or a beneficiary. To the Company's knowledge, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute legal, valid and binding obligations of the Company and the other respective parties thereto and are enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles. The Company has no knowledge of any default or breach under such contracts, leases, or other documents or of any pending or threatened claims under any such contracts, leases, or other documents, except as listed on Schedule 5.13. Neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the financial condition of the Company or the operation of the Business after the Closing.

Section 1.14 No Pending Transactions. Except for the transactions contemplated by this Agreement, the Company is not a party to or bound by or the subject of any agreement, undertaking, commitment or discussions or negotiations with any person that would reasonably be expected to result in: (i) the sale, merger, consolidation or recapitalization of the Company; (ii) the sale of any of the Purchased Assets of the Company (other than in the ordinary course of its business); (iii) the sale of any outstanding capital stock of the Company; (iv) the acquisition by the Company of any operating business or the capital stock of any other person or entity; (v) the borrowing of money; (vi) any agreement with any of the respective officers, managers or affiliates of the Company; or (vii) the expenditure of more than \$10,000 or the performance by the Company extending for a period more than one year from the date hereof.

Section 1.15 Material Agreements; Action. Except as shown on Schedule 5.15 and except for the transactions contemplated by this Agreement, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Company is a party or by which it is bound that involve or relate to (i) any of the respective officers, directors, stockholder or partners of the Company or (ii) covenants of the Company not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with the Company in any line of business or in any geographical area.

Section 1.16 Environmental Matters. To the best knowledge of the Company, the Company has conducted its Business in compliance with all Environmental Laws (as hereinafter defined), except for any such instance of non-compliance that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Purchased Assets. The Company is in compliance with all Permits required under applicable Environmental Laws, except where the absence of, or the failure to be in compliance with, any such Permit would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Business. There are no written claims, notices of violation or any other actions, investigations or proceedings pending or threatened against the Company alleging violations of or liability under any Environmental Law. To the best knowledge of the Company, there has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Company, and no property currently or formerly owned, leased, or operated by the Company, has been contaminated by the Company or to the knowledge of the Company, by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Company. The Company is not subject to any order, decree, injunction or other agreement with any Governmental Authority or any indemnity or other agreement with any other Person relating to liability under any Environmental Law. "**Environmental Laws**" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 1201 *et seq.*, the Clean Water

Act, 33 U.S.C. § 1321 *et seq.*, the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and any other federal, state, local or other governmental statute, regulation, law or ordinance dealing with the protection of human health, natural resources or the environment. “**Hazardous Materials**” means any substance, material or waste that is listed, classified, or regulated by a Governmental Authority as a “toxic substance”, “hazardous substance”, “solid waste” or “hazardous material” or words of similar meaning or effect or otherwise regulated for potentially harmful effects to human health or the environment by any Governmental Authority, including petroleum and petroleum products.

Section 1.17 Insurance Policies. Copies of all insurance policies maintained by the Company relating to the operation of the Business will be made available to Purchaser. All such insurance policies are in full force and effect and all premiums due thereon have been paid and will be paid through the Closing.

Section 1.18 No Default. To the best knowledge of the Company, the Company is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Company, under any other contract, lease, agreement, commitment or undertaking to which the Company is a party or by which it or its assets or properties are bound.

Section 1.19 Books and Records. The books of account, minute books, stock record books and other records of the Company, all of which have been made available to Purchaser, are accurate and complete in all material respects and have been maintained in accordance with sound business practices.

Section 1.20 Certificates. All certificates of occupancy, licenses, permits, authorizations, and approvals required by law or by any governmental authority having jurisdiction over the Premises have been obtained and are in full force and effect unless listed on schedule 5.7 hereof.

Section 1.21 Disclosure. To the best of the Company’s knowledge, no representation or warranty of the Company contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Section 1.22 Brokerage Commission. No broker or finder has acted on behalf of the Company or any of its affiliates in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder’s fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Company.

Article VI REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Company as follows:

Section 1.1 Organization, Good Standing and Qualification of the Purchaser. The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Purchaser.

Section 1.2 Authorization. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein has been taken by the Purchaser or will be taken prior to the Closing Date. The Purchaser has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 1.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by Purchaser does not: (i) conflict with, violate, or constitute a breach of or a default under or (ii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which Purchaser is a party.

Section 1.4 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 1.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Purchaser.

Section 1.6 Disclosure. To the best of Purchaser's knowledge, no representation or warranty of Purchaser contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Article VII COVENANTS OF THE COMPANY

Section 1.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Company agrees that until the Closing Date or the termination of this Agreement, neither the Company nor any representative of the Company will offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, merger, corporate reorganization of the Company, or the sale, transfer, encumbrance, pledge, collateralization or hypothecation of any assets of the Company or the Business. The Company hereby agrees to advise the Purchaser of any contact from any third party regarding the acquisition or other investment in the Company or the Business, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 1.2 Access; Due Diligence. Between the date of this Agreement and the Closing Date, the Company shall, subject to the Parties previous Non-Disclosure Agreement (a) provide Purchaser and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Company, and to the books and records of the Company, and the Business; (b) permit the Purchaser to make inspections thereof; and (c) cause the officers and advisors of the Company and the Business to furnish the Purchaser with such

financial and operating data and other information with respect to the business and properties and to discuss such information with the Purchaser, as the Purchaser may from time to time reasonably request.

Section 1.3 Taxes. The Company shall file or cause to be filed all tax returns required to be filed by the Company, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Company shall not (a) change any method of accounting of the Company for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Company; (c) change an accounting period of the Company with respect to any tax; (d) make, change or revoke any election with respect to taxes; or (e) extend or waive the applicable statute of limitations with respect to any taxes.

Section 1.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Company shall operate itself and the Business in the ordinary course consistent with past practices, and:

(a) The Company will not authorize, declare, pay, or effect any dividends or liquidate or distribute any common stock or other equity interest or undertake any direct or indirect redemption, purchase, or other acquisition of any equity interest;

(b) The Company will not make any changes in its condition (financial or otherwise), liabilities, assets, or business or in any of its business relationships, including relationships with suppliers or customers, that, when considered individually or in the aggregate, would reasonably be expected to have a material adverse effect on it;

(c) The Company will not increase the salary or other compensation payable or to become payable by it to any employee, or the declaration, payment, or commitment or obligation of any kind for the payment by it of a bonus or other additional salary or compensation to any such person except in the normal course of business, consistent with its past practices;

(d) The Company will not sell, lease, transfer or assign any of their assets, tangible or intangible, other than inventory for a fair consideration, in the ordinary course of business;

(e) The Company will not accelerate, terminate, modify, or cancel any agreement, contract, lease, or license (or series of related agreements, contracts, leases and licenses) involving more than \$10,000, either individually or in the aggregate, to which it is a party, other than in the ordinary course of business, absent the consent of Purchaser;

(f) The Company will not make any loans to any person or entity, or guarantee any loan, absent the consent of Purchaser;

(g) The Company will not waive or release any right or claim held by it, absent the consent of Purchaser;

(h) The Company will operate its business in the ordinary course and consistent with past practices so as to preserve its business organization intact, to retain the services of their employees and to preserve their goodwill and relationships with suppliers, creditors, customers, and others having business relationships with them;

(i) The Company will not issue any note, bond or other debt security or create, incur, or assume, or guarantee any indebtedness for borrowed money or capitalized lease obligations;

(j) The Company will not delay or postpone the payment of accounts payable and other liabilities outside the ordinary course of business;

(k) The Company will not make any change in any method, practice, or principle of accounting involving its business or assets;

(l) The Company will not issue, sell, or otherwise dispose of any of its capital stock or create, sell, or dispose of any options, rights, conversion rights or other agreements or commitments of any kind relating to the issuance, sale, or disposition of any of its equity interests;

(m) The Company will not reclassify, split up or otherwise change any of its common stock or capital structure;

(n) The Company will not be a party to any merger, consolidation, or other business combination; and

(o) The Company shall perform in all material respects all of its obligations under material contracts, leases and other documents relating to or affecting any of its assets, property or its business.

Nothing herein shall be deemed to prevent the Company from fulfilling current existing obligations and obligations incurred in the normal course of business until Closing.

Article VIII CONDITIONS TO CLOSING OF THE COMPANY

Each obligation of the Company to be performed on the Closing Date shall be subject to the satisfaction of each of the conditions stated in this Article VIII, except to the extent that such satisfaction is waived by the Company in writing:

Section 1.1 Representations and Warranties Correct. The representations and warranties made by Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. Purchaser shall provide to the Company certificates, dated the Closing Date, and signed by its President, to the effect set forth in Section 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Payment of Purchase Price. Purchaser shall have tendered the Purchase Price as referenced in Article III to the Company concurrently with the Closing.

Section 1.5 Corporate Resolutions. Purchaser shall provide corporate resolutions of the Board of Directors which approve the transactions contemplated herein and authorize the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no

investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against Purchaser.

Section 1.7 Consents; Status of Permits and Licenses. Purchaser shall have obtained all necessary permits and other authorizations, whether city, county, state or federal, which may be needed to operate an establishment serving liquor and providing live female adult semi-nude entertainment on the Premises, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and to the continued performance of live female adult semi-nude entertainment at the Business, without any interruption.

Article IX CONDITIONS TO CLOSING OF PURCHASER

Each obligation of Purchaser to be performed on the Closing Date will be subject to the satisfaction of each of the conditions stated in this Article IX, except to the extent that such satisfaction is waived by Purchaser in writing.

Section 1.1 Representations and Warranties Correct. The representations and warranties made by the Company shall be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. The Company will provide to Purchaser certificates, dated the Closing Date, and signed by the President of the Company to the effect set forth in Section 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Delivery of Purchased Assets. The Company shall have delivered all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all encumbrances (except Permitted Encumbrances) in form and substance satisfactory to the Purchaser.

Section 1.5 Corporate Resolutions. The Company shall provide to Purchaser resolutions of its board of directors and shareholders, which approve all of the transactions contemplated herein and authorizes the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Consents; Status of Permits and Licenses. Purchaser shall possess all necessary permits and other authorizations, whether city, county, state or federal, which may be needed to operate an establishment serving liquor and providing live female adult semi-nude entertainment on the Premises, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and to the continued performance of live female adult semi-nude entertainment at the Business, without any interruption.

Section 1.7 Financial Records. The financial records of the Business shall be maintained and exist in such a manner as to allow for a certified audit as determined by the Purchaser.

Section 1.8 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority will have been commenced and no investigation by any governmental or regulatory authority will have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against the Company or any of its assets.

Article X CLOSING ADJUSTMENTS

The Company and the Purchaser agree that there shall be an adjustment made within 90 days of the Closing Date to adjust for any Excluded Assets and/or Excluded Liabilities that are found to exist as of the Closing Date, as such Excluded Assets or Excluded Liabilities may relate to the Purchased Assets or the Business, so that the Company shall be responsible and liable to the Purchaser for the liabilities of the Company that exist as of the Closing Date, less a credit for any miscellaneous cash on hand (for clarity, the Parties intend that cash on hand at Closing will be zero), credit card receivables or pro rata portion of pre-paid items.

Article XI INDEMNIFICATION

Section 1.1 Indemnification from the Company. The Company hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold Purchaser, its officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the “**Purchaser Group**”) harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys’ fees and costs of any suit related thereto) (collectively, “**Losses**”), whether arising from a direct (or first-party) claim or a third-party claim, suffered or incurred by any of the Purchaser Group arising from: (a) any breach of any representation or warranty of the Company contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Company hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Company under this Agreement; or (c) any Excluded Liability.

Section 1.2 Indemnification from Purchaser. Purchaser agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to the Company) and hold the Company and its officers, directors, affiliates, agents, legal counsel, successors and assigns (collectively, the “**Company Group**”) harmless from and against any and all Losses, whether arising from a direct (or first party) claim or a third-party claim, suffered or incurred by any of Company Group, arising from (a) any breach of any representation or warranty of Purchaser contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Purchaser hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of Purchaser under this Agreement; or (c) any Assumed Liability.

Section 1.3 Defense of Claims. If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the Indemnitor within ten (10) business days after receipt of notice or other date by which action must be taken; provided that the failure of any Indemnitee to give timely notice shall not affect rights to indemnification hereunder except to the extent that the Indemnitor demonstrates damage caused by such failure. After such notice, the Indemnitor shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the Indemnitor’s cost, risk and expense; and such Indemnitee shall cooperate in all reasonable respects, at its cost, risk and expense, with the Indemnitor and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the Indemnitee may, at its own cost, participate in such investigation,

trial and defense of such lawsuit or action and any appeal arising therefrom, but the fees and expenses of its legal counsel shall be at the expense of the Indemnitee, except to the extent that (i) the employment thereof has been specifically authorized by the Indemnitor in writing, (ii) the Indemnitor has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict of any material issue between the position of the Indemnitor and the position of such Indemnitee, in which case the Indemnitor shall be responsible for the reasonable fees and expenses of no more than one separate legal counsel. The Indemnitor shall not, without the prior written consent of the Indemnitee, effect any settlement of any proceeding in respect of which any Indemnitee is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the Indemnitor and includes an unconditional release of such Indemnitee from all liability on claims that are the subject matter of such proceeding.

Section 1.4 Default of Indemnification Obligation. If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys' fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 1.5 Survival of Representations and Warranties. The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "**Indemnitor**") under this Agreement unless the party entitled to indemnification (the "**Indemnitee**") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

Section 1.6 Right to Offset. In the event that the Purchaser is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser of any debts or liabilities resulting from the purchase of the Purchased Assets which were incurred prior to the Closing Date, then Purchaser shall have the right to offset any such amount from any obligations that are then due and payable to the Company by the Purchaser.

Article XII MISCELLANEOUS

Section 1.1 Amendment; Waiver. Neither this Agreement nor any provision hereof may be amended, modified, or supplemented unless in writing, executed by all the parties hereto. Except as otherwise expressly provided herein, no waiver with respect to this Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power, or remedy.

Section 1.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in Person or sent by registered or certified mail (return receipt requested) or nationally recognized overnight delivery service, postage pre-paid, or electronic mail, provided that any notice sent by electronic mail must include a reference to this Section 12.2 to be effective, addressed as follows, or to such other address as such party may notify to the other parties in writing:

(a) If to the Company: DB Entertainment, Inc.
Attn: Charles J. Quaid
% Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

with a copy to: Charles J. Quaid
Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

(b) If to the Purchaser: RCI Dining Service (Eules), Inc.
Attn: Travis Reese, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to: Robert D. Axelrod
Axelrod & Smith
1502 Augusta Drive, Suite 320
Houston, Texas 77057
Email: rdaxel@asklawhou.com

A notice or communication will be effective (i) if delivered in Person, by electronic mail, or by overnight courier, on the business day it is delivered and (ii) if sent by registered or certified mail, three (3) business days after dispatch. In the event either party delivers a notice by electronic mail, such party agrees to deposit the original notice in a post office, branch office post office, or mail depository maintained by the U.S. Postal Service postage prepaid and addressed as set forth above.

Section 1.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 1.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 1.5 Public Announcements. The parties hereto agree that prior to making any public announcement or statement with respect to the transactions contemplated by this Agreement, the party desiring to make such public announcement or statement shall advise the

other parties hereto and exercise their best efforts to agree upon the text of a public announcement or statement to be made by the party desiring to make such public announcement; provided, however, that if any party hereto is required by law to make such public announcement or statement, then such announcement or statement may be made without the approval of the other parties, provided that such party will advise the other parties hereto.

Section 1.6 Entire Agreement. This Agreement, the Cooperation Agreement of this date required of Seller by Buyer and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings, contracts and communications, whether verbal or written among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

Section 1.7 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Texas, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Dallas County, Texas.

Section 1.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page was an original thereof.

Section 1.9 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with the negotiation and execution of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby.

Section 1.10 Section Headings. The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 1.11 No Third-Party Beneficiaries. Nothing in this Agreement will confer any third party beneficiary or other rights upon any person (specifically including any employees of The Company) or any entity that is not a party to this Agreement.

Section 1.12 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such actions as may be reasonably be requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

Section 1.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit, upon their respective acceptance of its terms, conditions and/or form.

Section 1.14 Termination of Agreement. This Agreement shall terminate and be of no force and effect and all other agreements executed herewith shall be of no force and effect if: (i) the transactions contemplated by this Agreement are not consummated on or before January 31,

2023, unless all of the parties hereto agree in writing to extend the Agreement or (ii) all of the parties agree in writing to terminate this Agreement sooner.

Section 1.15 Attorney Review - Construction. In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other that they have had the opportunity to be advised by attorneys of their own choice and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

Section 1.16 Gender. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter gender and the singular shall include the plural and vice versa, wherever appropriate.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement to become effective as of the date first set forth above.

RCI Dining Service (Eules), Inc.

By: /s/ Travis Reese
Travis Reese, President

DB Entertainment, Inc.

By: /s/ Steven William Craft
Steven William Craft, President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item

Quantity

Item

Quantity

Schedule 5.3

None

Schedule 5.5

None

Schedule 5.7

None

Schedule 5.8

None

Schedule/Exhibit 5.9

None

Schedule 5.12

None

Schedule 5.13

To be Provided before Closing

Schedule 5.15

None

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made and entered into this ___ day of December, 2022, by and among Duncan Burch, Inc., a Texas corporation (the “**Company**”), and RCI Dining Service (Southwest Freeway), Inc., a Texas corporation (the “**Purchaser**”). The Company and the Purchaser are sometimes hereinafter collectively referred to as the “**Parties**.”

WHEREAS, BD Hospitality Acquisition, Inc., as Texas corporation (“**BD Hospitality**”), owns all of the issued and outstanding capital stock of Purchaser; and

WHEREAS, the Company owns and operates an adult entertainment cabaret known as Chicas Locas-Houston/Michael’s International (the “**Business**”) located at 6440 Southwest Freeway, Houston, Texas (the “**Premises**”); and

WHEREAS, the Purchaser and the Company desire that the Purchaser purchase all of the assets owned by the Company, including all assets used for the business of the Company on the Premises; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements and the respective representations and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

**Article I
PURCHASE AND SALE OF THE ASSETS**

Section 1.1 Assets of the Company to be Transferred to Purchaser. On the Closing Date (as defined in Section 4.1 hereof), and subject to the terms and conditions set forth in this Agreement, the Company shall sell, convey, transfer and assign, or cause to be sold, conveyed, transferred and assigned to Purchaser free and clear of all liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions, subject only to any liens created as part of the purchase, and Purchaser shall acquire from the Company all of the tangible and intangible assets and personal property of every kind and description and wherever situated of the Business from the Company, except the Excluded Assets, as defined in Section 1.2, including but not limited to, the following personal property of the Company:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated of the Business, including, without limitation, inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers (subject to Section 1.2) and software, appliances, sign inserts, sound and lighting and telephone systems not incorporated into the building, telephone numbers, and other personal property of whatever kind and nature owned or leased by the Company (subject to Section 1.1(d)), installed, located, situated or used in, on, or about, or in connection with the operation, use and enjoyment of the Premises and all other items on the subject Premises and used in connection with the operation of the Business;

(b) all of the Company’s inventory of supplies, accessories and any and all other items of personal property of whatever nature, excluding all alcoholic beverages sold by the Company in the operation of the Business(the “**Inventory**”);

(c) all supplies (other than Inventory) and other “consumable supplies” used in connection with the operation of the Business excluding food and non-alcoholic beverages (the “**Supplies**”);

(d) all of the Company's right, title, and interest, as lessee, of any and all equipment leased by the Company and located at the Premises (the "**Leased Equipment**") if disclosed by Company and for which Purchaser agrees to assume payment. The Company shall cancel and/or pay for (i) any equipment lease that the Purchaser does not elect to assume payment for and the use thereof and (ii) any undisclosed equipment lease;

(e) all right, title, and interest of the Company to the use of the telephone numbers presently being used by the Business, including all rotary extensions thereto, and all advertisements in the "Yellow Pages", "City Directory" and other social media and digital accounts such as Facebook and Instagram, and after the Closing, Purchaser shall assume all expenses for the Telephone Numbers and advertising;

(f) copies of the Company's lists of suppliers, and any and all of books, records, papers, files, memoranda and other documents relating to or compiled in connection with the operation of the Business which are requested by Purchaser, other than those assets listed in Section 1.2(i) (the "**Records**");

(g) all intellectual property of every kind owned or licensed by the Company or any rights thereto, including but not limited to common law rights, if any, to the name "Michaels' International" or "Chicas Locas" or any derivative, all trademarks, tradenames, service marks, patents, copyrights, and trade secrets (collectively, the "**Intellectual Property**") (provided, however, that the Intellectual Property specifically excludes the common law rights to same claimed by ERAF, Inc.);

(h) all licenses, rights or ownership interests held by the Company to universal resource locators ("**URLs**") and internet domain names, all source code and associated files necessary to operate URLs, including but not limited to images, graphics, content of the web pages, page layouts, scripts, forms and databases, and all goodwill associated with or used in connection with the operation or business of the URLs and internet domain names; and

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult semi-nude entertainment business serving alcoholic beverages on the Premises which the Company has the right to transfer and convey, including all other licenses, consents, authorizations, accreditations, waivers and approvals (together with all government filings pertaining thereto), however designated, established, maintained or renewed and issued evidencing or authorizing the Company, the Company's agent(s) or nominee(s) for the purpose of engaging in the business and/or operation of an adult entertainment nightclub business, restaurant, bar, lounge, sale of liquor or any other business currently operating or capable of being operated on the Premises however characterized (collectively the "**Permits**"). The parties recognize that the right to operate as a Sexually Oriented Business/Adult Entertainment Establishment/Adult Cabaret requires a license (SOB License)" that is not transferable and not being transferred or sold herein. However, the Purchaser shall within three (3) business days of the execution of this Agreement apply for a SOB License at the location of the Company and use best efforts to obtain issuance thereof. The Company will cooperate as needed with such efforts. The parties recognize that the right to sell wine beer alcohol requires a permit from the Texas Alcoholic Beverage Commission ("TABC Permit)" that is not transferable and not being transferred or sold herein. However, the Purchaser shall within three (3) business days of the execution of this Agreement apply for a TABC Permit at the location of the Company and use best efforts to obtain issuance thereof. The Company will cooperate as needed with such efforts

(j) All interest and future obligation in every LICENSE AND LEASE AGREEMENT the Business has with independent contractor entertainers at the Business, which are assignable by the Business and will be assigned by the Business to Purchaser and accepted by the Purchaser upon Closing (same being subject to Purchaser's right to terminate upon thirty days written notice to any respective entertainer).

All of the items set forth in this Section 1.1 are collectively referred to as the "**Purchased Assets**". Exhibit 1.1, which will be completed prior to Closing, shall list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (i) the corporate seals, corporate books and minutes, corporate files, accounting, tax and financial records and records related to corporate governance of the Company; (ii) all Company bank accounts and all Company monies (including cash) on hand as of the Closing Date; (iii) all credit card receipts and ATM purchases as of the Closing Date; (iv) securities of any type, whether marketable or not; (v) prepaid expenses; (vi) all accounts or notes receivable of, or held by, the Company not generated by the business of the Company; (vii) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise, and which are not associated with the business of the Company or the Purchased Assets; (viii) the Company's rights under or pursuant to this Agreement and the other agreements, documents, certificates and other instruments entered into or delivered in connection with this Agreement to which the Company is a party; (ix) all business insurance policies of the Company; (x) all employee benefit plans of the Company; (xi) the liquor, spirits, wine or beer inventory located at the Business (subject to Section 1.5; (xii) any permit or license issued by the Texas Alcoholic Beverage Commission; (xiii) any real estate held in fee simple by the Business and (xiv) any permit or license issued by any governmental agency related to operation by the Company or at the Premises of an Adult Entertainment Establishment or Sexually Oriented Business and (xiv) any intellectual property rights excluded in Section 1.1(g) hereof (; (hereinafter collectively referred to as the "**Excluded Assets**"). **Excluded assets also includes assets which under the Company's Lease belong to the Landlord.**

Section 1.3 Intent of the Parties. Although the description of the Purchased Assets in Section 1.1 is intended to be complete, in the event Section 1.1 fails to contain the description of any assets belonging to the Company which are used for the Business and are not otherwise an Excluded Asset, such assets shall nonetheless be deemed transferred to Purchaser at the Closing.

Section 1.4 Food Inventory. On date of Closing, Purchaser and the Company will conduct a physical inventory of said food and non-alcoholic beverage inventory in the Premises, at a cost price determined for said inventory and a specific and additional payment for same from Purchaser to the Company for same will be made within 30 days of closing.

Section 1.5 Liquor Inventory On date of the Closing of the transaction contemplated by this Agreement, the current the TABC permit holder must cease to sell liquor, spirits, beer, and wine (herein "liquor") as they will no longer have a legal right to occupy the Premises. Purchaser shall acquire from the TABC permit holder the TABC permit holder's liquor inventory present at the Premises location on the date of closing, which will require (a) an actual physical inventory of said liquor inventory to be conducted by Purchaser at close of business on day sale closes and reported to TABC before Purchaser reopens and (b) the payment within 30 days of closing for the inventory at its cost price by Purchaser to the TABC permit holder.

Article II LIABILITIES

Section 1.1 Excluded Liabilities. Purchaser shall have no obligation and is not assuming, and the Company shall retain, pay, perform, defend and discharge, all of the liabilities

and obligations of every kind whatsoever related or connected to the Purchased Assets or the business of the Company, which liabilities existed, arose, or accrued during the periods on or prior to the Closing Date, whether disclosed or undisclosed, known or unknown on the Closing Date, direct or indirect, absolute or contingent, secured or unsecured, liquidated or unliquidated, accrued or otherwise, whether liabilities for taxes, liabilities of creditors, liabilities arising under any existing lease agreement, liabilities arising under any profit sharing, pension or other benefit under any plan of the Company, liabilities to any Governmental Agency (as hereinafter defined) or third parties, liabilities assumed or incurred by the Company by operation of law or otherwise (collectively, the “**Excluded Liabilities**”), including, but not limited to, (i) contractual liabilities arising or accruing from the Company or the Business or ownership of the Purchased Assets on or prior to the Closing Date, (ii) any liability with respect to the Company’s or the Business’ or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period on or prior to the Closing Date, (iii) any existing litigation against the Company or the Business, (iv) any taxes owing by the Company for taxable periods or portions of taxable periods ending on or before the Closing Date, whether related to the Business, the Purchased Assets or otherwise, and any liens on the Purchased Assets relating to any such taxes, and (v) any suit, action, proceeding, claim or investigation against Purchaser Group (as hereinafter defined) which arises from or which is based upon or pertaining to the Company’s conduct or operation of the Business on or prior to the Closing Date; provided that any such liability shall only be an Excluded Liability to the extent the liability relates to the period ending on the Closing Date and, for clarity, any liability which arises from or which is based upon or pertaining to the Purchaser’s conduct or operation of the Business relating to any period ending after the Closing shall solely be a liability of the Purchaser. Nothing herein shall be interpreted to prevent the Company from contesting the validity of any of its alleged liabilities including as defined as “Excluded Liabilities” herein nor shall this agreement be construed to create a Third-Party Beneficiary related to any of the “Excluded Liabilities”. The Company retains all defenses, offsets and claims, and the right to assert same as to any and all of the “Excluded Liabilities.”

Section 1.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the Closing, to assume and agrees to pay, perform and discharge only the liabilities and obligations related or connected to the Purchased Assets or the operation by Purchaser of any Business on the Premises arising or accruing after the Closing Date, other than liabilities arising out of a breach of this Agreement by the Company (collectively, the “**Assumed Liabilities**”), including, but not limited to, (i) contractual liabilities arising from the Business, ownership of the Purchased Assets or operation by Purchaser of any Business on the Premises after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser), (ii) any litigation resulting from the use or ownership of any of the Purchased Assets that occurs subsequent to the Closing Date as a result of Purchaser’s operation of any business on the Premises, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending after the Closing Date, whether related to the Business or the Purchased Assets or Purchaser’s operation of any business on the Premises, and any liens on the Purchased Assets relating to any such taxes accruing during the period subsequent to the Closing Date, and (iv) any suit, action, proceeding, claim or investigation by any individual or Governmental Agency alleging that, during any period after the Closing Date, Purchaser, through its operation of the Business during such period or periods, misclassified entertainers. For clarity, Purchaser will only assume liabilities which arise from or which are based upon or pertain to the Purchaser’s conduct or operation of the Business or on the location of the Premises which occur after the Closing Date.

Section 1.3 Taxes. The Company shall pay when due any sales, transfer, excise, or other taxes which may be imposed in any jurisdiction in connection with or arising from the sale and transfer of any of the Purchased Assets to Purchaser.

Section 1.4 Bulk Sales Laws. The Company acknowledges that any applicable provisions of any tax clearance or bulk sales laws pertaining to the transactions contemplated by

this Agreement are being complied with and that the Company agrees to indemnify and hold harmless Purchaser from and against any and all liabilities arising out of or relating to any such tax clearance or bulk sales law. Any such liability shall be an Excluded Liability.

Article III PURCHASE PRICE FOR THE PURCHASED ASSETS

The Purchaser shall pay to the Company for all of the Purchased Assets a total purchase price of Four Million Dollars (\$4,000,000.00) plus sums calculated under 1.4 herein (the “**Purchase Price**”), which will be payable at the Closing, as follows: (a) One Million Five Hundred Thousand Dollars (\$1,500,000) cash by wire transfer; (b) issue to the Company a 10-year promissory note (the “**Promissory Note**”) with a principal amount equal to Two Million Five Hundred Thousand (\$2,500,000.00) Dollars, which Promissory Note will bear interest at the rate of 7% per annum and be payable, in arrears, in 120 equal monthly payments of principal and interest of \$29,027.12, based on a 10-year amortization schedule, with the first payment due 30 days after Closing. The Promissory Note will be secured by a first lien on the Purchased Assets pursuant to a security agreement and the filing of a UCC financing statement and additionally the provision of an absolute, unconditional, and continuing guarantee of BD Hospitality Acquisition, Inc. and a Pledge by BD Hospitality Acquisition, Inc. of its Stock in Purchaser. Purchaser shall remain liable under 1.5 hereof.

Article IV CLOSING

Section 1.1 The Closing. The closing (the “**Closing**”) of the transactions contemplated by this Agreement shall take place as soon as practicable and when agreed to by the parties, but in no event until the satisfaction or waiver of the conditions set forth in Article VIII and Article IX (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to satisfaction or waiver of those conditions), or on such other date as the Parties may mutually agree in writing (the “**Closing Date**”). The Closing will take place at the office of Title Partners, 5501 LBJ Freeway, Suite 200, Dallas, Texas 75240, or at such other place as agreed upon among the parties hereto, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. Notwithstanding the foregoing, in the event the conditions to Closing have not been satisfied or waived by January 31, 2023, then the Company or Purchaser may terminate this Agreement by giving written notice to the other Parties as provided for in Section 12.2, and this Agreement will be of no further force or effect.

Section 1.2 Delivery of Documents at Closing. At the Closing: (a) the Company shall deliver to Purchaser all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all liens, charges or encumbrances, other than Permitted Encumbrances, against delivery by Purchaser to the Company of payment in an amount equal to the Purchase Price of the Purchased Assets being purchased by Purchaser in the manner set forth herein in accordance with Article III hereof; and (b) the Company and Purchaser shall deliver the various certificates, instruments and documents (and shall take the required actions) referred to in Articles VIII and IX below.

Article V REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedules accompanying this Agreement (each a “**Schedule**” and collectively the “**Schedules**”), the Company hereby represents and warrants to Purchaser as follows:

Section 1.1 Organization, Good Standing and Qualification of the Company. The Company is a Texas corporation duly organized and validly existing and in good standing under the laws of the state of Texas, has all requisite power and authority to carry on its business, and is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Company.

Section 1.2 Subsidiaries. The Company does not own any subsidiaries.

Section 1.3 Ownership of the Purchased Assets. The Company owns all of the Purchased Assets free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances, other than Permitted Encumbrances. The Company has the unrestricted right and power to transfer, convey and deliver full ownership of the Purchased Assets without the consent or agreement of any other person and without any designation, declaration or filing with any Governmental Authority. Upon the transfer of the Purchased Assets to Purchaser as contemplated herein, Purchaser will receive title thereto, free, and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances, or other restrictions other than Permitted Encumbrances. For purposes of this Agreement, “**Permitted Encumbrances**” means (a) liens for taxes, assessments or government charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and which are subject to reasonable reserves, all as listed on Schedule 5.3, attached hereto; (b) those encumbrances, if any, listed on Schedule 5.3 attached hereto.

Section 1.4 Authorization. All action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein have been taken by the Company or will be taken prior to the Closing Date. The Company has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors’ rights and to general equitable principles.

Section 1.5 No Breaches or Defaults. Except as shown on Schedule 5.5, the execution, delivery, and performance of this Agreement by the Company does not: (i) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of the Company, (ii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets, (iii) conflict with or result in a breach or violation of, or default under, or give rise to any right of acceleration or termination of, any of the terms, conditions or provisions of any note, bond, lease, license, agreement or other instrument or obligation to which the Company is a party of by which the Company’s assets or properties are bound or (iv) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (a) any applicable Legal Requirement (as defined below), or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Company is a party or by which the Purchased Assets may be bound or affected. For purposes of this Agreement, “**Governmental Authority**” means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, “**Legal Requirement**” means any law, statute, injunction, decree, order, or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority. Provided however, any license to operate as a Sexually

Oriented Business or sell alcoholic beverages by Purchaser in the future using the Purchased Assets must be approved by the appropriate Governmental Agency or Entity.

Section 1.6 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of the Company in connection with the execution and delivery by the Company of this Agreement or the consummation and performance of the transactions contemplated hereby. Provided however, any license to operate as a Sexually Oriented Business or sell alcoholic beverages by Purchaser in the future using the Purchased Assets must be approved by the appropriate Governmental Agency or Entity

Section 1.7 Pending Claims. There is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or, to the Company's knowledge, threatened against the Company before any court, arbitration, administrative or regulatory body or any governmental agency which would reasonably be expected to result in any judgment, order, award, decree, liability or other determination which will or would reasonably be expected to have any material effect upon the Company or the Business or the transfer by the Company to Purchaser of the Purchased Assets, and there is no basis known to the Company for any such action. No litigation is pending, or, to the Company's knowledge, threatened against the Company, which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. The Company is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against it or which would reasonably be expected to materially and adversely affect the Company, the Purchased Assets, the Real Property or the Business. There are however claims, suits, arbitrations, investigations, actions, litigations, or other proceedings, now pending or threatened against the Company as listed in Schedule 5.7 hereof.

Section 1.8 Taxes. The Company has timely and accurately prepared and filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates by the Company and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes, and withholding or other payroll related taxes shown on such returns. The Company to the best knowledge of the Company, is not delinquent in the payment of any tax or governmental charge of any nature. The Company has no knowledge of any liability for any tax to be imposed by any taxing authorities upon the Company as of the date of this Agreement and as of the Closing that is not adequately provided for. No assessments or notices of deficiency or other communications have been received by the Company with respect to any tax return of the Company which has not been paid, discharged, or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. Except as shown on Schedule 5.8, none of the federal, state, foreign and local tax returns of the Company have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations, or claims pending. The Company has no knowledge of any additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company for any period, nor of any basis for any such assessment, adjustment, or contingency. There are no agreements between the Company and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 1.9 Financial Statements. The Company has or will deliver to the Purchaser the unaudited Balance Sheets of the Company as of September 30, 2022, together with the related unaudited Statements of Income for the periods then ended (hereinafter referred to as the "**Financial Statements**"). Such Financial Statements are in accordance with the books and records of the Company and fairly represent in all material respects the financial position of the Company and the results of operations and changes in financial position of the Company as of the dates and for the periods indicated, in each case in conformity with income tax-basis of

accounting principles applied on a consistent basis. Except as shown on Exhibit 5.9 and except as and to the extent reflected or reserved against in the Financial Statements, the Company, as of the date of the Financial Statements, has no material liability or obligation of any nature required to be disclosed in a balance sheet in accordance with income tax-basis of accounting principles. The Company is an accrual method taxpayer.

Section 1.10 No Material Adverse Change. To the best knowledge of the Company, since the date of the Financial Statements, the Company has conducted its business in the ordinary course, consistent with past practice, and there has been no (i) change that has had or would reasonably be expected to have a material adverse effect upon the assets or business or the financial condition or other operations of the Company; (ii) acquisition or disposition of any material asset by the Company or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (iii) material change in the Company's accounting principles, practices or methods; (iv) incurrence of any material indebtedness or lending of money to any person or entity; (v) acceleration, termination, modification or cancellation of any agreement, contract, lease or license (or series of related agreements, contracts, leases or licenses) involving more than \$10,000 to which the Company is a party; or (vi) delay or postponement in the payment of any accounts payable or other liabilities.

Section 1.11 Labor Matters. The Company is not a party or otherwise subject to any collective bargaining agreement with any labor union or association. There are no discussions, negotiations, demands or proposals that are pending or have been conducted or made with or by any labor union or association, and there are not pending or threatened against the Company any labor disputes, strikes or work stoppages. All employees, including upper management level personnel of the Business are employed at will and their employment or engagement may be terminated at will.

Section 1.12 Compliance with Laws. To the knowledge of the Company, the Company is, and at all times prior to the date hereof, has been in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. The Company has not received any written order or written notice of any such violation or claim of violation of any such statute, order, rule, ordinance, or regulation by the Company, except as listed on Schedule 5.12. The Company owns, holds, possesses, or lawfully uses in the operation of its business all permits and licenses which are in any manner necessary or required for it to conduct its operation and business as now being conducted. Schedule 5.12 sets forth a list of all licenses and permits held by the Company used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date, unless surrendered by the Company to effectuate this transaction. To the knowledge of the Company, no material record violations exist in respect of any such permit or license and no investigation or proceeding is pending or threatened, that would reasonably be expected to result in the suspension, revocation, modification, non-renewal, limitation or restriction of any such permits or licenses.

Section 1.13 Contracts and Leases. Except as shown on Schedule 5.13, the Company does not (i) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) have any have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (iii) have given any power of attorney to any person or organization for any purpose relating to the Purchased Assets or business of the Company or the Business. The Company operates its adult entertainment cabaret located at the Premises under an existing lease agreement. The Company shall make available to Purchaser prior to the Closing Date each and every written contract, lease or other document relating to the Purchased Assets of the Company to which it is subject or is a party or a beneficiary. To the Company's knowledge, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute legal, valid and binding obligations of the Company and the other respective parties thereto and are enforceable in accordance with their terms, except as may be limited by

bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles. The Company has no knowledge of any default or breach under such contracts, leases, or other documents or of any pending or threatened claims under any such contracts, leases, or other documents, except as listed on Schedule 5.13. Neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the financial condition of the Company or the operation of the Business after the Closing.

Section 1.14 No Pending Transactions. Except for the transactions contemplated by this Agreement, the Company is not a party to or bound by or the subject of any agreement, undertaking, commitment or discussions or negotiations with any person that would reasonably be expected to result in: (i) the sale, merger, consolidation or recapitalization of the Company; (ii) the sale of any of the Purchased Assets of the Company (other than in the ordinary course of its business); (iii) the sale of any outstanding capital stock of the Company; (iv) the acquisition by the Company of any operating business or the capital stock of any other person or entity; (v) the borrowing of money; (vi) any agreement with any of the respective officers, managers or affiliates of the Company; or (vii) the expenditure of more than \$10,000 or the performance by the Company extending for a period more than one year from the date hereof.

Section 1.15 Material Agreements; Action. Except as shown on Schedule 5.15 and except for the transactions contemplated by this Agreement, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Company is a party or by which it is bound that involve or relate to (i) any of the respective officers, directors, stockholder or partners of the Company or (ii) covenants of the Company not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with the Company in any line of business or in any geographical area.

Section 1.16 Environmental Matters. To the best knowledge of the Company, the Company has conducted its Business in compliance with all Environmental Laws (as hereinafter defined), except for any such instance of non-compliance that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Purchased Assets. The Company is in compliance with all Permits required under applicable Environmental Laws, except where the absence of, or the failure to be in compliance with, any such Permit would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Business. There are no written claims, notices of violation or any other actions, investigations or proceedings pending or threatened against the Company alleging violations of or liability under any Environmental Law. To the best knowledge of the Company, there has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Company, and no property currently or formerly owned, leased, or operated by the Company, has been contaminated by the Company or to the knowledge of the Company, by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Company. The Company is not subject to any order, decree, injunction or other agreement with any Governmental Authority or any indemnity or other agreement with any other Person relating to liability under any Environmental Law. "**Environmental Laws**" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 1201 *et seq.*, the Clean Water Act, 33 U.S.C. § 1321 *et seq.*, the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and any other federal, state, local or other governmental statute, regulation, law or ordinance dealing with the protection of human health, natural resources or the environment. "**Hazardous Materials**" means any substance, material or waste that is listed, classified, or regulated by a Governmental Authority as a "toxic substance", "hazardous substance", "solid waste" or "hazardous material" or words of similar meaning or effect or otherwise regulated for potentially harmful effects to

human health or the environment by any Governmental Authority, including petroleum and petroleum products.

Section 1.17 Insurance Policies. Copies of all insurance policies maintained by the Company relating to the operation of the Business will be made available to Purchaser. All such insurance policies are in full force and effect and all premiums due thereon have been paid and will be paid through the Closing.

Section 1.18 No Default. To the best knowledge of the Company, the Company is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Company, under any other contract, lease, agreement, commitment or undertaking to which the Company is a party or by which it or its assets or properties are bound.

Section 1.19 Books and Records. The books of account, minute books, stock record books and other records of the Company, all of which have been made available to Purchaser, are accurate and complete in all material respects and have been maintained in accordance with sound business practices.

Section 1.20 Certificates. All certificates of occupancy, licenses, permits, authorizations, and approvals required by law or by any governmental authority having jurisdiction over the Premises have been obtained and are in full force and effect unless listed on schedule 5.7 hereof.

Section 1.21 Disclosure. To the best of the Company's knowledge, no representation or warranty of the Company contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Section 1.22 Brokerage Commission. No broker or finder has acted on behalf of the Company or any of its affiliates in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Company.

Article VI REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Company as follows:

Section 1.1 Organization, Good Standing and Qualification of the Purchaser. The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Purchaser.

Section 1.2 Authorization. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein has been taken by the Purchaser or will be taken prior to the Closing Date. The Purchaser has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in

accordance with its terms, will constitute a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 1.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by Purchaser does not: (i) conflict with, violate, or constitute a breach of or a default under or (ii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which Purchaser is a party.

Section 1.4 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 1.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Purchaser.

Section 1.6 Disclosure. To the best of Purchaser's knowledge, no representation or warranty of Purchaser contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Article VII COVENANTS OF THE COMPANY

Section 1.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Company agrees that until the Closing Date or the termination of this Agreement, neither the Company nor any representative of the Company will offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, merger, corporate reorganization of the Company, or the sale, transfer, encumbrance, pledge, collateralization or hypothecation of any assets of the Company or the Business. The Company hereby agrees to advise the Purchaser of any contact from any third party regarding the acquisition or other investment in the Company or the Business, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 1.2 Access; Due Diligence. Between the date of this Agreement and the Closing Date, the Company shall, subject to the Parties previous Non-Disclosure Agreement (a) provide Purchaser and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Company, and to the books and records of the Company, and the Business; (b) permit the Purchaser to make inspections thereof; and (c) cause the officers and advisors of the Company and the Business to furnish the Purchaser with such financial and operating data and other information with respect to the business and properties and to discuss such information with the Purchaser, as the Purchaser may from time to time reasonably request.

Section 1.3 Taxes. The Company shall file or cause to be filed all tax returns required to be filed by the Company, prepared in a manner consistent with past practice and timely pay all

taxes due and payable. The Company shall not (a) change any method of accounting of the Company for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Company; (c) change an accounting period of the Company with respect to any tax; (d) make, change or revoke any election with respect to taxes; or (e) extend or waive the applicable statute of limitations with respect to any taxes.

Section 1.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Company shall operate itself and the Business in the ordinary course consistent with past practices, and:

(a) The Company will not authorize, declare, pay, or effect any dividends or liquidate or distribute any common stock or other equity interest or undertake any direct or indirect redemption, purchase, or other acquisition of any equity interest;

(b) The Company will not make any changes in its condition (financial or otherwise), liabilities, assets, or business or in any of its business relationships, including relationships with suppliers or customers, that, when considered individually or in the aggregate, would reasonably be expected to have a material adverse effect on it;

(c) The Company will not increase the salary or other compensation payable or to become payable by it to any employee, or the declaration, payment, or commitment or obligation of any kind for the payment by it of a bonus or other additional salary or compensation to any such person except in the normal course of business, consistent with its past practices;

(d) The Company will not sell, lease, transfer or assign any of their assets, tangible or intangible, other than inventory for a fair consideration, in the ordinary course of business;

(e) The Company will not accelerate, terminate, modify, or cancel any agreement, contract, lease, or license (or series of related agreements, contracts, leases and licenses) involving more than \$10,000, either individually or in the aggregate, to which it is a party, other than in the ordinary course of business, absent the consent of Purchaser;

(f) The Company will not make any loans to any person or entity, or guarantee any loan, absent the consent of Purchaser;

(g) The Company will not waive or release any right or claim held by it, absent the consent of Purchaser;

(h) The Company will operate its business in the ordinary course and consistent with past practices so as to preserve its business organization intact, to retain the services of their employees and to preserve their goodwill and relationships with suppliers, creditors, customers, and others having business relationships with them;

(i) The Company will not issue any note, bond or other debt security or create, incur, or assume, or guarantee any indebtedness for borrowed money or capitalized lease obligations;

(j) The Company will not delay or postpone the payment of accounts payable and other liabilities outside the ordinary course of business;

(k) The Company will not make any change in any method, practice, or principle of accounting involving its business or assets;

(l) The Company will not issue, sell, or otherwise dispose of any of its capital stock or create, sell, or dispose of any options, rights, conversion rights or other agreements or commitments of any kind relating to the issuance, sale, or disposition of any of its equity interests;

(m) The Company will not reclassify, split up or otherwise change any of its common stock or capital structure;

(n) The Company will not be a party to any merger, consolidation, or other business combination; and

(o) The Company shall perform in all material respects all of its obligations under material contracts, leases and other documents relating to or affecting any of its assets, property or its business.

Nothing herein shall be deemed to prevent the Company from fulfilling current existing obligations and obligations incurred in the normal course of business until Closing.

Article VIII CONDITIONS TO CLOSING OF THE COMPANY

Each obligation of the Company to be performed on the Closing Date shall be subject to the satisfaction of each of the conditions stated in this Article VIII, except to the extent that such satisfaction is waived by the Company in writing:

Section 1.1 Representations and Warranties Correct. The representations and warranties made by Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. Purchaser shall provide to the Company certificates, dated the Closing Date, and signed by its President, to the effect set forth in Section 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Payment of Purchase Price. Purchaser shall have tendered the Purchase Price as referenced in Article III to the Company concurrently with the Closing.

Section 1.5 Corporate Resolutions. Purchaser shall provide corporate resolutions of the Board of Directors which approve the transactions contemplated herein and authorize the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against Purchaser.

Section 1.7 Consents; Status of Permits and Licenses. Purchaser shall have obtained all necessary permits and other authorizations, whether city, county, state or federal, which may

be needed to operate an establishment serving liquor and providing live female adult semi-nude entertainment on the Premises, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and to the continued performance of live female adult semi-nude entertainment at the Business, without any interruption.

Article IX
CONDITIONS TO CLOSING OF
PURCHASER

Each obligation of Purchaser to be performed on the Closing Date will be subject to the satisfaction of each of the conditions stated in this Article IX, except to the extent that such satisfaction is waived by Purchaser in writing.

Section 1.1 Representations and Warranties Correct. The representations and warranties made by the Company shall be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. The Company will provide to Purchaser certificates, dated the Closing Date, and signed by the President of the Company to the effect set forth in Section 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Delivery of Purchased Assets. The Company shall have delivered all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all encumbrances (except Permitted Encumbrances) in form and substance satisfactory to the Purchaser.

Section 1.5 Corporate Resolutions. The Company shall provide to Purchaser resolutions of its board of directors and shareholders, which approve all of the transactions contemplated herein and authorizes the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Consents; Status of Permits and Licenses. Purchaser shall possess all necessary permits and other authorizations, whether city, county, state or federal, which may be needed to operate an establishment serving liquor and providing live female adult semi-nude entertainment on the Premises, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and to the continued performance of live female adult semi-nude entertainment at the Business, without any interruption.

Section 1.7 Financial Records. The financial records of the Business shall be maintained and exist in such a manner as to allow for a certified audit as determined by the Purchaser.

Section 1.8 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority will have been commenced and no investigation by any governmental or regulatory authority will have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against the Company or any of its assets.

Article X CLOSING ADJUSTMENTS

The Company and the Purchaser agree that there shall be an adjustment made within 90 days of the Closing Date to adjust for any Excluded Assets and/or Excluded Liabilities that are found to exist as of the Closing Date, as such Excluded Assets or Excluded Liabilities may relate to the Purchased Assets or the Business, so that the Company shall be responsible and liable to the Purchaser for the liabilities of the Company that exist as of the Closing Date, less a credit for any miscellaneous cash on hand (for clarity, the Parties intend that cash on hand at Closing will be zero), credit card receivables or pro rata portion of pre-paid items.

Article XI INDEMNIFICATION

Section 1.1 Indemnification from the Company. The Company hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold Purchaser, its officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the “**Purchaser Group**”) harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys’ fees and costs of any suit related thereto) (collectively, “**Losses**”), whether arising from a direct (or first-party) claim or a third-party claim, suffered or incurred by any of the Purchaser Group arising from: (a) any breach of any representation or warranty of the Company contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Company hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Company under this Agreement; or (c) any Excluded Liability.

Section 1.2 Indemnification from Purchaser. Purchaser agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to the Company) and hold the Company and its officers, directors, affiliates, agents, legal counsel, successors and assigns (collectively, the “**Company Group**”) harmless from and against any and all Losses, whether arising from a direct (or first party) claim or a third-party claim, suffered or incurred by any of Company Group, arising from (a) any breach of any representation or warranty of Purchaser contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Purchaser hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of Purchaser under this Agreement; or (c) any Assumed Liability.

Section 1.3 Defense of Claims. If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the Indemnitor within ten (10) business days after receipt of notice or other date by which action must be taken; provided that the failure of any Indemnitee to give timely notice shall not affect rights to indemnification hereunder except to the extent that the Indemnitor demonstrates damage caused by such failure. After such notice, the Indemnitor shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the Indemnitor’s cost, risk and expense; and such Indemnitee shall cooperate in all reasonable respects, at its cost, risk and expense, with the Indemnitor and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the Indemnitee may, at its own cost, participate in such investigation, trial and defense of such lawsuit or action and any appeal arising therefrom, but the fees and expenses of its legal counsel shall be at the expense of the Indemnitee, except to the extent that (i) the employment thereof has been specifically authorized by the Indemnitor in writing, (ii) the Indemnitor has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict of any material issue between the position of the Indemnitor and the position of

such Indemnitee, in which case the Indemnitor shall be responsible for the reasonable fees and expenses of no more than one separate legal counsel. The Indemnitor shall not, without the prior written consent of the Indemnitee, effect any settlement of any proceeding in respect of which any Indemnitee is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the Indemnitor and includes an unconditional release of such Indemnitee from all liability on claims that are the subject matter of such proceeding.

Section 1.4 Default of Indemnification Obligation. If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys' fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 1.5 Survival of Representations and Warranties. The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "**Indemnitor**") under this Agreement unless the party entitled to indemnification (the "**Indemnitee**") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

Section 1.6 Right to Offset. In the event that the Purchaser is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser of any debts or liabilities resulting from the purchase of the Purchased Assets which were incurred prior to the Closing Date, then Purchaser shall have the right to offset any such amount from any obligations that are then due and payable to the Company by the Purchaser.

Article XII MISCELLANEOUS

Section 1.1 Amendment; Waiver. Neither this Agreement nor any provision hereof may be amended, modified, or supplemented unless in writing, executed by all the parties hereto. Except as otherwise expressly provided herein, no waiver with respect to this Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power, or remedy.

Section 1.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in Person or sent by registered or certified mail (return receipt requested) or nationally recognized overnight delivery service, postage pre-paid, or electronic mail, provided that any notice sent by electronic mail must include a reference to this Section 12.2 to be effective, addressed as follows, or to such other address as such party may notify to the other parties in writing:

(a) If to the Company: Duncan Burch, Inc.
Attn: Charles J. Quaid
% Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

with a copy to: Charles J. Quaid
Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

(b) If to the Purchaser: RCI Dining Service (Southwest Freeway), Inc.
Attn: Travis Reese, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to: Robert D. Axelrod
Axelrod & Smith
1502 Augusta Drive, Suite 320
Houston, Texas 77057
Email: rdaxel@asklawhou.com

A notice or communication will be effective (i) if delivered in Person, by electronic mail, or by overnight courier, on the business day it is delivered and (ii) if sent by registered or certified mail, three (3) business days after dispatch. In the event either party delivers a notice by electronic mail, such party agrees to deposit the original notice in a post office, branch office post office, or mail depository maintained by the U.S. Postal Service postage prepaid and addressed as set forth above.

Section 1.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 1.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 1.5 Public Announcements. The parties hereto agree that prior to making any public announcement or statement with respect to the transactions contemplated by this Agreement, the party desiring to make such public announcement or statement shall advise the other parties hereto and exercise their best efforts to agree upon the text of a public announcement or statement to be made by the party desiring to make such public announcement; provided, however, that if any party hereto is required by law to make such public announcement or statement, then such announcement or statement may be made without the approval of the other parties, provided that such party will advise the other parties hereto.

Section 1.6 Entire Agreement. This Agreement, the Cooperation Agreement of this date required of Seller by Buyer and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings, contracts and communications, whether verbal or written among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

Section 1.7 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Texas, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Dallas County, Texas.

Section 1.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page was an original thereof.

Section 1.9 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with the negotiation and execution of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby.

Section 1.10 Section Headings. The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 1.11 No Third-Party Beneficiaries. Nothing in this Agreement will confer any third party beneficiary or other rights upon any person (specifically including any employees of The Company) or any entity that is not a party to this Agreement.

Section 1.12 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such actions as may be reasonably be requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

Section 1.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit, upon their respective acceptance of its terms, conditions and/or form.

Section 1.14 Termination of Agreement. This Agreement shall terminate and be of no force and effect and all other agreements executed herewith shall be of no force and effect if: (i) the transactions contemplated by this Agreement are not consummated on or before January 31, 2023, unless all of the parties hereto agree in writing to extend the Agreement or (ii) all of the parties agree in writing to terminate this Agreement sooner.

Section 1.15 Attorney Review - Construction. In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other that they have had the opportunity to be advised by attorneys of their own choice and, therefore, the normal rule of

construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

Section 1.16 Gender. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter gender and the singular shall include the plural and vice versa, wherever appropriate.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement to become effective as of the date first set forth above.

RCI Dining Service (Southwest Freeway), Inc.

By: /s/ Travis Reese
Travis Reese, President

Duncan Burch, Inc.

By: /s/ Steven William Craft
Steven William Craft, President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item

Quantity

Item

Quantity

Schedule 5.3

None

Schedule 5.5

None

Schedule 5.7

Plaintiffs Yamila Barrientos Boloy, Individually and as Representative of the Estate of Dauny Sosa Chamizo, Deceased, and Yuderkis Camacho, as Next Friend of D.P. and R.P., minors ("Plaintiffs") v Defendants Bert Ezra Stair (improperly sued as "Bert Ezra Stair d/b/a "Chicas Locas") and Duncan Burch, Inc. et al. Defendants. Wrongful Death Case with Insurance in place. There is also an Agreement (that remains binding per Bankruptcy attorneys) that was accepted and approved by Bankruptcy Court for Plaintiffs to look solely to insurance policy for recovery. Case is settled but issues getting US Government approval of transfer of proceeds to Plaintiffs in Cuba.

Jose A. Ortiz and Anna Liliana Ortiz et. al. v Chicas Locas, Inc. et. el.; cause number 22-DCV-292830 ;458th Judicial District Court for Fort Bend County, Texas Wrongful Death Case Dram Shop Case. No Insurance

JORGE ANTONIO CASTELLANOS v. BURCH MANAGEMENT COMPANY, INC., CHICAS LOCAS, INC., and CLUB CASTILLO; CAUSE NO. 2018-69567; 152nd District Court Harris County Texas (Now only Defendants are DUNCAN BURCH, INC. D/B/A CHICAS LOCAS and and CLUB CASTILLO) Wrongful Death Case with Insurance in place. There is also an Agreement (that remains binding per Bankruptcy attorneys) that was accepted and approved by Bankruptcy Court for Plaintiffs to look solely to insurance policy for recovery.

Leslie Tenorio filed suit for a slip and fall but nonsuited same with prejudice. No suit currently pending.

Sweet Sixteen Litigation/Consent Judgment/Agreement *City of Houston v. Ice Embassy, Inc. et. al.* Cause 2010-19522 152nd Judicial District Court of Harris County Texas.

Schedule 5.8

None

Schedule/Exhibit 5.9

None

Schedule 5.12

See Schedule 5.7

Schedule 5.13

To be Provided before Closing

Schedule 5.15

None

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made and entered into this ___ day of December, 2022, by and among Millennium Restaurants Group, Inc., a Texas corporation (the “**Company**”), and RCI Dining Service (Composite), Inc., a Texas corporation (the “**Purchaser**”). The Company and the Purchaser are sometimes hereinafter collectively referred to as the “**Parties**.”

WHEREAS, BD Hospitality Acquisition, Inc., as Texas corporation (“**BD Hospitality**”), owns all of the issued and outstanding capital stock of Purchaser; and

WHEREAS, the Company owns and operates an adult entertainment cabaret known as Chicas Locas-Dallas/Cabaret Royale (the “**Business**”) located at 10723 Composite Drive, Dallas, Texas 75220 (the “**Premises**”); and

WHEREAS, the Purchaser and the Company desire that the Purchaser purchase all of the assets owned by the Company, including all assets used for the business of the Company on the Premises; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements and the respective representations and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

**Article I
PURCHASE AND SALE OF THE ASSETS**

Section 1.1 Assets of the Company to be Transferred to Purchaser. On the Closing Date (as defined in Section 4.1 hereof), and subject to the terms and conditions set forth in this Agreement, the Company shall sell, convey, transfer and assign, or cause to be sold, conveyed, transferred and assigned to Purchaser free and clear of all liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions, subject only to any liens created as part of the purchase, and Purchaser shall acquire from the Company all of the tangible and intangible assets and personal property of every kind and description and wherever situated of the Business from the Company, except the Excluded Assets, as defined in Section 1.2, including but not limited to, the following personal property of the Company:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated of the Business, including, without limitation, inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers (subject to Section 1.2) and software, appliances, sign inserts, sound and lighting and telephone systems not incorporated into the building, telephone numbers, and other personal property of whatever kind and nature owned or leased by the Company (subject to Section 1.1(d)), installed, located, situated or used in, on, or about, or in connection with the operation, use and enjoyment of the Premises and all other items on the subject Premises and used in connection with the operation of the Business;

(b) all of the Company’s inventory of supplies, accessories and any and all other items of personal property of whatever nature, excluding all alcoholic beverages sold by the Company in the operation of the Business(the “**Inventory**”);

(c) all supplies (other than Inventory) and other “consumable supplies” used in connection with the operation of the Business excluding food and non-alcoholic beverages (the “**Supplies**”);

(d) all of the Company’s right, title, and interest, as lessee, of any and all equipment leased by the Company and located at the Premises (the “**Leased Equipment**”) if disclosed by Company and for which Purchaser agrees to assume payment. The Company shall cancel and/or pay for (i) any equipment lease that the Purchaser does not elect to assume payment for and the use thereof and (ii) any undisclosed equipment lease;

(e) all right, title, and interest of the Company to the use of the telephone numbers presently being used by the Business, including all rotary extensions thereto, and all advertisements in the “Yellow Pages”, “City Directory” and other social media and digital accounts such as Facebook and Instagram, and after the Closing, Purchaser shall assume all expenses for the Telephone Numbers and advertising;

(f) copies of the Company’s lists of suppliers, and any and all of books, records, papers, files, memoranda and other documents relating to or compiled in connection with the operation of the Business which are requested by Purchaser, other than those assets listed in Section 1.2(i) (the “**Records**”);

(g) all intellectual property of every kind owned or licensed by the Company or any rights thereto, including but not limited to common law rights, if any, to the name “Cabaret Royale” or any derivative, all trademarks, tradenames, service marks, patents, copyrights, and trade secrets (collectively, the “**Intellectual Property**”) (provided, however, that the Intellectual Property specifically excludes the federally registered service mark “Cabaret Royale” which service mark is owned by a separate entity);

(h) all licenses, rights or ownership interests held by the Company to universal resource locators (“**URLs**”) and internet domain names, all source code and associated files necessary to operate URLs, including but not limited to images, graphics, content of the web pages, page layouts, scripts, forms and databases, and all goodwill associated with or used in connection with the operation or business of the URLs and internet domain names; and

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult semi-nude entertainment business serving alcoholic beverages on the Premises which the Company has the right to transfer and convey, including all other licenses, consents, authorizations, accreditations, waivers and approvals (together with all government filings pertaining thereto), however designated, established, maintained or renewed and issued evidencing or authorizing the Company, the Company’s agent(s) or nominee(s) for the purpose of engaging in the business and/or operation of an adult entertainment nightclub business, restaurant, bar, lounge, sale of liquor or any other business currently operating or capable of being operated on the Premises however characterized (collectively the “**Permits**”). The parties recognize that the right to operate as a Sexually Oriented Business/Adult Entertainment Establishment/Adult Cabaret requires a license (SOB License)” that is not transferable and not being transferred or sold herein. However, the Purchaser shall within three (3) business days of the execution of this Agreement apply for a SOB License at the location of the Company and use best efforts to obtain issuance thereof. The Company will cooperate as needed with such efforts. The parties recognize that the right to sell wine beer alcohol requires a permit from the Texas Alcoholic Beverage Commission (“TABC Permit”) that is not transferable and not being transferred or sold herein. However, the Purchaser shall within three (3) business days of the execution of this Agreement apply for a TABC Permit at

the location of the Company and use best efforts to obtain issuance thereof. The Company will cooperate as needed with such efforts

(j) All interest and future obligation in every LICENSE AND LEASE AGREEMENT the Business has with independent contractor entertainers at the Business, which are assignable by the Business and will be assigned by the Business to Purchaser and accepted by the Purchaser upon Closing (same being subject to Purchaser's right to terminate upon thirty days written notice to any respective entertainer).

All of the items set forth in this Section 1.1 are collectively referred to as the "**Purchased Assets**". Exhibit 1.1, which will be completed prior to Closing, shall list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (i) the corporate seals, corporate books and minutes, corporate files, accounting, tax and financial records and records related to corporate governance of the Company; (ii) all Company bank accounts and all Company monies (including cash) on hand as of the Closing Date; (iii) all credit card receipts and ATM purchases as of the Closing Date; (iv) securities of any type, whether marketable or not; (v) prepaid expenses; (vi) all accounts or notes receivable of, or held by, the Company not generated by the business of the Company; (vii) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise, and which are not associated with the business of the Company or the Purchased Assets; (viii) the Company's rights under or pursuant to this Agreement and the other agreements, documents, certificates and other instruments entered into or delivered in connection with this Agreement to which the Company is a party; (ix) all business insurance policies of the Company; (x) all employee benefit plans of the Company; (xi) the liquor, spirits, wine or beer inventory located at the Business (subject to Section 1.5; (xii) any permit or license issued by the Texas Alcoholic Beverage Commission; (xiii) any real estate held in fee simple by the Business and (xiv) any permit or license issued by any governmental agency related to operation by the Company or at the Premises of an Adult Entertainment Establishment or Sexually Oriented Business and (xiv) any intellectual property rights excluded in Section 1.1(g) hereof (; (hereinafter collectively referred to as the "**Excluded Assets**").

Section 1.3 Intent of the Parties. Although the description of the Purchased Assets in Section 1.1 is intended to be complete, in the event Section 1.1 fails to contain the description of any assets belonging to the Company which are used for the Business and are not otherwise an Excluded Asset, such assets shall nonetheless be deemed transferred to Purchaser at the Closing.

Section 1.4 Food Inventory. On date of Closing, Purchaser and the Company will conduct a physical inventory of said food and non-alcoholic beverage inventory in the Premises, at a cost price determined for said inventory and a specific and additional payment for same from Purchaser to the Company for same will be made within 30 days of closing.

Section 1.5 Liquor Inventory On date of the Closing of the transaction contemplated by this Agreement, the current the TABC permit holder must cease to sell liquor, spirits, beer, and wine (herein "liquor") as they will no longer have a legal right to occupy the Premises. Purchaser shall acquire from the TABC permit holder the TABC permit holder's liquor inventory present at the Premises location on the date of closing, which will require (a) an actual physical inventory of said liquor inventory to be conducted by Purchaser at close of business on day sale closes and reported to TABC before Purchaser reopens and (b) the payment within 30 days of closing for the inventory at its cost price by Purchaser to the TABC permit holder.

Article II LIABILITIES

Section 1.1 Excluded Liabilities. Purchaser shall have no obligation and is not assuming, and the Company shall retain, pay, perform, defend and discharge, all of the liabilities and obligations of every kind whatsoever related or connected to the Purchased Assets or the business of the Company, which liabilities existed, arose, or accrued during the periods on or prior to the Closing Date, whether disclosed or undisclosed, known or unknown on the Closing Date, direct or indirect, absolute or contingent, secured or unsecured, liquidated or unliquidated, accrued or otherwise, whether liabilities for taxes, liabilities of creditors, liabilities arising under any existing lease agreement, liabilities arising under any profit sharing, pension or other benefit under any plan of the Company, liabilities to any Governmental Agency (as hereinafter defined) or third parties, liabilities assumed or incurred by the Company by operation of law or otherwise (collectively, the “**Excluded Liabilities**”), including, but not limited to, (i) contractual liabilities arising or accruing from the Company or the Business or ownership of the Purchased Assets on or prior to the Closing Date, (ii) any liability with respect to the Company’s or the Business’ or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period on or prior to the Closing Date, (iii) any existing litigation against the Company or the Business, (iv) any taxes owing by the Company for taxable periods or portions of taxable periods ending on or before the Closing Date, whether related to the Business, the Purchased Assets or otherwise, and any liens on the Purchased Assets relating to any such taxes, and (v) any suit, action, proceeding, claim or investigation against Purchaser Group (as hereinafter defined) which arises from or which is based upon or pertaining to the Company’s conduct or operation of the Business on or prior to the Closing Date; provided that any such liability shall only be an Excluded Liability to the extent the liability relates to the period ending on the Closing Date and, for clarity, any liability which arises from or which is based upon or pertaining to the Purchaser’s conduct or operation of the Business relating to any period ending after the Closing shall solely be a liability of the Purchaser. Nothing herein shall be interpreted to prevent the Company from contesting the validity of any of its alleged liabilities including as defined as “Excluded Liabilities” herein nor shall this agreement be construed to create a Third-Party Beneficiary related to any of the “Excluded Liabilities”. The Company retains all defenses, offsets and claims, and the right to assert same as to any and all of the “Excluded Liabilities.”

Section 1.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the Closing, to assume and agrees to pay, perform and discharge only the liabilities and obligations related or connected to the Purchased Assets or the operation by Purchaser of any Business on the Premises arising or accruing after the Closing Date, other than liabilities arising out of a breach of this Agreement by the Company (collectively, the “**Assumed Liabilities**”), including, but not limited to, (i) contractual liabilities arising from the Business, ownership of the Purchased Assets or operation by Purchaser of any Business on the Premises after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser), (ii) any litigation resulting from the use or ownership of any of the Purchased Assets that occurs subsequent to the Closing Date as a result of Purchaser’s operation of any business on the Premises, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending after the Closing Date, whether related to the Business or the Purchased Assets or Purchaser’s operation of any business on the Premises, and any liens on the Purchased Assets relating to any such taxes accruing during the period subsequent to the Closing Date, and (iv) any suit, action, proceeding, claim or investigation by any individual or Governmental Agency alleging that, during any period after the Closing Date, Purchaser, through its operation of the Business during such period or periods, misclassified entertainers. For clarity, Purchaser will only assume liabilities which arise from or which are based upon or pertain to the Purchaser’s conduct or operation of the Business or on the location of the Premises which occur after the Closing Date.

Section 1.3 Taxes. The Company shall pay when due any sales, transfer, excise, or other taxes which may be imposed in any jurisdiction in connection with or arising from the sale and transfer of any of the Purchased Assets to Purchaser.

Section 1.4 Bulk Sales Laws. The Company acknowledges that any applicable provisions of any tax clearance or bulk sales laws pertaining to the transactions contemplated by this Agreement are being complied with and that the Company agrees to indemnify and hold harmless Purchaser from and against any and all liabilities arising out of or relating to any such tax clearance or bulk sales law. Any such liability shall be an Excluded Liability.

Article III PURCHASE PRICE FOR THE PURCHASED ASSETS

The Purchaser shall pay to the Company for all of the Purchased Assets a total purchase price of One Million Eight Hundred Fifty Thousand Dollars (\$1,850,000.00) plus sums calculated under 1.4 herein (the “**Purchase Price**”), which will be payable at the Closing, as follows: (a) Five Hundred Thousand Dollars (\$500,000) cash by wire transfer; (b) issue to the Company a 10-year promissory note (the “**Promissory Note**”) with a principal amount equal to One Million Three Hundred Fifty Thousand (\$1,350,000.00) Dollars, which Promissory Note will bear interest at the rate of 7% per annum and be payable, in arrears, in 120 equal monthly payments of principal and interest of \$15,674.64, based on a 10-year amortization schedule, with the first payment due 30 days after Closing. The Promissory Note will be secured by a first lien on the Purchased Assets pursuant to a security agreement and the filing of a UCC financing statement and additionally the provision of an absolute, unconditional, and continuing guarantee of BD Hospitality Acquisition, Inc. and a Pledge by BD Hospitality Acquisition, Inc. of its Stock in Purchaser. Purchaser shall remain liable under 1.5 hereof.

Article IV CLOSING

Section 1.1 The Closing. The closing (the “**Closing**”) of the transactions contemplated by this Agreement shall take place as soon as practicable and when agreed to by the parties, but in no event until the satisfaction or waiver of the conditions set forth in Article VIII and Article IX (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to satisfaction or waiver of those conditions), or on such other date as the Parties may mutually agree in writing (the “**Closing Date**”). The Closing will take place at the office of Title Partners, 5501 LBJ Freeway, Suite 200, Dallas, Texas 75240, or at such other place as agreed upon among the parties hereto, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. Notwithstanding the foregoing, in the event the conditions to Closing have not been satisfied or waived by January 31, 2023, then the Company or Purchaser may terminate this Agreement by giving written notice to the other Parties as provided for in Section 12.2, and this Agreement will be of no further force or effect.

Section 1.2 Delivery of Documents at Closing. At the Closing: (a) the Company shall deliver to Purchaser all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all liens, charges or encumbrances, other than Permitted Encumbrances, against delivery by Purchaser to the Company of payment in an amount equal to the Purchase Price of the Purchased Assets being purchased by Purchaser in the manner set forth herein in accordance with Article III hereof; and (b) the Company and Purchaser shall deliver the various certificates, instruments and documents (and shall take the required actions) referred to in Articles VIII and IX below.

Article V
REPRESENTATIONS AND WARRANTIES
OF THE COMPANY

Except as set forth in the disclosure schedules accompanying this Agreement (each a “**Schedule**” and collectively the “**Schedules**”), the Company hereby represents and warrants to Purchaser as follows:

Section 1.1 Organization, Good Standing and Qualification of the Company. The Company is a Texas corporation duly organized and validly existing and in good standing under the laws of the state of Texas, has all requisite power and authority to carry on its business, and is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Company.

Section 1.2 Subsidiaries. The Company does not own any subsidiaries.

Section 1.3 Ownership of the Purchased Assets. The Company owns all of the Purchased Assets free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances, other than Permitted Encumbrances. The Company has the unrestricted right and power to transfer, convey and deliver full ownership of the Purchased Assets without the consent or agreement of any other person and without any designation, declaration or filing with any Governmental Authority. Upon the transfer of the Purchased Assets to Purchaser as contemplated herein, Purchaser will receive title thereto, free, and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances, or other restrictions other than Permitted Encumbrances. For purposes of this Agreement, “**Permitted Encumbrances**” means (a) liens for taxes, assessments or government charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and which are subject to reasonable reserves, all as listed on Schedule 5.3, attached hereto; (b) those encumbrances, if any, listed on Schedule 5.3 attached hereto.

Section 1.4 Authorization. All action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein have been taken by the Company or will be taken prior to the Closing Date. The Company has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors’ rights and to general equitable principles.

Section 1.5 No Breaches or Defaults. Except as shown on Schedule 5.5, the execution, delivery, and performance of this Agreement by the Company does not: (i) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of the Company, (ii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets, (iii) conflict with or result in a breach or violation of, or default under, or give rise to any right of acceleration or termination of, any of the terms, conditions or provisions of any note, bond, lease, license, agreement or other instrument or obligation to which the Company is a party of by which the Company’s assets or properties are bound or (iv) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (a) any applicable Legal Requirement (as defined below), or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Company is a

party or by which the Purchased Assets may be bound or affected. For purposes of this Agreement, “**Governmental Authority**” means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, “**Legal Requirement**” means any law, statute, injunction, decree, order, or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority. Provided however, any license to operate as a Sexually Oriented Business or sell alcoholic beverages by Purchaser in the future using the Purchased Assets must be approved by the appropriate Governmental Agency or Entity.

Section 1.6 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of the Company in connection with the execution and delivery by the Company of this Agreement or the consummation and performance of the transactions contemplated hereby. Provided however, any license to operate as a Sexually Oriented Business or sell alcoholic beverages by Purchaser in the future using the Purchased Assets must be approved by the appropriate Governmental Agency or Entity

Section 1.7 Pending Claims. There is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or, to the Company’s knowledge, threatened against the Company before any court, arbitration, administrative or regulatory body or any governmental agency which would reasonably be expected to result in any judgment, order, award, decree, liability or other determination which will or would reasonably be expected to have any material effect upon the Company or the Business or the transfer by the Company to Purchaser of the Purchased Assets, and there is no basis known to the Company for any such action. No litigation is pending, or, to the Company’s knowledge, threatened against the Company, which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. The Company is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against it or which would reasonably be expected to materially and adversely affect the Company, the Purchased Assets, the Real Property or the Business. There are however claims, suits, arbitrations, investigations, actions, litigations, or other proceedings, now pending or threatened against the Company as listed in Schedule 5.7 hereof.

Section 1.8 Taxes. The Company has timely and accurately prepared and filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates by the Company and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes, and withholding or other payroll related taxes shown on such returns. The Company to the best knowledge of the Company, is not delinquent in the payment of any tax or governmental charge of any nature. The Company has no knowledge of any liability for any tax to be imposed by any taxing authorities upon the Company as of the date of this Agreement and as of the Closing that is not adequately provided for. No assessments or notices of deficiency or other communications have been received by the Company with respect to any tax return of the Company which has not been paid, discharged, or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. Except as shown on Schedule 5.8, none of the federal, state, foreign and local tax returns of the Company have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations, or claims pending. The Company has no knowledge of any additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company for any period, nor of any basis for any such assessment, adjustment, or contingency. There are no agreements between the Company and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 1.9 Financial Statements. The Company has or will deliver to the Purchaser the unaudited Balance Sheets of the Company as of September 30, 2022, together with the related unaudited Statements of Income for the periods then ended (hereinafter referred to as the “**Financial Statements**”). Such Financial Statements are in accordance with the books and records of the Company and fairly represent in all material respects the financial position of the Company and the results of operations and changes in financial position of the Company as of the dates and for the periods indicated, in each case in conformity with income tax-basis of accounting principles applied on a consistent basis. Except as shown on Exhibit 5.9 and except as and to the extent reflected or reserved against in the Financial Statements, the Company, as of the date of the Financial Statements, has no material liability or obligation of any nature required to be disclosed in a balance sheet in accordance with income tax-basis of accounting principles. The Company is an accrual method taxpayer.

Section 1.10 No Material Adverse Change. To the best knowledge of the Company, since the date of the Financial Statements, the Company has conducted its business in the ordinary course, consistent with past practice, and there has been no (i) change that has had or would reasonably be expected to have a material adverse effect upon the assets or business or the financial condition or other operations of the Company; (ii) acquisition or disposition of any material asset by the Company or any contract or arrangement therefore, otherwise than for fair value in the ordinary course of business; (iii) material change in the Company’s accounting principles, practices or methods; (iv) incurrence of any material indebtedness or lending of money to any person or entity; (v) acceleration, termination, modification or cancellation of any agreement, contract, lease or license (or series of related agreements, contracts, leases or licenses) involving more than \$10,000 to which the Company is a party; or (vi) delay or postponement in the payment of any accounts payable or other liabilities.

Section 1.11 Labor Matters. The Company is not a party or otherwise subject to any collective bargaining agreement with any labor union or association. There are no discussions, negotiations, demands or proposals that are pending or have been conducted or made with or by any labor union or association, and there are not pending or threatened against the Company any labor disputes, strikes or work stoppages. All employees, including upper management level personnel of the Business are employed at will and their employment or engagement may be terminated at will.

Section 1.12 Compliance with Laws. To the knowledge of the Company, the Company is, and at all times prior to the date hereof, has been in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. The Company has not received any written order or written notice of any such violation or claim of violation of any such statute, order, rule, ordinance, or regulation by the Company, except as listed on Schedule 5.12. The Company owns, holds, possesses, or lawfully uses in the operation of its business all permits and licenses which are in any manner necessary or required for it to conduct its operation and business as now being conducted. Schedule 5.12 sets forth a list of all licenses and permits held by the Company used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date, unless surrendered by the Company to effectuate this transaction. To the knowledge of the Company, no material record violations exist in respect of any such permit or license and no investigation or proceeding is pending or threatened, that would reasonably be expected to result in the suspension, revocation, modification, non-renewal, limitation or restriction of any such permits or licenses.

Section 1.13 Contracts and Leases. Except as shown on Schedule 5.13, the Company does not (i) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) have any have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (iii) have given any power of attorney to any person or organization for any purpose relating to the Purchased Assets or business of the Company or the

Business. The Company operates its adult entertainment cabaret located at the Premises under an existing lease agreement. The Company shall make available to Purchaser prior to the Closing Date each and every written contract, lease or other document relating to the Purchased Assets of the Company to which it is subject or is a party or a beneficiary. To the Company's knowledge, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute legal, valid and binding obligations of the Company and the other respective parties thereto and are enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles. The Company has no knowledge of any default or breach under such contracts, leases, or other documents or of any pending or threatened claims under any such contracts, leases, or other documents, except as listed on Schedule 5.13. Neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the financial condition of the Company or the operation of the Business after the Closing.

Section 1.14 No Pending Transactions. Except for the transactions contemplated by this Agreement, the Company is not a party to or bound by or the subject of any agreement, undertaking, commitment or discussions or negotiations with any person that would reasonably be expected to result in: (i) the sale, merger, consolidation or recapitalization of the Company; (ii) the sale of any of the Purchased Assets of the Company (other than in the ordinary course of its business); (iii) the sale of any outstanding capital stock of the Company; (iv) the acquisition by the Company of any operating business or the capital stock of any other person or entity; (v) the borrowing of money; (vi) any agreement with any of the respective officers, managers or affiliates of the Company; or (vii) the expenditure of more than \$10,000 or the performance by the Company extending for a period more than one year from the date hereof.

Section 1.15 Material Agreements; Action. Except as shown on Schedule 5.15 and except for the transactions contemplated by this Agreement, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Company is a party or by which it is bound that involve or relate to (i) any of the respective officers, directors, stockholder or partners of the Company or (ii) covenants of the Company not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with the Company in any line of business or in any geographical area.

Section 1.16 Environmental Matters. To the best knowledge of the Company, the Company has conducted its Business in compliance with all Environmental Laws (as hereinafter defined), except for any such instance of non-compliance that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Purchased Assets. The Company is in compliance with all Permits required under applicable Environmental Laws, except where the absence of, or the failure to be in compliance with, any such Permit would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Business. There are no written claims, notices of violation or any other actions, investigations or proceedings pending or threatened against the Company alleging violations of or liability under any Environmental Law. To the best knowledge of the Company, there has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Company, and no property currently or formerly owned, leased, or operated by the Company, has been contaminated by the Company or to the knowledge of the Company, by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Company. The Company is not subject to any order, decree, injunction or other agreement with any Governmental Authority or any indemnity or other agreement with any other Person relating to liability under any Environmental Law. "**Environmental Laws**" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 1201 *et seq.*, the Clean Water

Act, 33 U.S.C. § 1321 *et seq.*, the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and any other federal, state, local or other governmental statute, regulation, law or ordinance dealing with the protection of human health, natural resources or the environment. “**Hazardous Materials**” means any substance, material or waste that is listed, classified, or regulated by a Governmental Authority as a “toxic substance”, “hazardous substance”, “solid waste” or “hazardous material” or words of similar meaning or effect or otherwise regulated for potentially harmful effects to human health or the environment by any Governmental Authority, including petroleum and petroleum products.

Section 1.17 Insurance Policies. Copies of all insurance policies maintained by the Company relating to the operation of the Business will be made available to Purchaser. All such insurance policies are in full force and effect and all premiums due thereon have been paid and will be paid through the Closing.

Section 1.18 No Default. To the best knowledge of the Company, the Company is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Company, under any other contract, lease, agreement, commitment or undertaking to which the Company is a party or by which it or its assets or properties are bound.

Section 1.19 Books and Records. The books of account, minute books, stock record books and other records of the Company, all of which have been made available to Purchaser, are accurate and complete in all material respects and have been maintained in accordance with sound business practices.

Section 1.20 Certificates. All certificates of occupancy, licenses, permits, authorizations, and approvals required by law or by any governmental authority having jurisdiction over the Premises have been obtained and are in full force and effect unless listed on schedule 5.7 hereof.

Section 1.21 Disclosure. To the best of the Company’s knowledge, no representation or warranty of the Company contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Section 1.22 Brokerage Commission. No broker or finder has acted on behalf of the Company or any of its affiliates in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder’s fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Company.

Article VI REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Company as follows:

Section 1.1 Organization, Good Standing and Qualification of the Purchaser. The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Purchaser.

Section 1.2 Authorization. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein has been taken by the Purchaser or will be taken prior to the Closing Date. The Purchaser has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 1.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by Purchaser does not: (i) conflict with, violate, or constitute a breach of or a default under or (ii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which Purchaser is a party.

Section 1.4 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 1.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Purchaser.

Section 1.6 Disclosure. To the best of Purchaser's knowledge, no representation or warranty of Purchaser contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Article VII COVENANTS OF THE COMPANY

Section 1.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Company agrees that until the Closing Date or the termination of this Agreement, neither the Company nor any representative of the Company will offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, merger, corporate reorganization of the Company, or the sale, transfer, encumbrance, pledge, collateralization or hypothecation of any assets of the Company or the Business. The Company hereby agrees to advise the Purchaser of any contact from any third party regarding the acquisition or other investment in the Company or the Business, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 1.2 Access; Due Diligence. Between the date of this Agreement and the Closing Date, the Company shall, subject to the Parties previous Non-Disclosure Agreement (a) provide Purchaser and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Company, and to the books and records of the Company, and the Business; (b) permit the Purchaser to make inspections thereof; and (c) cause the officers and advisors of the Company and the Business to furnish the Purchaser with such

financial and operating data and other information with respect to the business and properties and to discuss such information with the Purchaser, as the Purchaser may from time to time reasonably request.

Section 1.3 Taxes. The Company shall file or cause to be filed all tax returns required to be filed by the Company, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Company shall not (a) change any method of accounting of the Company for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Company; (c) change an accounting period of the Company with respect to any tax; (d) make, change or revoke any election with respect to taxes; or (e) extend or waive the applicable statute of limitations with respect to any taxes.

Section 1.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Company shall operate itself and the Business in the ordinary course consistent with past practices, and:

(a) The Company will not authorize, declare, pay, or effect any dividends or liquidate or distribute any common stock or other equity interest or undertake any direct or indirect redemption, purchase, or other acquisition of any equity interest;

(b) The Company will not make any changes in its condition (financial or otherwise), liabilities, assets, or business or in any of its business relationships, including relationships with suppliers or customers, that, when considered individually or in the aggregate, would reasonably be expected to have a material adverse effect on it;

(c) The Company will not increase the salary or other compensation payable or to become payable by it to any employee, or the declaration, payment, or commitment or obligation of any kind for the payment by it of a bonus or other additional salary or compensation to any such person except in the normal course of business, consistent with its past practices;

(d) The Company will not sell, lease, transfer or assign any of their assets, tangible or intangible, other than inventory for a fair consideration, in the ordinary course of business;

(e) The Company will not accelerate, terminate, modify, or cancel any agreement, contract, lease, or license (or series of related agreements, contracts, leases and licenses) involving more than \$10,000, either individually or in the aggregate, to which it is a party, other than in the ordinary course of business, absent the consent of Purchaser;

(f) The Company will not make any loans to any person or entity, or guarantee any loan, absent the consent of Purchaser;

(g) The Company will not waive or release any right or claim held by it, absent the consent of Purchaser;

(h) The Company will operate its business in the ordinary course and consistent with past practices so as to preserve its business organization intact, to retain the services of their employees and to preserve their goodwill and relationships with suppliers, creditors, customers, and others having business relationships with them;

(i) The Company will not issue any note, bond or other debt security or create, incur, or assume, or guarantee any indebtedness for borrowed money or capitalized lease obligations;

(j) The Company will not delay or postpone the payment of accounts payable and other liabilities outside the ordinary course of business;

(k) The Company will not make any change in any method, practice, or principle of accounting involving its business or assets;

(l) The Company will not issue, sell, or otherwise dispose of any of its capital stock or create, sell, or dispose of any options, rights, conversion rights or other agreements or commitments of any kind relating to the issuance, sale, or disposition of any of its equity interests;

(m) The Company will not reclassify, split up or otherwise change any of its common stock or capital structure;

(n) The Company will not be a party to any merger, consolidation, or other business combination; and

(o) The Company shall perform in all material respects all of its obligations under material contracts, leases and other documents relating to or affecting any of its assets, property or its business.

Nothing herein shall be deemed to prevent the Company from fulfilling current existing obligations and obligations incurred in the normal course of business until Closing.

Article VIII CONDITIONS TO CLOSING OF THE COMPANY

Each obligation of the Company to be performed on the Closing Date shall be subject to the satisfaction of each of the conditions stated in this Article VIII, except to the extent that such satisfaction is waived by the Company in writing:

Section 1.1 Representations and Warranties Correct. The representations and warranties made by Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. Purchaser shall provide to the Company certificates, dated the Closing Date, and signed by its President, to the effect set forth in Section 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Payment of Purchase Price. Purchaser shall have tendered the Purchase Price as referenced in Article III to the Company concurrently with the Closing.

Section 1.5 Corporate Resolutions. Purchaser shall provide corporate resolutions of the Board of Directors which approve the transactions contemplated herein and authorize the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no

investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against Purchaser.

Section 1.7 Consents; Status of Permits and Licenses. Purchaser shall have obtained all necessary permits and other authorizations, whether city, county, state or federal, which may be needed to operate an establishment serving liquor and providing live female adult semi-nude entertainment on the Premises, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and to the continued performance of live female adult semi-nude entertainment at the Business, without any interruption.

Article IX CONDITIONS TO CLOSING OF PURCHASER

Each obligation of Purchaser to be performed on the Closing Date will be subject to the satisfaction of each of the conditions stated in this Article IX, except to the extent that such satisfaction is waived by Purchaser in writing.

Section 1.1 Representations and Warranties Correct. The representations and warranties made by the Company shall be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. The Company will provide to Purchaser certificates, dated the Closing Date, and signed by the President of the Company to the effect set forth in Section 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Delivery of Purchased Assets. The Company shall have delivered all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all encumbrances (except Permitted Encumbrances) in form and substance satisfactory to the Purchaser.

Section 1.5 Corporate Resolutions. The Company shall provide to Purchaser resolutions of its board of directors and shareholders, which approve all of the transactions contemplated herein and authorizes the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Consents; Status of Permits and Licenses. Purchaser shall possess all necessary permits and other authorizations, whether city, county, state or federal, which may be needed to operate an establishment serving liquor and providing live female adult semi-nude entertainment on the Premises, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and to the continued performance of live female adult semi-nude entertainment at the Business, without any interruption.

Section 1.7 Financial Records. The financial records of the Business shall be maintained and exist in such a manner as to allow for a certified audit as determined by the Purchaser.

Section 1.8 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority will have been commenced and no investigation by any governmental or regulatory authority will have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against the Company or any of its assets.

Article X CLOSING ADJUSTMENTS

The Company and the Purchaser agree that there shall be an adjustment made within 90 days of the Closing Date to adjust for any Excluded Assets and/or Excluded Liabilities that are found to exist as of the Closing Date, as such Excluded Assets or Excluded Liabilities may relate to the Purchased Assets or the Business, so that the Company shall be responsible and liable to the Purchaser for the liabilities of the Company that exist as of the Closing Date, less a credit for any miscellaneous cash on hand (for clarity, the Parties intend that cash on hand at Closing will be zero), credit card receivables or pro rata portion of pre-paid items.

Article XI INDEMNIFICATION

Section 1.1 Indemnification from the Company. The Company hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold Purchaser, its officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the “**Purchaser Group**”) harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys’ fees and costs of any suit related thereto) (collectively, “**Losses**”), whether arising from a direct (or first-party) claim or a third-party claim, suffered or incurred by any of the Purchaser Group arising from: (a) any breach of any representation or warranty of the Company contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Company hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Company under this Agreement; or (c) any Excluded Liability.

Section 1.2 Indemnification from Purchaser. Purchaser agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to the Company) and hold the Company and its officers, directors, affiliates, agents, legal counsel, successors and assigns (collectively, the “**Company Group**”) harmless from and against any and all Losses, whether arising from a direct (or first party) claim or a third-party claim, suffered or incurred by any of Company Group, arising from (a) any breach of any representation or warranty of Purchaser contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Purchaser hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of Purchaser under this Agreement; or (c) any Assumed Liability.

Section 1.3 Defense of Claims. If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the Indemnitor within ten (10) business days after receipt of notice or other date by which action must be taken; provided that the failure of any Indemnitee to give timely notice shall not affect rights to indemnification hereunder except to the extent that the Indemnitor demonstrates damage caused by such failure. After such notice, the Indemnitor shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the Indemnitor’s cost, risk and expense; and such Indemnitee shall cooperate in all reasonable respects, at its cost, risk and expense, with the Indemnitor and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the Indemnitee may, at its own cost, participate in such investigation,

trial and defense of such lawsuit or action and any appeal arising therefrom, but the fees and expenses of its legal counsel shall be at the expense of the Indemnitee, except to the extent that (i) the employment thereof has been specifically authorized by the Indemnitor in writing, (ii) the Indemnitor has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict of any material issue between the position of the Indemnitor and the position of such Indemnitee, in which case the Indemnitor shall be responsible for the reasonable fees and expenses of no more than one separate legal counsel. The Indemnitor shall not, without the prior written consent of the Indemnitee, effect any settlement of any proceeding in respect of which any Indemnitee is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the Indemnitor and includes an unconditional release of such Indemnitee from all liability on claims that are the subject matter of such proceeding.

Section 1.4 Default of Indemnification Obligation. If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys' fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 1.5 Survival of Representations and Warranties. The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "**Indemnitor**") under this Agreement unless the party entitled to indemnification (the "**Indemnitee**") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

Section 1.6 Right to Offset. In the event that the Purchaser is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser of any debts or liabilities resulting from the purchase of the Purchased Assets which were incurred prior to the Closing Date, then Purchaser shall have the right to offset any such amount from any obligations that are then due and payable to the Company by the Purchaser.

Article XII MISCELLANEOUS

Section 1.1 Amendment; Waiver. Neither this Agreement nor any provision hereof may be amended, modified, or supplemented unless in writing, executed by all the parties hereto. Except as otherwise expressly provided herein, no waiver with respect to this Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power, or remedy.

Section 1.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in Person or sent by registered or certified mail (return receipt requested) or nationally recognized overnight delivery service, postage pre-paid, or electronic mail, provided that any notice sent by electronic mail must include a reference to this Section 12.2 to be effective, addressed as follows, or to such other address as such party may notify to the other parties in writing:

(a) If to the Company: Millennium Restaurants Group, Inc.
Attn: Charles J. Quaid
% Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

with a copy to: Charles J. Quaid
Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

(b) If to the Purchaser: RCI Dining Service (Composite), Inc.
Attn: Travis Reese, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to: Robert D. Axelrod
Axelrod & Smith
1502 Augusta Drive, Suite 320
Houston, Texas 77057
Email: rdaxel@asklawhou.com

A notice or communication will be effective (i) if delivered in Person, by electronic mail, or by overnight courier, on the business day it is delivered and (ii) if sent by registered or certified mail, three (3) business days after dispatch. In the event either party delivers a notice by electronic mail, such party agrees to deposit the original notice in a post office, branch office post office, or mail depository maintained by the U.S. Postal Service postage prepaid and addressed as set forth above.

Section 1.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 1.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 1.5 Public Announcements. The parties hereto agree that prior to making any public announcement or statement with respect to the transactions contemplated by this Agreement, the party desiring to make such public announcement or statement shall advise the

other parties hereto and exercise their best efforts to agree upon the text of a public announcement or statement to be made by the party desiring to make such public announcement; provided, however, that if any party hereto is required by law to make such public announcement or statement, then such announcement or statement may be made without the approval of the other parties, provided that such party will advise the other parties hereto.

Section 1.6 Entire Agreement. This Agreement, the Cooperation Agreement of this date required of Seller by Buyer and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings, contracts and communications, whether verbal or written among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

Section 1.7 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Texas, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Dallas County, Texas.

Section 1.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page was an original thereof.

Section 1.9 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with the negotiation and execution of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby.

Section 1.10 Section Headings. The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 1.11 No Third-Party Beneficiaries. Nothing in this Agreement will confer any third party beneficiary or other rights upon any person (specifically including any employees of The Company) or any entity that is not a party to this Agreement.

Section 1.12 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such actions as may be reasonably be requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

Section 1.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit, upon their respective acceptance of its terms, conditions and/or form.

Section 1.14 Termination of Agreement. This Agreement shall terminate and be of no force and effect and all other agreements executed herewith shall be of no force and effect if: (i) the transactions contemplated by this Agreement are not consummated on or before January 31,

2023, unless all of the parties hereto agree in writing to extend the Agreement or (ii) all of the parties agree in writing to terminate this Agreement sooner.

Section 1.15 Attorney Review - Construction. In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other that they have had the opportunity to be advised by attorneys of their own choice and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

Section 1.16 Gender. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter gender and the singular shall include the plural and vice versa, wherever appropriate.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement to become effective as of the date first set forth above.

RCI Dining Service (Composite), Inc.

By: /s/ Travis Reese
Travis Reese, President

Millennium Restaurants Group, Inc.

By: /s/ Steven William Craft
Steven William Craft, President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item

Quantity

Item

Quantity

Schedule 5.3

None

Schedule 5.5

None

Schedule 5.7

City of Dallas (COD) Alleged Code violations related to condition of 10723 Composite Drive, Dallas, Dallas County, Texas 75220

COD issue on need of Promoter's Permit

Belfor USA Group Inc has filed Lis Pendens and "Constitutional Lien" against 10723 Composite Drive, Dallas, Dallas County, Texas 75220

Belfor USA Group Inc. d/b/a Belfor Property Restoration v. Duncan Burch et. al. Cause Number DC-22-05038 in the 116th Judicial District Court for Dallas County, Texas

TABC Administrative charge filed alleged activity in club.

Schedule 5.8

None

Schedule/Exhibit 5.9

None

Schedule 5.12

See Schedule 5.7

Schedule 5.13

To be Provided before Closing

Schedule 5.15

None

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made and entered into this ___ day of December, 2022, by and among T& N, Inc., a Texas corporation (the “**Company**”), and RCI Dining Service (Majesty), Inc., a Texas corporation (the “**Purchaser**”). The Company and the Purchaser are sometimes hereinafter collectively referred to as the “**Parties**.”

WHEREAS, BD Hospitality Acquisition, Inc., as Texas corporation (“**BD Hospitality**”), owns all of the issued and outstanding capital stock of Purchaser; and

WHEREAS, the Company owns and operates an adult entertainment cabaret known as Chicas Locas Arlington/The Fare-Arlington (the “**Business**”) located at 2711 Majesty Arlington Texas, (the “**Premises**”); and

WHEREAS, the Purchaser and the Company desire that the Purchaser purchase all of the assets owned by the Company, including all assets used for the business of the Company on the Premises; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements and the respective representations and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

**Article I
PURCHASE AND SALE OF THE ASSETS**

Section 1.1 Assets of the Company to be Transferred to Purchaser. On the Closing Date (as defined in Section 4.1 hereof), and subject to the terms and conditions set forth in this Agreement, the Company shall sell, convey, transfer and assign, or cause to be sold, conveyed, transferred and assigned to Purchaser free and clear of all liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions, subject only to any liens created as part of the purchase, and Purchaser shall acquire from the Company all of the tangible and intangible assets and personal property of every kind and description and wherever situated of the Business from the Company, except the Excluded Assets, as defined in Section 1.2, including but not limited to, the following personal property of the Company:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated of the Business, including, without limitation, inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers (subject to Section 1.2) and software, appliances, sign inserts, sound and lighting and telephone systems not incorporated into the building, telephone numbers, and other personal property of whatever kind and nature owned or leased by the Company (subject to Section 1.1(d)), installed, located, situated or used in, on, or about, or in connection with the operation, use and enjoyment of the Premises and all other items on the subject Premises and used in connection with the operation of the Business;

(b) all of the Company’s inventory of supplies, accessories and any and all other items of personal property of whatever nature, excluding all alcoholic beverages sold by the Company in the operation of the Business(the “**Inventory**”);

(c) all supplies (other than Inventory) and other “consumable supplies” used in connection with the operation of the Business excluding food and non-alcoholic beverages (the “**Supplies**”);

(d) all of the Company's right, title, and interest, as lessee, of any and all equipment leased by the Company and located at the Premises (the "**Leased Equipment**") if disclosed by Company and for which Purchaser agrees to assume payment. The Company shall cancel and/or pay for (i) any equipment lease that the Purchaser does not elect to assume payment for and the use thereof and (ii) any undisclosed equipment lease;

(e) all right, title, and interest of the Company to the use of the telephone numbers presently being used by the Business, including all rotary extensions thereto, and all advertisements in the "Yellow Pages", "City Directory" and other social media and digital accounts such as Facebook and Instagram, and after the Closing, Purchaser shall assume all expenses for the Telephone Numbers and advertising;

(f) copies of the Company's lists of suppliers, and any and all of books, records, papers, files, memoranda and other documents relating to or compiled in connection with the operation of the Business which are requested by Purchaser, other than those assets listed in Section 1.2(i) (the "**Records**");

(g) all intellectual property of every kind owned or licensed by the Company or any rights thereto, including but not limited to common law rights, if any, to the name "Chicas Locas" or any derivative, all trademarks, tradenames, service marks, patents, copyrights, and trade secrets (collectively, the "**Intellectual Property**") (provided, however, that the Intellectual Property specifically excludes the common law rights to same claimed by ERAF, Inc.);

(h) all licenses, rights or ownership interests held by the Company to universal resource locators ("**URLs**") and internet domain names, all source code and associated files necessary to operate URLs, including but not limited to images, graphics, content of the web pages, page layouts, scripts, forms and databases, and all goodwill associated with or used in connection with the operation or business of the URLs and internet domain names; and

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult semi-nude entertainment business serving alcoholic beverages on the Premises which the Company has the right to transfer and convey, including all other licenses, consents, authorizations, accreditations, waivers and approvals (together with all government filings pertaining thereto), however designated, established, maintained or renewed and issued evidencing or authorizing the Company, the Company's agent(s) or nominee(s) for the purpose of engaging in the business and/or operation of an adult entertainment nightclub business, restaurant, bar, lounge, sale of liquor or any other business currently operating or capable of being operated on the Premises however characterized (collectively the "**Permits**"). The parties recognize that the right to operate as a Sexually Oriented Business/Adult Entertainment Establishment/Adult Cabaret requires a license (SOB License)" that is not transferable and not being transferred or sold herein. However, the Purchaser shall within three (3) business days of the execution of this Agreement apply for a SOB License at the location of the Company and use best efforts to obtain issuance thereof. The Company will cooperate as needed with such efforts. The parties recognize that the right to sell wine beer alcohol requires a permit from the Texas Alcoholic Beverage Commission ("TABC Permit)" that is not transferable and not being transferred or sold herein. However, the Purchaser shall within three (3) business days of the execution of this Agreement apply for a TABC Permit at the location of the Company and use best efforts to obtain issuance thereof. The Company will cooperate as needed with such efforts

(j) All interest and future obligation in every LICENSE AND LEASE AGREEMENT the Business has with independent contractor entertainers at the Business, which are assignable by the Business and will be assigned by the Business to Purchaser and accepted by the Purchaser upon Closing (same being subject to Purchaser's right to terminate upon thirty days written notice to any respective entertainer).

All of the items set forth in this Section 1.1 are collectively referred to as the "**Purchased Assets**". Exhibit 1.1, which will be completed prior to Closing, shall list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (i) the corporate seals, corporate books and minutes, corporate files, accounting, tax and financial records and records related to corporate governance of the Company; (ii) all Company bank accounts and all Company monies (including cash) on hand as of the Closing Date; (iii) all credit card receipts and ATM purchases as of the Closing Date; (iv) securities of any type, whether marketable or not; (v) prepaid expenses; (vi) all accounts or notes receivable of, or held by, the Company not generated by the business of the Company; (vii) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise, and which are not associated with the business of the Company or the Purchased Assets; (viii) the Company's rights under or pursuant to this Agreement and the other agreements, documents, certificates and other instruments entered into or delivered in connection with this Agreement to which the Company is a party; (ix) all business insurance policies of the Company; (x) all employee benefit plans of the Company; (xi) the liquor, spirits, wine or beer inventory located at the Business (subject to Section 1.5; (xii) any permit or license issued by the Texas Alcoholic Beverage Commission; (xiii) any real estate held in fee simple by the Business and (xiv) any permit or license issued by any governmental agency related to operation by the Company or at the Premises of an Adult Entertainment Establishment or Sexually Oriented Business and (xiv) any intellectual property rights excluded in Section 1.1(g) hereof (; (hereinafter collectively referred to as the "**Excluded Assets**").

Section 1.3 Intent of the Parties. Although the description of the Purchased Assets in Section 1.1 is intended to be complete, in the event Section 1.1 fails to contain the description of any assets belonging to the Company which are used for the Business and are not otherwise an Excluded Asset, such assets shall nonetheless be deemed transferred to Purchaser at the Closing.

Section 1.4 Food Inventory. On date of Closing, Purchaser and the Company will conduct a physical inventory of said food and non-alcoholic beverage inventory in the Premises, at a cost price determined for said inventory and a specific and additional payment for same from Purchaser to the Company for same will be made within 30 days of closing.

Section 1.5 Liquor Inventory On date of the Closing of the transaction contemplated by this Agreement, the current the TABC permit holder must cease to sell liquor, spirits, beer, and wine (herein "liquor") as they will no longer have a legal right to occupy the Premises. Purchaser shall acquire from the TABC permit holder the TABC permit holder's liquor inventory present at the Premises location on the date of closing, which will require (a) an actual physical inventory of said liquor inventory to be conducted by Purchaser at close of business on day sale closes and reported to TABC before Purchaser reopens and (b) the payment within 30 days of closing for the inventory at its cost price by Purchaser to the TABC permit holder.

Article II LIABILITIES

Section 1.1 Excluded Liabilities. Purchaser shall have no obligation and is not assuming, and the Company shall retain, pay, perform, defend and discharge, all of the liabilities and obligations of every kind whatsoever related or connected to the Purchased Assets or the

business of the Company, which liabilities existed, arose, or accrued during the periods on or prior to the Closing Date, whether disclosed or undisclosed, known or unknown on the Closing Date, direct or indirect, absolute or contingent, secured or unsecured, liquidated or unliquidated, accrued or otherwise, whether liabilities for taxes, liabilities of creditors, liabilities arising under any existing lease agreement, liabilities arising under any profit sharing, pension or other benefit under any plan of the Company, liabilities to any Governmental Agency (as hereinafter defined) or third parties, liabilities assumed or incurred by the Company by operation of law or otherwise (collectively, the “**Excluded Liabilities**”), including, but not limited to, (i) contractual liabilities arising or accruing from the Company or the Business or ownership of the Purchased Assets on or prior to the Closing Date, (ii) any liability with respect to the Company’s or the Business’ or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period on or prior to the Closing Date, (iii) any existing litigation against the Company or the Business, (iv) any taxes owing by the Company for taxable periods or portions of taxable periods ending on or before the Closing Date, whether related to the Business, the Purchased Assets or otherwise, and any liens on the Purchased Assets relating to any such taxes, and (v) any suit, action, proceeding, claim or investigation against Purchaser Group (as hereinafter defined) which arises from or which is based upon or pertaining to the Company’s conduct or operation of the Business on or prior to the Closing Date; provided that any such liability shall only be an Excluded Liability to the extent the liability relates to the period ending on the Closing Date and, for clarity, any liability which arises from or which is based upon or pertaining to the Purchaser’s conduct or operation of the Business relating to any period ending after the Closing shall solely be a liability of the Purchaser. Nothing herein shall be interpreted to prevent the Company from contesting the validity of any of its alleged liabilities including as defined as “Excluded Liabilities” herein nor shall this agreement be construed to create a Third-Party Beneficiary related to any of the “Excluded Liabilities”. The Company retains all defenses, offsets and claims, and the right to assert same as to any and all of the “Excluded Liabilities.”

Section 1.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the Closing, to assume and agrees to pay, perform and discharge only the liabilities and obligations related or connected to the Purchased Assets or the operation by Purchaser of any Business on the Premises arising or accruing after the Closing Date, other than liabilities arising out of a breach of this Agreement by the Company (collectively, the “**Assumed Liabilities**”), including, but not limited to, (i) contractual liabilities arising from the Business, ownership of the Purchased Assets or operation by Purchaser of any Business on the Premises after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser), (ii) any litigation resulting from the use or ownership of any of the Purchased Assets that occurs subsequent to the Closing Date as a result of Purchaser’s operation of any business on the Premises, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending after the Closing Date, whether related to the Business or the Purchased Assets or Purchaser’s operation of any business on the Premises, and any liens on the Purchased Assets relating to any such taxes accruing during the period subsequent to the Closing Date, and (iv) any suit, action, proceeding, claim or investigation by any individual or Governmental Agency alleging that, during any period after the Closing Date, Purchaser, through its operation of the Business during such period or periods, misclassified entertainers. For clarity, Purchaser will only assume liabilities which arise from or which are based upon or pertain to the Purchaser’s conduct or operation of the Business or on the location of the Premises which occur after the Closing Date.

Section 1.3 Taxes. The Company shall pay when due any sales, transfer, excise, or other taxes which may be imposed in any jurisdiction in connection with or arising from the sale and transfer of any of the Purchased Assets to Purchaser.

Section 1.4 Bulk Sales Laws. The Company acknowledges that any applicable provisions of any tax clearance or bulk sales laws pertaining to the transactions contemplated by this Agreement are being complied with and that the Company agrees to indemnify and hold

harmless Purchaser from and against any and all liabilities arising out of or relating to any such tax clearance or bulk sales law. Any such liability shall be an Excluded Liability.

Article III PURCHASE PRICE FOR THE PURCHASED ASSETS

The Purchaser shall pay to the Company for all of the Purchased Assets a total purchase price of Five Hundred Thousand Dollars (\$500,000.00) plus sums calculated under 1.4 herein (the “**Purchase Price**”), which will be payable at the Closing, as follows: issue to the Company of a 10-year promissory note (the “**Promissory Note**”) with a principal amount equal to Five Hundred Thousand Dollars (\$500,000.00), which Promissory Note will bear interest at the rate of 7% per annum and be payable, in arrears, in 120 equal monthly payments of principal and interest of \$5805.42, based on a 10-year amortization schedule, with the first payment due 30 days after Closing. The Promissory Note will be secured by a first lien on the Purchased Assets pursuant to a security agreement and the filing of a UCC financing statement and additionally the provision of an absolute, unconditional, and continuing guarantee of BD Hospitality Acquisition, Inc. and a Pledge by BD Hospitality Acquisition, Inc. of its Stock in Purchaser. Purchaser shall remain liable under 1.5 hereof.

Article IV CLOSING

Section 1.1 The Closing. The closing (the “**Closing**”) of the transactions contemplated by this Agreement shall take place as soon as practicable and when agreed to by the parties, but in no event until the satisfaction or waiver of the conditions set forth in Article VIII and Article IX (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to satisfaction or waiver of those conditions), or on such other date as the Parties may mutually agree in writing (the “**Closing Date**”). The Closing will take place at the office of Title Partners, 5501 LBJ Freeway, Suite 200, Dallas, Texas 75240, or at such other place as agreed upon among the parties hereto, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. Notwithstanding the foregoing, in the event the conditions to Closing have not been satisfied or waived by January 31, 2023, then the Company or Purchaser may terminate this Agreement by giving written notice to the other Parties as provided for in Section 12.2, and this Agreement will be of no further force or effect.

Section 1.2 Delivery of Documents at Closing. At the Closing: (a) the Company shall deliver to Purchaser all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all liens, charges or encumbrances, other than Permitted Encumbrances, against delivery by Purchaser to the Company of payment in an amount equal to the Purchase Price of the Purchased Assets being purchased by Purchaser in the manner set forth herein in accordance with Article III hereof; and (b) the Company and Purchaser shall deliver the various certificates, instruments and documents (and shall take the required actions) referred to in Articles VIII and IX below.

Article V REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedules accompanying this Agreement (each a “**Schedule**” and collectively the “**Schedules**”), the Company hereby represents and warrants to Purchaser as follows:

Section 1.1 Organization, Good Standing and Qualification of the Company. The Company is a Texas corporation duly organized and validly existing and in good standing under

the laws of the state of Texas, has all requisite power and authority to carry on its business, and is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Company.

Section 1.2 Subsidiaries. The Company does not own any subsidiaries.

Section 1.3 Ownership of the Purchased Assets. The Company owns all of the Purchased Assets free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances, other than Permitted Encumbrances. The Company has the unrestricted right and power to transfer, convey and deliver full ownership of the Purchased Assets without the consent or agreement of any other person and without any designation, declaration or filing with any Governmental Authority. Upon the transfer of the Purchased Assets to Purchaser as contemplated herein, Purchaser will receive title thereto, free, and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances, or other restrictions other than Permitted Encumbrances. For purposes of this Agreement, “**Permitted Encumbrances**” means (a) liens for taxes, assessments or government charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and which are subject to reasonable reserves, all as listed on Schedule 5.3, attached hereto; (b) those encumbrances, if any, listed on Schedule 5.3 attached hereto.

Section 1.4 Authorization. All action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein have been taken by the Company or will be taken prior to the Closing Date. The Company has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors’ rights and to general equitable principles.

Section 1.5 No Breaches or Defaults. Except as shown on Schedule 5.5, the execution, delivery, and performance of this Agreement by the Company does not: (i) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of the Company, (ii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets, (iii) conflict with or result in a breach or violation of, or default under, or give rise to any right of acceleration or termination of, any of the terms, conditions or provisions of any note, bond, lease, license, agreement or other instrument or obligation to which the Company is a party of by which the Company’s assets or properties are bound or (iv) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (a) any applicable Legal Requirement (as defined below), or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Company is a party or by which the Purchased Assets may be bound or affected. For purposes of this Agreement, “**Governmental Authority**” means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, “**Legal Requirement**” means any law, statute, injunction, decree, order, or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority. Provided however, any license to operate as a Sexually Oriented Business or sell alcoholic beverages by Purchaser in the future using the Purchased Assets must be approved by the appropriate Governmental Agency or Entity.

Section 1.6 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of the Company in connection with the execution and delivery by the Company of this Agreement or the consummation and performance of the transactions contemplated hereby. Provided however, any license to operate as a Sexually Oriented Business or sell alcoholic beverages by Purchaser in the future using the Purchased Assets must be approved by the appropriate Governmental Agency or Entity

Section 1.7 Pending Claims. There is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or, to the Company's knowledge, threatened against the Company before any court, arbitration, administrative or regulatory body or any governmental agency which would reasonably be expected to result in any judgment, order, award, decree, liability or other determination which will or would reasonably be expected to have any material effect upon the Company or the Business or the transfer by the Company to Purchaser of the Purchased Assets, and there is no basis known to the Company for any such action. No litigation is pending, or, to the Company's knowledge, threatened against the Company, which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. The Company is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against it or which would reasonably be expected to materially and adversely affect the Company, the Purchased Assets, the Real Property or the Business. There are however claims, suits, arbitrations, investigations, actions, litigations, or other proceedings, now pending or threatened against the Company as listed in Schedule 5.7 hereof.

Section 1.8 Taxes. The Company has timely and accurately prepared and filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates by the Company and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes, and withholding or other payroll related taxes shown on such returns. The Company to the best knowledge of the Company, is not delinquent in the payment of any tax or governmental charge of any nature. The Company has no knowledge of any liability for any tax to be imposed by any taxing authorities upon the Company as of the date of this Agreement and as of the Closing that is not adequately provided for. No assessments or notices of deficiency or other communications have been received by the Company with respect to any tax return of the Company which has not been paid, discharged, or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. Except as shown on Schedule 5.8, none of the federal, state, foreign and local tax returns of the Company have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations, or claims pending. The Company has no knowledge of any additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company for any period, nor of any basis for any such assessment, adjustment, or contingency. There are no agreements between the Company and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 1.9 Financial Statements. The Company has or will deliver to the Purchaser the unaudited Balance Sheets of the Company as of September 30, 2022, together with the related unaudited Statements of Income for the periods then ended (hereinafter referred to as the "**Financial Statements**"). Such Financial Statements are in accordance with the books and records of the Company and fairly represent in all material respects the financial position of the Company and the results of operations and changes in financial position of the Company as of the dates and for the periods indicated, in each case in conformity with income tax-basis of accounting principles applied on a consistent basis. Except as shown on Exhibit 5.9 and except as and to the extent reflected or reserved against in the Financial Statements, the Company, as of the date of the Financial Statements, has no material liability or obligation of any nature required

to be disclosed in a balance sheet in accordance with income tax-basis of accounting principles. The Company is an accrual method taxpayer.

Section 1.10 No Material Adverse Change. To the best knowledge of the Company, since the date of the Financial Statements, the Company has conducted its business in the ordinary course, consistent with past practice, and there has been no (i) change that has had or would reasonably be expected to have a material adverse effect upon the assets or business or the financial condition or other operations of the Company; (ii) acquisition or disposition of any material asset by the Company or any contract or arrangement therefore, otherwise than for fair value in the ordinary course of business; (iii) material change in the Company's accounting principles, practices or methods; (iv) incurrence of any material indebtedness or lending of money to any person or entity; (v) acceleration, termination, modification or cancellation of any agreement, contract, lease or license (or series of related agreements, contracts, leases or licenses) involving more than \$10,000 to which the Company is a party; or (vi) delay or postponement in the payment of any accounts payable or other liabilities.

Section 1.11 Labor Matters. The Company is not a party or otherwise subject to any collective bargaining agreement with any labor union or association. There are no discussions, negotiations, demands or proposals that are pending or have been conducted or made with or by any labor union or association, and there are not pending or threatened against the Company any labor disputes, strikes or work stoppages. All employees, including upper management level personnel of the Business are employed at will and their employment or engagement may be terminated at will.

Section 1.12 Compliance with Laws. To the knowledge of the Company, the Company is, and at all times prior to the date hereof, has been in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. The Company has not received any written order or written notice of any such violation or claim of violation of any such statute, order, rule, ordinance, or regulation by the Company, except as listed on Schedule 5.12. The Company owns, holds, possesses, or lawfully uses in the operation of its business all permits and licenses which are in any manner necessary or required for it to conduct its operation and business as now being conducted. Schedule 5.12 sets forth a list of all licenses and permits held by the Company used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date, unless surrendered by the Company to effectuate this transaction. To the knowledge of the Company, no material record violations exist in respect of any such permit or license and no investigation or proceeding is pending or threatened, that would reasonably be expected to result in the suspension, revocation, modification, non-renewal, limitation or restriction of any such permits or licenses.

Section 1.13 Contracts and Leases. Except as shown on Schedule 5.13, the Company does not (i) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) have any have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (iii) have given any power of attorney to any person or organization for any purpose relating to the Purchased Assets or business of the Company or the Business. The Company operates its adult entertainment cabaret located at the Premises under an existing lease agreement. The Company shall make available to Purchaser prior to the Closing Date each and every written contract, lease or other document relating to the Purchased Assets of the Company to which it is subject or is a party or a beneficiary. To the Company's knowledge, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute legal, valid and binding obligations of the Company and the other respective parties thereto and are enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles. The Company has no knowledge of any default or breach under such contracts, leases, or other documents or of any

pending or threatened claims under any such contracts, leases, or other documents, except as listed on Schedule 5.13. Neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the financial condition of the Company or the operation of the Business after the Closing.

Section 1.14 No Pending Transactions. Except for the transactions contemplated by this Agreement, the Company is not a party to or bound by or the subject of any agreement, undertaking, commitment or discussions or negotiations with any person that would reasonably be expected to result in: (i) the sale, merger, consolidation or recapitalization of the Company; (ii) the sale of any of the Purchased Assets of the Company (other than in the ordinary course of its business); (iii) the sale of any outstanding capital stock of the Company; (iv) the acquisition by the Company of any operating business or the capital stock of any other person or entity; (v) the borrowing of money; (vi) any agreement with any of the respective officers, managers or affiliates of the Company; or (vii) the expenditure of more than \$10,000 or the performance by the Company extending for a period more than one year from the date hereof.

Section 1.15 Material Agreements; Action. Except as shown on Schedule 5.15 and except for the transactions contemplated by this Agreement, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Company is a party or by which it is bound that involve or relate to (i) any of the respective officers, directors, stockholder or partners of the Company or (ii) covenants of the Company not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with the Company in any line of business or in any geographical area.

Section 1.16 Environmental Matters. To the best knowledge of the Company, the Company has conducted its Business in compliance with all Environmental Laws (as hereinafter defined), except for any such instance of non-compliance that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Purchased Assets. The Company is in compliance with all Permits required under applicable Environmental Laws, except where the absence of, or the failure to be in compliance with, any such Permit would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Business. There are no written claims, notices of violation or any other actions, investigations or proceedings pending or threatened against the Company alleging violations of or liability under any Environmental Law. To the best knowledge of the Company, there has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Company, and no property currently or formerly owned, leased, or operated by the Company, has been contaminated by the Company or to the knowledge of the Company, by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Company. The Company is not subject to any order, decree, injunction or other agreement with any Governmental Authority or any indemnity or other agreement with any other Person relating to liability under any Environmental Law. “**Environmental Laws**” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 1201 *et seq.*, the Clean Water Act, 33 U.S.C. § 1321 *et seq.*, the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and any other federal, state, local or other governmental statute, regulation, law or ordinance dealing with the protection of human health, natural resources or the environment. “**Hazardous Materials**” means any substance, material or waste that is listed, classified, or regulated by a Governmental Authority as a “toxic substance”, “hazardous substance”, “solid waste” or “hazardous material” or words of similar meaning or effect or otherwise regulated for potentially harmful effects to human health or the environment by any Governmental Authority, including petroleum and petroleum products.

Section 1.17 Insurance Policies. Copies of all insurance policies maintained by the Company relating to the operation of the Business will be made available to Purchaser. All such insurance policies are in full force and effect and all premiums due thereon have been paid and will be paid through the Closing.

Section 1.18 No Default. To the best knowledge of the Company, the Company is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Company, under any other contract, lease, agreement, commitment or undertaking to which the Company is a party or by which it or its assets or properties are bound.

Section 1.19 Books and Records. The books of account, minute books, stock record books and other records of the Company, all of which have been made available to Purchaser, are accurate and complete in all material respects and have been maintained in accordance with sound business practices.

Section 1.20 Certificates. All certificates of occupancy, licenses, permits, authorizations, and approvals required by law or by any governmental authority having jurisdiction over the Premises have been obtained and are in full force and effect unless listed on schedule 5.7 hereof.

Section 1.21 Disclosure. To the best of the Company's knowledge, no representation or warranty of the Company contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Section 1.22 Brokerage Commission. No broker or finder has acted on behalf of the Company or any of its affiliates in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Company.

Article VI REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Company as follows:

Section 1.1 Organization, Good Standing and Qualification of the Purchaser. The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Purchaser.

Section 1.2 Authorization. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein has been taken by the Purchaser or will be taken prior to the Closing Date. The Purchaser has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by

bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 1.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by Purchaser does not: (i) conflict with, violate, or constitute a breach of or a default under or (ii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which Purchaser is a party.

Section 1.4 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 1.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Purchaser.

Section 1.6 Disclosure. To the best of Purchaser's knowledge, no representation or warranty of Purchaser contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Article VII COVENANTS OF THE COMPANY

Section 1.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Company agrees that until the Closing Date or the termination of this Agreement, neither the Company nor any representative of the Company will offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, merger, corporate reorganization of the Company, or the sale, transfer, encumbrance, pledge, collateralization or hypothecation of any assets of the Company or the Business. The Company hereby agrees to advise the Purchaser of any contact from any third party regarding the acquisition or other investment in the Company or the Business, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 1.2 Access; Due Diligence. Between the date of this Agreement and the Closing Date, the Company shall, subject to the Parties previous Non-Disclosure Agreement (a) provide Purchaser and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Company, and to the books and records of the Company, and the Business; (b) permit the Purchaser to make inspections thereof; and (c) cause the officers and advisors of the Company and the Business to furnish the Purchaser with such financial and operating data and other information with respect to the business and properties and to discuss such information with the Purchaser, as the Purchaser may from time to time reasonably request.

Section 1.3 Taxes. The Company shall file or cause to be filed all tax returns required to be filed by the Company, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Company shall not (a) change any method of accounting of the Company for tax purposes; (b) enter into any agreement with any Governmental Authority with

respect to any tax or tax returns of the Company; (c) change an accounting period of the Company with respect to any tax; (d) make, change or revoke any election with respect to taxes; or (e) extend or waive the applicable statute of limitations with respect to any taxes.

Section 1.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Company shall operate itself and the Business in the ordinary course consistent with past practices, and:

(a) The Company will not authorize, declare, pay, or effect any dividends or liquidate or distribute any common stock or other equity interest or undertake any direct or indirect redemption, purchase, or other acquisition of any equity interest;

(b) The Company will not make any changes in its condition (financial or otherwise), liabilities, assets, or business or in any of its business relationships, including relationships with suppliers or customers, that, when considered individually or in the aggregate, would reasonably be expected to have a material adverse effect on it;

(c) The Company will not increase the salary or other compensation payable or to become payable by it to any employee, or the declaration, payment, or commitment or obligation of any kind for the payment by it of a bonus or other additional salary or compensation to any such person except in the normal course of business, consistent with its past practices;

(d) The Company will not sell, lease, transfer or assign any of their assets, tangible or intangible, other than inventory for a fair consideration, in the ordinary course of business;

(e) The Company will not accelerate, terminate, modify, or cancel any agreement, contract, lease, or license (or series of related agreements, contracts, leases and licenses) involving more than \$10,000, either individually or in the aggregate, to which it is a party, other than in the ordinary course of business, absent the consent of Purchaser;

(f) The Company will not make any loans to any person or entity, or guarantee any loan, absent the consent of Purchaser;

(g) The Company will not waive or release any right or claim held by it, absent the consent of Purchaser;

(h) The Company will operate its business in the ordinary course and consistent with past practices so as to preserve its business organization intact, to retain the services of their employees and to preserve their goodwill and relationships with suppliers, creditors, customers, and others having business relationships with them;

(i) The Company will not issue any note, bond or other debt security or create, incur, or assume, or guarantee any indebtedness for borrowed money or capitalized lease obligations;

(j) The Company will not delay or postpone the payment of accounts payable and other liabilities outside the ordinary course of business;

(k) The Company will not make any change in any method, practice, or principle of accounting involving its business or assets;

(l) The Company will not issue, sell, or otherwise dispose of any of its capital stock or create, sell, or dispose of any options, rights, conversion rights or other agreements or commitments of any kind relating to the issuance, sale, or disposition of any of its equity interests;

(m) The Company will not reclassify, split up or otherwise change any of its common stock or capital structure;

(n) The Company will not be a party to any merger, consolidation, or other business combination; and

(o) The Company shall perform in all material respects all of its obligations under material contracts, leases and other documents relating to or affecting any of its assets, property or its business.

Nothing herein shall be deemed to prevent the Company from fulfilling current existing obligations and obligations incurred in the normal course of business until Closing.

Article VIII CONDITIONS TO CLOSING OF THE COMPANY

Each obligation of the Company to be performed on the Closing Date shall be subject to the satisfaction of each of the conditions stated in this Article VIII, except to the extent that such satisfaction is waived by the Company in writing:

Section 1.1 Representations and Warranties Correct. The representations and warranties made by Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. Purchaser shall provide to the Company certificates, dated the Closing Date, and signed by its President, to the effect set forth in Section 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Payment of Purchase Price. Purchaser shall have tendered the Purchase Price as referenced in Article III to the Company concurrently with the Closing.

Section 1.5 Corporate Resolutions. Purchaser shall provide corporate resolutions of the Board of Directors which approve the transactions contemplated herein and authorize the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against Purchaser.

Section 1.7 Consents; Status of Permits and Licenses. Purchaser shall have obtained all necessary permits and other authorizations, whether city, county, state or federal, which may

be needed to operate an establishment serving liquor and providing live female adult semi-nude entertainment on the Premises, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and to the continued performance of live female adult semi-nude entertainment at the Business, without any interruption.

Article IX
CONDITIONS TO CLOSING OF
PURCHASER

Each obligation of Purchaser to be performed on the Closing Date will be subject to the satisfaction of each of the conditions stated in this Article IX, except to the extent that such satisfaction is waived by Purchaser in writing.

Section 1.1 Representations and Warranties Correct. The representations and warranties made by the Company shall be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. The Company will provide to Purchaser certificates, dated the Closing Date, and signed by the President of the Company to the effect set forth in Section 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Delivery of Purchased Assets. The Company shall have delivered all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all encumbrances (except Permitted Encumbrances) in form and substance satisfactory to the Purchaser.

Section 1.5 Corporate Resolutions. The Company shall provide to Purchaser resolutions of its board of directors and shareholders, which approve all of the transactions contemplated herein and authorizes the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Consents; Status of Permits and Licenses. Purchaser shall possess all necessary permits and other authorizations, whether city, county, state or federal, which may be needed to operate an establishment serving liquor and providing live female adult semi-nude entertainment on the Premises, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and to the continued performance of live female adult semi-nude entertainment at the Business, without any interruption.

Section 1.7 Financial Records. The financial records of the Business shall be maintained and exist in such a manner as to allow for a certified audit as determined by the Purchaser.

Section 1.8 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority will have been commenced and no investigation by any governmental or regulatory authority will have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against the Company or any of its assets.

Article X CLOSING ADJUSTMENTS

The Company and the Purchaser agree that there shall be an adjustment made within 90 days of the Closing Date to adjust for any Excluded Assets and/or Excluded Liabilities that are found to exist as of the Closing Date, as such Excluded Assets or Excluded Liabilities may relate to the Purchased Assets or the Business, so that the Company shall be responsible and liable to the Purchaser for the liabilities of the Company that exist as of the Closing Date, less a credit for any miscellaneous cash on hand (for clarity, the Parties intend that cash on hand at Closing will be zero), credit card receivables or pro rata portion of pre-paid items.

Article XI INDEMNIFICATION

Section 1.1 Indemnification from the Company. The Company hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold Purchaser, its officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the “**Purchaser Group**”) harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys’ fees and costs of any suit related thereto) (collectively, “**Losses**”), whether arising from a direct (or first-party) claim or a third-party claim, suffered or incurred by any of the Purchaser Group arising from: (a) any breach of any representation or warranty of the Company contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Company hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Company under this Agreement; or (c) any Excluded Liability.

Section 1.2 Indemnification from Purchaser. Purchaser agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to the Company) and hold the Company and its officers, directors, affiliates, agents, legal counsel, successors and assigns (collectively, the “**Company Group**”) harmless from and against any and all Losses, whether arising from a direct (or first party) claim or a third-party claim, suffered or incurred by any of Company Group, arising from (a) any breach of any representation or warranty of Purchaser contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Purchaser hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of Purchaser under this Agreement; or (c) any Assumed Liability.

Section 1.3 Defense of Claims. If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the Indemnitor within ten (10) business days after receipt of notice or other date by which action must be taken; provided that the failure of any Indemnitee to give timely notice shall not affect rights to indemnification hereunder except to the extent that the Indemnitor demonstrates damage caused by such failure. After such notice, the Indemnitor shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the Indemnitor’s cost, risk and expense; and such Indemnitee shall cooperate in all reasonable respects, at its cost, risk and expense, with the Indemnitor and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the Indemnitee may, at its own cost, participate in such investigation, trial and defense of such lawsuit or action and any appeal arising therefrom, but the fees and expenses of its legal counsel shall be at the expense of the Indemnitee, except to the extent that (i) the employment thereof has been specifically authorized by the Indemnitor in writing, (ii) the Indemnitor has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict of any material issue between the position of the Indemnitor and the position of

such Indemnitee, in which case the Indemnitor shall be responsible for the reasonable fees and expenses of no more than one separate legal counsel. The Indemnitor shall not, without the prior written consent of the Indemnitee, effect any settlement of any proceeding in respect of which any Indemnitee is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the Indemnitor and includes an unconditional release of such Indemnitee from all liability on claims that are the subject matter of such proceeding.

Section 1.4 Default of Indemnification Obligation. If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys' fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 1.5 Survival of Representations and Warranties. The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "**Indemnitor**") under this Agreement unless the party entitled to indemnification (the "**Indemnitee**") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

Section 1.6 Right to Offset. In the event that the Purchaser is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser of any debts or liabilities resulting from the purchase of the Purchased Assets which were incurred prior to the Closing Date, then Purchaser shall have the right to offset any such amount from any obligations that are then due and payable to the Company by the Purchaser.

Article XII MISCELLANEOUS

Section 1.1 Amendment; Waiver. Neither this Agreement nor any provision hereof may be amended, modified, or supplemented unless in writing, executed by all the parties hereto. Except as otherwise expressly provided herein, no waiver with respect to this Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power, or remedy.

Section 1.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in Person or sent by registered or certified mail (return receipt requested) or nationally recognized overnight delivery service, postage pre-paid, or electronic mail, provided that any notice sent by electronic mail must include a reference to this Section 12.2 to be effective, addressed as follows, or to such other address as such party may notify to the other parties in writing:

(a) If to the Company: T&N, Inc.
Attn: Charles J. Quaid
% Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

with a copy to: Charles J. Quaid
Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

(b) If to the Purchaser: RCI Dining Service (Majesty), Inc.
Attn: Travis Reese, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to: Robert D. Axelrod
Axelrod & Smith
1502 Augusta Drive, Suite 320
Houston, Texas 77057
Email: rdaxel@asklawhou.com

A notice or communication will be effective (i) if delivered in Person, by electronic mail, or by overnight courier, on the business day it is delivered and (ii) if sent by registered or certified mail, three (3) business days after dispatch. In the event either party delivers a notice by electronic mail, such party agrees to deposit the original notice in a post office, branch office post office, or mail depository maintained by the U.S. Postal Service postage prepaid and addressed as set forth above.

Section 1.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 1.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 1.5 Public Announcements. The parties hereto agree that prior to making any public announcement or statement with respect to the transactions contemplated by this Agreement, the party desiring to make such public announcement or statement shall advise the other parties hereto and exercise their best efforts to agree upon the text of a public announcement or statement to be made by the party desiring to make such public announcement; provided, however, that if any party hereto is required by law to make such public announcement or statement, then such announcement or statement may be made without the approval of the other parties, provided that such party will advise the other parties hereto.

Section 1.6 Entire Agreement. This Agreement, the Cooperation Agreement of this date required of Seller by Buyer and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings, contracts and communications, whether verbal or written among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

Section 1.7 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Texas, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Dallas County, Texas.

Section 1.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page was an original thereof.

Section 1.9 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with the negotiation and execution of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby.

Section 1.10 Section Headings. The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 1.11 No Third-Party Beneficiaries. Nothing in this Agreement will confer any third party beneficiary or other rights upon any person (specifically including any employees of The Company) or any entity that is not a party to this Agreement.

Section 1.12 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such actions as may be reasonably be requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

Section 1.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit, upon their respective acceptance of its terms, conditions and/or form.

Section 1.14 Termination of Agreement. This Agreement shall terminate and be of no force and effect and all other agreements executed herewith shall be of no force and effect if: (i) the transactions contemplated by this Agreement are not consummated on or before January 31, 2023, unless all of the parties hereto agree in writing to extend the Agreement or (ii) all of the parties agree in writing to terminate this Agreement sooner.

Section 1.15 Attorney Review - Construction. In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other that they have had the opportunity to be advised by attorneys of their own choice and, therefore, the normal rule of

construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

Section 1.16 Gender. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter gender and the singular shall include the plural and vice versa, wherever appropriate.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement to become effective as of the date first set forth above.

RCI Dining Service (Majesty), Inc.

By: /s/ Travis Reese
Travis Reese, President

T&N, Inc.

By: /s/ Steven William Craft
Steven William Craft, President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item

Quantity

Item

Quantity



Schedule 5.3

None

Schedule 5.5

None

Schedule 5.7

Arbaiza Estate, Statutory Beneficiaries and Heirs - filed suit twice and dismissed twice without prejudice. No case currently pending.
Wrongful Death Claim/First Person Dram Shop. No Insurance

TABC Source Investigation Related to Arbaiza - Pending

TABC Administrative action pending related to shooting in parking lot.

TABC Administrative Cases pending related to alleged activity in Club

Schedule 5.8

None

Schedule/Exhibit 5.9

None

Schedule 5.12

None

Schedule 5.13

To be Provided before Closing

Schedule 5.15

None

INTELLECTUAL PROPERTY PURCHASE AGREEMENT

This Intellectual Property Purchase Agreement (the “**Agreement**”) is made and entered into this ___ day of December, 2022, by and among HQ Real Estate Management LLC, a Texas limited liability company (the “**Company**”), and RCI Hospitality Holdings, Inc. , a Texas corporation (the “**Purchaser**”). The Company and the Purchaser are sometimes hereinafter collectively referred to as the “**Parties**.”

WHEREAS, the Company owns and controls pursuant to the terms of an secured installment sale with TTNA, Inc. , a Texas Corporation certain intellectual property, including certain service marks registered with the United States Patent and Trademark Office (the “**USPTO**”), that are used in the operation of two adult entertainment establishments that are both known as “Baby Dolls,” which are located at 10250 Shady Trail, Dallas, Texas 75220 and at 3601 FM157, Euless, Texas 76040, respectively (each a “**Business**,” and collectively, the “**Businesses**”); and

WHEREAS, the Purchaser and the Company desire that the Purchaser purchase all of the rights to the “Baby Dolls” name owned and controlled by the Company; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements and the respective representations and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

**Article I
PURCHASE AND SALE OF THE ASSETS**

Section 1.1 Assets of the Company to be Transferred to Purchaser. On the Closing Date (as defined in Section 4.1 hereof), and subject to the terms and conditions set forth in this Agreement, the Company shall sell, convey, transfer and assign, or cause to be sold, conveyed, transferred and assigned to Purchaser free and clear of all liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions, subject only to any liens created as part of the purchase, and Purchaser shall acquire from the Company the following assets:

(a) all right, title and interest in and to the use of the following federally registered service marks: (i) “Baby Dolls Saloon” which is subject to U.S. Registration No. 2545949 and Serial Number 75914767 and U.S. Registration No. 2735787 and Serial Number 75914769; (b) “Baby Dolls” which is subject to U.S. Registration No. 2545950 and Serial Number 75914770 and U.S. Registration No. 2735788 and Serial Number 75914773; and (c) “Baby Dolls Topless Saloon” which is subject to U.S. Registration No. 2548951 and Serial Number 75914768 and U.S. Registration No. 2735786 and Serial Number 75914766 (#s TO BE CONFIRMED BY Purchaser before closing);

(b) to the extent not already conveyed under Section 1.1(a) above or to an affiliate of Purchaser, all right, title and interest in and to the use of the names of the Businesses or any derivative thereof, and any branding, design or logo associated with the names of the Businesses, throughout the world and all letter patents, trademarks, and copyrights, if any, that are or may be granted thereon or embodied therein, and any and

all applications, registrations, renewals and extensions in connection therewith, together with the goodwill associated with and/or symbolized by the names of the Businesses and all common law rights in and to the names of the Businesses and the right to obtain future registrations thereof, and all rights, claims and privileges pertaining to the names of the Businesses, including, without limitation, all proceeds thereof and all causes of action, claims and demands and other rights for, or arising from the names of the Businesses, including, without limitation, the right to prosecute and maintain registrations and applications and the right to sue and recover damages for past, present and future infringement in the United States and in any country or countries foreign to the United States;

(c) to the extent not already conveyed under Section 1.1(a) above or to an affiliate of Purchaser the exclusive right to exercise, exploit, assign, transfer, commercialize, develop, improve, and grant rights and licenses under and with respect to any of the items referenced in Sections 1.1(a) and 1.1(b), and to sue or otherwise enforce, and continue any suit or other enforcement, for any infringement occurring before or after the Closing Date as well as all statutory, contractual and other claims, demands, and causes of action for royalties, fees, or other income from, or infringement, misappropriation or violation of, any of the foregoing, and all of the proceeds from the foregoing that are accrued and unpaid as of, and/or accruing after, the Closing Date; and

(d) to the extent not already conveyed under Section 1.1(a) above or to an affiliate of Purchaser all universal resource locators (“URL’s”) and internet domain names owned by the Company or its affiliates that are associated with or used to identify the Businesses, and all source code and associated files necessary to operate URL’s, including but not limited to images, graphics, content of the web pages, page layouts, scripts, forms and databases, and all goodwill associated with or used in connection with the operation or business of the URL’S and internet domain names; and

(e) to the extent not already conveyed under Section 1.1(a) above or to an affiliate of Purchaser all interests, rights, title, control, and login information to any social media accounts for the Businesses, including but not limited to Facebook, Instagram, Twitter, Snapchat, and Yelp (at Closing, the Company will provide the Purchaser with all user names, passwords and any other relevant information needed to access these accounts).

All of the items set forth in this Section 1.1 are collectively referred to as the “**Purchased Assets**”.

Section 1.2 Intent of the Parties. Although the description of the Purchased Assets in Section 1.1 is intended to be complete, in the event Section 1.1 fails to contain the description of any intellectual property assets or related rights associated with or that belong to the Company in the Purchased Assets, such assets shall nonetheless be deemed transferred to Purchaser at the Closing.

Article II LIABILITIES

Section 1.1 Excluded Liabilities. Purchaser shall have no obligation and is not assuming, and the Company shall retain, pay, perform, defend and discharge, all of the liabilities and obligations of every kind whatsoever related or connected to the Purchased Assets, which liabilities existed, arose, or accrued during the periods on or prior to the Closing Date, whether disclosed or undisclosed, known or unknown on the Closing Date, direct or indirect, absolute or contingent, secured or unsecured, liquidated or unliquidated, accrued or otherwise, whether

liabilities for taxes, liabilities of creditors, liabilities arising under any existing lease agreement, liabilities arising under any profit sharing, pension or other benefit under any plan of the Company, liabilities to any Governmental Agency (as hereinafter defined) or third parties, liabilities assumed or incurred by the Company by operation of law or otherwise (collectively, the “**Excluded Liabilities**”), including, but not limited to, (i) contractual liabilities arising or accruing from the Company or ownership of the Purchased Assets on or prior to the Closing Date, (ii) any liability with respect to the Company or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period on or prior to the Closing Date, (iii) any existing litigation against the Company or relating to any of the Purchased Assets, (iv) any taxes owing by the Company for taxable periods or portions of taxable periods ending on or before the Closing Date or related to the Purchased Assets, and any liens on the Purchased Assets relating to any such taxes, and (v) any suit, action, proceeding, claim or investigation against Purchaser Group (as hereinafter defined) which arises from or which is based upon or pertaining to the Company’s conduct on or prior to the Closing Date; provided that any such liability shall only be an Excluded Liability to the extent the liability relates to the period ending on the Closing Date and, for clarity, any liability which arises from or which is based upon or pertaining to the Purchaser’s conduct or ownership of the Purchased Assets relating to any period ending after the Closing shall solely be a liability of the Purchaser. Nothing herein shall be interpreted to prevent the Company from contesting the validity of any of its alleged liabilities including as defined as “Excluded Liabilities” herein nor shall this agreement be construed to create a Third-Party Beneficiary related to any of the “Excluded Liabilities”. The Company retains all defenses, offsets and claims, and the right to assert same as to any and all of the “Excluded Liabilities.”

Section 1.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the Closing, to assume and agrees to pay, perform and discharge only the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing Date, other than liabilities arising out of a breach of this Agreement by the Company (collectively, the “**Assumed Liabilities**”), including, but not limited to, (i) contractual liabilities arising from ownership of the Purchased Assets after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser), (ii) any litigation resulting from the use or ownership of any of the Purchased Assets that occurs subsequent to the Closing Date, and (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending after the Closing Date, related to the Purchased Assets, and any liens on the Purchased Assets relating to any such taxes accruing during the period subsequent to the Closing Date. For clarity, Purchaser will only assume liabilities which arise from or which are based upon or pertain to the Purchaser’s ownership of the Purchased Assets which occur after the Closing Date.

Section 1.3 Taxes. The Company shall pay when due any sales, transfer, excise, or other taxes which may be imposed in any jurisdiction in connection with or arising from the sale and transfer of any of the Purchased Assets to Purchaser.

Section 1.4 Bulk Sales Laws. The Company acknowledges that any applicable provisions of any tax clearance or bulk sales laws pertaining to the transactions contemplated by this Agreement are being complied with and that the Company agrees to indemnify and hold harmless Purchaser from and against any and all liabilities arising out of or relating to any such tax clearance or bulk sales law. Any such liability shall be an Excluded Liability.

**Article III
PURCHASE PRICE FOR
THE PURCHASED ASSETS**

The Purchaser shall pay to the Company for all of the Purchased Assets a total purchase price of \$7,000,000.00 (the “**Purchase Price**”), which will be payable at the Closing, by issuance to the Company of a 10-year promissory note (the “**Promissory Note**”) with a principal amount equal to 7,000,000.00, which Promissory Note will bear interest at the rate of 7% per annum and be payable, in arrears, in 120 equal monthly payments of principal and interest of \$81,275.24, based on a 10-year amortization schedule, with the first payment due 30 days after Closing. The Promissory Note will be secured by a first lien on the Purchased Assets pursuant to a security agreement and the filing of a UCC financing statement. Seller shall have the right to request and obtain a \$1,000,000.00 draw down/payment on said Note once annually beginning on the fourth anniversary of sale.

**Article IV
CLOSING**

Section 1.1 The Closing. The closing (the “**Closing**”) of the transactions contemplated by this Agreement shall take place as soon as practicable, but in no event later than five (5) business days after the satisfaction or waiver of the conditions set forth in Article VIII and Article IX (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to satisfaction or waiver of those conditions), or on such other date as the Parties may mutually agree in writing (the “**Closing Date**”). The Closing will take place at the office of Title Partners, 5501 LBJ Freeway, Suite 200, Dallas, Texas 75240, or at such other place as agreed upon among the parties hereto, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. Notwithstanding the foregoing, in the event the conditions to Closing have not been satisfied or waived by January 31, 2023, then the Company or Purchaser may terminate this Agreement by giving written notice to the other Parties as provided for in herein, and this Agreement will be of no further force or effect.

Section 1.2 Delivery of Documents at Closing. At the Closing: (a) the Company shall deliver to Purchaser all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all liens, charges or encumbrances, other than Permitted Encumbrances, against delivery by Purchaser to the Company of payment in an amount equal to the Purchase Price of the Purchased Assets being purchased by Purchaser in the manner set forth herein; and (b) the Company and Purchaser shall deliver the various certificates, instruments and documents (and shall take the required actions) referred to in Articles VIII and IX below.

Section 1.3 Delivery of Documents Subsequent to Closing. Assuming the Closing of this Agreement occurs, thereafter, the Company agrees to and shall, without further consideration, execute and deliver, at the request of Purchaser from time to time, all papers, instruments and assignments, and perform any other reasonable acts Purchaser may require from time to time to effect fully the transactions contemplated by this Agreement and vest in Purchaser all of the Company’s right, title and interest in and to the Purchased Assets, including, without limitation, all documents necessary to record in the name of Purchaser the assignment of the Purchased Assets with the United States Patent and Trademark Office and the United States Copyright Office (as applicable) and, with respect to any foreign rights included in or that may be applicable to the Purchased Assets, with any other applicable foreign or international office or registrar.

Article V
REPRESENTATIONS AND WARRANTIES
OF THE COMPANY

Except as set forth in the disclosure schedules accompanying this Agreement (each a “**Schedule**” and collectively the “**Schedules**”), the Company hereby represents and warrants to Purchaser as follows:

Section 1.1 Organization, Good Standing and Qualification of the Company. The Company is a Texas limited liability company duly organized and validly existing and in good standing under the laws of the state of Texas, has all requisite power and authority to carry on its business, and is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Company.

Section 1.2 Subsidiaries. The Company does not own any subsidiaries.

Section 1.3 Ownership of the Purchased Assets. The Company owns (under an installment contract) all of the Purchased Assets free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances, other than Permitted Encumbrances. The Company has the unrestricted right and power to transfer, convey and deliver full ownership of the Purchased Assets without the consent or agreement of any other person and without any designation, declaration or filing with any Governmental Authority. Upon the transfer of the Purchased Assets to Purchaser as contemplated herein, Purchaser will receive title thereto, free and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions other than Permitted Encumbrances. For purposes of this Agreement, “**Permitted Encumbrances**” means (a) liens for taxes, assessments or government charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and which are subject to reasonable reserves, all as listed on Schedule 5.3, attached hereto; (b) those encumbrances, if any, listed on Schedule 5.3 attached hereto.

Section 1.4 Authorization. All action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein have been taken by the Company or will be taken prior to the Closing Date. The Company has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors’ rights and to general equitable principles.

Section 1.5 No Breaches or Defaults. Except as shown on Schedule 5.5, the execution, delivery, and performance of this Agreement by the Company does not: (i) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of the Company, (ii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets, (iii) conflict with or result in a breach or violation of, or default under, or give rise to any right of acceleration or termination of, any of the terms, conditions or provisions of any note, bond, lease, license, agreement or other instrument or obligation to which the Company is a party of by which the Company’s assets or properties are bound or (iv) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (a) any applicable Legal Requirement (as defined below), or (b) any credit or loan

agreement, promissory note, or any other agreement or instrument to which the Company is a party or by which the Purchased Assets may be bound or affected except as required by the United States Patent and Trademark Office. For purposes of this Agreement, “**Governmental Authority**” means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, “**Legal Requirement**” means any law, statute, injunction, decree, order or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority.

Section 1.6 Consents. No permit, consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of the Company in connection with the execution and delivery by the Company of this Agreement or the consummation and performance of the transactions contemplated hereby except as required by the United States Patent and Trademark Office..

Section 1.7 Pending Claims. There is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or, to the Company’s knowledge, threatened against the Company before any court, arbitration, administrative or regulatory body or any governmental agency which would reasonably be expected to result in any judgment, order, award, decree, liability or other determination which will or would reasonably be expected to have any material effect upon the Company or the transfer by the Company to Purchaser of the Purchased Assets, and there is no basis known to the Company for any such action. No litigation is pending, or, to the Company’s knowledge, threatened against the Company, which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. The Company is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against it or which would reasonably be expected to materially and adversely affect the Company or the Purchased Assets.

Section 1.8 Taxes. The Company has timely and accurately prepared and filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates by the Company and to the best of its knowledge has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes and withholding or other payroll related taxes shown on such returns. The Company is not delinquent in the payment of any tax or governmental charge of any nature. The Company has no knowledge of any liability for any tax to be imposed by any taxing authorities upon the Company as of the date of this Agreement and as of the Closing that is not adequately provided for. No assessments or notices of deficiency or other communications have been received by the Company with respect to any tax return of the Company which has not been paid, discharged or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. Except as shown on Schedule 5.8, none of the federal, state, foreign and local tax returns of the Company have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. The Company has no knowledge of any additional assessments, adjustments or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company for any period, nor of any basis for any such assessment, adjustment or contingency. There are no agreements between the Company and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 1.9 [Intentionally omitted].

Section 1.10 No Material Adverse Change. The Company has conducted its business in reference to the Purchased Assets in the ordinary course, consistent with past practice, and there has been no change that has had or would reasonably be expected to have a material adverse effect upon the Purchased Assets.

Section 1.11 Compliance with Laws. To the knowledge of the Company, the Company is, and at all times prior to the date hereof, has been in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of the Purchased Assets. The Company has not received any written order or written notice of any such violation or claim of violation of any such statute, order, rule, ordinance or regulation by the Company related to the Purchased Assets, except as listed on Schedule 5.11.

Section 1.12 Contracts and Leases. Except as shown on Schedule 5.12, the Company does not (i) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) have any contractual or other obligations relating to the Purchased Assets, whether written or oral except its installment Purchase Agreement; and (iii) have given any power of attorney to any person or organization for any purpose relating to the Purchased Assets. The Company or its predecessors presently licenses the Purchased Assets to the Businesses under existing licensing agreements (the “**Existing Licensing Agreements**”), which Existing Licensing Agreements will be terminated as of the Closing Date. The Company shall make available to Purchaser prior to the Closing Date each and every written contract, lease or other document relating to the Purchased Assets of the Company to which it is subject or is a party or a beneficiary. To the Company’s knowledge, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute legal, valid and binding obligations of the Company and the other respective parties thereto and are enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors’ rights and to general equitable principles. The Company has no knowledge of any default or breach under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents, except as listed on Schedule 5.13. Neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the financial condition of the Company.

Section 1.13 No Default. The Company is not in default under any term or condition of any instrument evidencing, creating or securing any indebtedness of the Company, under any other contract, lease, agreement, commitment or undertaking to which the Company is a party or by which it or the Purchased Assets are bound.

Section 1.14 Disclosure. To the best of the Company’s knowledge, no representation or warranty of the Company contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Section 1.15 Intellectual Property.

(a) The Company is the sole and exclusive owner through an Installment Sale Agreement of all right, title, and interest in and to the Purchased Assets free and clear of all liens, security interests, charges, encumbrances, equities, or other adverse claims (including without limitation undisclosed distribution rights). The Company has not received notice of, and there is no basis for, any claim, charge, action, suit, or proceeding against the Company involving: (i) unfair competition with respect to any intangible

property right of any third person or entity; (ii) infringement by the Purchased Assets of any patent, trademark, trade name, copyright, trade secret, or other intellectual property right of any third party; (iii) the improper use of the trade secrets, formulae, or intellectual property of others; or (iv) a claim that any trademark, trade name, service mark, or logo in use or proposed for use by the Company is likely to be confused with a trademark, trade name, service mark, or logo of a third party.

(b) There are no outstanding, nor are there any threatened, disputes or other disagreements with respect to (i) ownership by the Company of all of its Purchased Assets, (ii) any licenses or similar agreements or arrangements which limit the Company's right to exploit the Purchased Assets, or (iii) infringement by a third party of any of the Purchased Assets. The Company has taken all steps reasonably necessary to protect its right, title, and interest in and to its Purchased Assets and the continued use of the Purchased Assets. Without limiting the generality of the foregoing, all designs, drawings, specifications, source code, object code, documentation, flow charts and diagrams incorporating, embodying, or reflecting any of the Purchased Assets at any state of its development were written, developed, and created solely and exclusively by employees of the Company without the assistance of any third party, or were created by third parties who assigned ownership of their rights to the Company in valid and enforceable agreements.

(c) Federally Registered Trademarks. The service marks/trademarks listed in Section 1.1(a) are part of the Purchased Assets, and comprise an accurate and complete list of all service marks/trademarks for which Company or its predecessors have applied for federal registration or obtained federal registration with the USPTO.

Section 1.16 Brokerage Commission. No broker or finder has acted on behalf of the Company or any of its affiliates in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Company.

Article VI REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Company as follows:

Section 1.1 Organization, Good Standing and Qualification of the Purchaser. The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Purchaser.

Section 1.2 Authorization. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein has been taken by the Purchaser or will be taken prior to the Closing Date. The Purchaser has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by

bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 1.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by Purchaser does not: (i) conflict with, violate, or constitute a breach of or a default under or (ii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which Purchaser is a party.

Section 1.4 Consents. No permit, consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 1.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Purchaser.

Section 1.6 Disclosure. To the best of Purchaser's knowledge, no representation or warranty of Purchaser contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Article VII COVENANTS OF THE COMPANY

Section 1.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Company agrees that until the Closing Date or the termination of this Agreement, neither the Company nor any representative of the Company will offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, merger, corporate reorganization of the Company, or the sale, transfer, encumbrance, pledge, collateralization or hypothecation of the Purchased Assets. The Company hereby agrees to advise the Purchaser of any contact from any third party regarding the acquisition or other investment in the Company or the Purchased Assets, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 1.2 Access; Due Diligence. Between the date of this Agreement and the Closing Date, the Company shall, subject to the Parties previous Non-Disclosure Agreement (a) provide Purchaser and their authorized representatives reasonable access to the books and records of the Company as they relate to the Purchased Assets; (b) permit the Purchaser to make inspections thereof; and (c) cause the officers and advisors of the Company and the Business to furnish the Purchaser with such information with respect to the Purchased Assets and to discuss such information with the Purchaser, as the Purchaser may from time to time reasonably request.

Section 1.3 Taxes. The Company shall file or cause to be filed all tax returns required to be filed by the Company, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Company shall not (a) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Company; (b) make, change or revoke any election with respect to taxes; or (c) extend or waive the applicable statute of limitations with respect to any taxes.

Section 1.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Company shall operate itself and the Business in the ordinary course consistent with past practices, and:

- (a) The Company will not sell, lease, license, transfer or assign the Purchased Assets;
- (b) The Company will not waive or release any right or claim held by it related to the Purchased Assets, absent the consent of Purchaser;

Nothing herein shall be deemed to prevent the Company from fulfilling current existing obligations and obligations incurred in the normal course of business until Closing.

Article VIII CONDITIONS TO CLOSING OF THE COMPANY

Each obligation of the Company to be performed on the Closing Date shall be subject to the satisfaction of each of the conditions stated in this Article VIII, except to the extent that such satisfaction is waived by the Company in writing:

Section 1.1 Representations and Warranties Correct. The representations and warranties made by Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. Purchaser shall provide to the Company certificates, dated the Closing Date and signed by its President, to the effect set forth in Section 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Payment of Purchase Price. Purchaser shall have tendered the Purchase Price as referenced in Article III to the Company concurrently with the Closing.

Section 1.5 Corporate Resolutions. Purchaser shall provide corporate resolutions of the Board of Directors which approve the transactions contemplated herein and authorize the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against Purchaser.

Article IX
CONDITIONS TO CLOSING OF
PURCHASER

Each obligation of Purchaser to be performed on the Closing Date will be subject to the satisfaction of each of the conditions stated in this Article IX, except to the extent that such satisfaction is waived by Purchaser in writing.

Section 1.1 Representations and Warranties Correct. The representations and warranties made by the Company shall be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. The Company will provide to Purchaser certificates, dated the Closing Date and signed by the President of the Company to the effect set forth in Section 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Delivery of Purchased Assets. The Company shall have delivered all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all encumbrances (except Permitted Encumbrances) in form and substance satisfactory to the Purchaser.

Section 1.5 Corporate Resolutions. The Company shall provide to Purchaser resolutions of its board of directors and shareholders, which approve all of the transactions contemplated herein and authorizes the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority will have been commenced and no investigation by any governmental or regulatory authority will have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against the Company or any of its assets.

Article X
INDEMNIFICATION

Section 1.1 Indemnification from the Company. The Company hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold Purchaser, its officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the **“Purchaser Group”**) harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys’ fees and costs of any suit related thereto) (collectively, **“Losses”**), whether arising from a direct (or first-party) claim or a third-party claim, suffered or incurred by any of the Purchaser Group arising from: (a) any breach of any representation or warranty of the Company contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Company hereunder; (b) any

breach or nonfulfillment of any covenant or agreement on the part of the Company under this Agreement; or (c) any Excluded Liability.

Section 1.2 Indemnification from Purchaser. Purchaser agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to the Company) and hold the Company and its officers, directors, affiliates, agents, legal counsel, successors and assigns (collectively, the “**Company Group**”) harmless from and against any and all Losses, whether arising from a direct (or first party) claim or a third-party claim, suffered or incurred by any of Company Group, arising from (a) any breach of any representation or warranty of Purchaser contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Purchaser hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of Purchaser under this Agreement; or (c) any Assumed Liability.

Section 1.3 Defense of Claims. If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the Indemnitor within ten (10) business days after receipt of notice or other date by which action must be taken; provided that the failure of any Indemnitee to give timely notice shall not affect rights to indemnification hereunder except to the extent that the Indemnitor demonstrates damage caused by such failure. After such notice, the Indemnitor shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the Indemnitor’s cost, risk and expense; and such Indemnitee shall cooperate in all reasonable respects, at its cost, risk and expense, with the Indemnitor and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the Indemnitee may, at its own cost, participate in such investigation, trial and defense of such lawsuit or action and any appeal arising therefrom, but the fees and expenses of its legal counsel shall be at the expense of the Indemnitee, except to the extent that (i) the employment thereof has been specifically authorized by the Indemnitor in writing, (ii) the Indemnitor has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict of any material issue between the position of the Indemnitor and the position of such Indemnitee, in which case the Indemnitor shall be responsible for the reasonable fees and expenses of no more than one separate legal counsel. The Indemnitor shall not, without the prior written consent of the Indemnitee, effect any settlement of any proceeding in respect of which any Indemnitee is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the Indemnitor and includes an unconditional release of such Indemnitee from all liability on claims that are the subject matter of such proceeding.

Section 1.4 Default of Indemnification Obligation. If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys’ fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 1.5 Survival of Representations and Warranties. The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending 24 months from the Closing Date

with a copy to: Robert D. Axelrod
Axelrod & Smith
1502 Augusta Drive, Suite 320
Houston, Texas 77057
Email: rdaxel@asklawhou.com

A notice or communication will be effective (i) if delivered in Person, by electronic mail, or by overnight courier, on the business day it is delivered and (ii) if sent by registered or certified mail, three (3) business days after dispatch. In the event either party delivers a notice by electronic mail, such party agrees to deposit the original notice in a post office, branch office post office, or mail depository maintained by the U.S. Postal Service postage prepaid and addressed as set forth above.

Section 1.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 1.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 1.5 Public Announcements. The parties hereto agree that prior to making any public announcement or statement with respect to the transactions contemplated by this Agreement, the party desiring to make such public announcement or statement shall advise the other parties hereto and exercise their best efforts to agree upon the text of a public announcement or statement to be made by the party desiring to make such public announcement; provided, however, that if any party hereto is required by law to make such public announcement or statement, then such announcement or statement may be made without the approval of the other parties, provided that such party will advise the other parties hereto.

Section 1.6 Entire Agreement. This Agreement, the Cooperation Agreement of this date required of Seller by Buyer and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings, contracts and communications, whether verbal or written among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

Section 1.7 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Texas, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Dallas County, Texas.

Section 1.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on

whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page was an original thereof.

Section 1.9 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with the negotiation and execution of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby.

Section 1.10 Section Headings. The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 1.11 No Third-Party Beneficiaries. Nothing in this Agreement will confer any third party beneficiary or other rights upon any person (specifically including any employees of The Company) or any entity that is not a party to this Agreement.

Section 1.12 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such actions as may be reasonably be requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

Section 1.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit, upon their respective acceptance of its terms, conditions and/or form.

Section 1.14 Termination of Agreement. This Agreement shall terminate and be of no force and effect and all other agreements executed herewith shall be of no force and effect if: (i) the transactions contemplated by this Agreement are not consummated on or before January 31, 2023, unless all of the parties hereto agree in writing to extend the Agreement or (ii) all of the parties agree in writing to terminate this Agreement sooner.

Section 1.15 Attorney Review – Construction. In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other that they have had the opportunity to be advised by attorneys of their own choice and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

Section 1.16 Gender. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter gender and the singular shall include the plural and vice versa, wherever appropriate.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Intellectual Property Purchase Agreement to become effective as of the date first set forth above.

RCI HOSPITALITY HOLDINGS, INC.

By: /s/ Eric Langan
Eric Langan, President

HQ REAL ESTATE MANAGEMENT LLC

By: /s/ Duncan Burch
Duncan Burch, President/Manager

Signature page to Intellectual Property Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item

Quantity

Item

Quantity

INTELLECTUAL PROPERTY PURCHASE AGREEMENT

This Intellectual Property Purchase Agreement (the “**Agreement**”) is made and entered into this ___ day of December, 2022, by and among ERAF, Inc., a Texas corporation (the “**Company**”), and RCI Hospitality Holdings, Inc., a Texas corporation (the “**Purchaser**”). The Company and the Purchaser are sometimes hereinafter collectively referred to as the “**Parties**.”

WHEREAS, the Company owns certain intellectual property, including one service mark registered with the United States Patent and Trademark Office (the “**USPTO**”) for “Cabaret Royale” that is in use at one location, and common law rights in the name “Chicas Locas” that is or has been used in the operation of four (three currently) adult entertainment establishments that are currently known as “Chicas Locas,” which are located at 6440 Southwest Fwy, Houston, Texas 77074, 10723 Composite Dr, Dallas, Texas 75220 and 2711 Majesty Dr, Arlington, Texas 76011, respectively (each a “**Business**,” and collectively, the “**Businesses**”); and

WHEREAS, the Purchaser and the Company desire that the Purchaser purchase all of the rights to certain intellectual property owned and controlled by the Company, including without limitation the names “Chicas Locas,” and “Cabaret Royale,” and

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements and the respective representations and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

Article I
PURCHASE AND SALE OF THE ASSETS

Section 1.1 Assets of the Company to be Transferred to Purchaser. On the Closing Date (as defined in Section 4.1 hereof), and subject to the terms and conditions set forth in this Agreement, the Company shall sell, convey, transfer and assign, or cause to be sold, conveyed, transferred and assigned to Purchaser free and clear of all liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions, subject only to any liens created as part of the purchase, and Purchaser shall acquire from the Company the following assets:

(a) all right, title and interest in and to the use of the following federally registered service mark: “Cabaret Royale” which is subject to U.S. Registration No. 4875079 and Serial Number 86232334 (#s TO BE CONFIRMED BY Purchaser before closing); and all right, title and interest in and to the use of the common law rights, if any, in “Chicas Locas”;

(b) to the extent not already conveyed under Section 1.1(a) above or to an affiliate of Purchaser, all right, title and interest in and to the use of the names of the Businesses or any derivative thereof, and any branding, design or logo associated with the names of the Businesses, throughout the world and all letter patents, trademarks, and copyrights, if any, that are or may be granted thereon or embodied therein, and any and all applications, registrations, renewals and extensions in connection therewith, together with the goodwill associated with and/or symbolized by the names of the Businesses and all common law rights in and to the names of the Businesses and the right to obtain future registrations thereof, and all rights, claims and privileges pertaining to the names of the Businesses, including, without limitation, all proceeds thereof and all causes of action, claims and demands and other rights for, or arising from the names of the Businesses,

including, without limitation, the right to prosecute and maintain registrations and applications and the right to sue and recover damages for past, present and future infringement in the United States and in any country or countries foreign to the United States;

(c) to the extent not already conveyed under Section 1.1(a) above or to an affiliate of Purchaser the exclusive right to exercise, exploit, assign, transfer, commercialize, develop, improve, and grant rights and licenses under and with respect to any of the items referenced in Sections 1.1(a) and 1.1(b), and to sue or otherwise enforce, and continue any suit or other enforcement, for any infringement occurring before or after the Closing Date as well as all statutory, contractual and other claims, demands, and causes of action for royalties, fees, or other income from, or infringement, misappropriation or violation of, any of the foregoing, and all of the proceeds from the foregoing that are accrued and unpaid as of, and/or accruing after, the Closing Date; and

(d) to the extent not already conveyed under Section 1.1(a) above or to an affiliate of Purchaser all universal resource locators (“**URL’s**”) and internet domain names owned by the Company or its affiliates that are associated with or used to identify the Businesses, and all source code and associated files necessary to operate URL’s, including but not limited to images, graphics, content of the web pages, page layouts, scripts, forms and databases, and all goodwill associated with or used in connection with the operation or business of the URL’S and internet domain names; and

(e) to the extent not already conveyed under Section 1.1(a) above or to an affiliate of Purchaser all interests, rights, title, control, and login information to any social media accounts for the Businesses controlled by the Company, including but not limited to Facebook, Instagram, Twitter, Snapchat, and Yelp (at Closing, the Company will provide the Purchaser with all user names, passwords and any other relevant information needed to access these accounts).

All of the items set forth in this Section 1.1 are collectively referred to as the “**Purchased Assets**”.

Section 1.2 Intent of the Parties. Although the description of the Purchased Assets in Section 1.1 is intended to be complete, in the event Section 1.1 fails to contain the description of any intellectual property assets or related rights associated with or that belong to the Company in the Purchased Assets, such assets shall nonetheless be deemed transferred to Purchaser at the Closing.

Article II LIABILITIES

Section 1.1 Excluded Liabilities. Purchaser shall have no obligation and is not assuming, and the Company shall retain, pay, perform, defend and discharge, all of the liabilities and obligations of every kind whatsoever related or connected to the Purchased Assets, which liabilities existed, arose, or accrued during the periods on or prior to the Closing Date, whether disclosed or undisclosed, known or unknown on the Closing Date, direct or indirect, absolute or contingent, secured or unsecured, liquidated or unliquidated, accrued or otherwise, whether liabilities for taxes, liabilities of creditors, liabilities arising under any existing lease agreement, liabilities arising under any profit sharing, pension or other benefit under any plan of the Company, liabilities to any Governmental Agency (as hereinafter defined) or third parties, liabilities assumed or incurred by the Company by operation of law or otherwise (collectively, the “**Excluded Liabilities**”), including, but not limited to, (i) contractual liabilities arising or accruing from the Company or ownership of the Purchased Assets on or prior to the Closing

Date, (ii) any liability with respect to the Company or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period on or prior to the Closing Date, (iii) any existing litigation against the Company or relating to any of the Purchased Assets, (iv) any taxes owing by the Company for taxable periods or portions of taxable periods ending on or before the Closing Date or related to the Purchased Assets, and any liens on the Purchased Assets relating to any such taxes, and (v) any suit, action, proceeding, claim or investigation against Purchaser Group (as hereinafter defined) which arises from or which is based upon or pertaining to the Company's conduct on or prior to the Closing Date; provided that any such liability shall only be an Excluded Liability to the extent the liability relates to the period ending on the Closing Date and, for clarity, any liability which arises from or which is based upon or pertaining to the Purchaser's conduct or ownership of the Purchased Assets relating to any period ending after the Closing shall solely be a liability of the Purchaser. Nothing herein shall be interpreted to prevent the Company from contesting the validity of any of its alleged liabilities including as defined as "Excluded Liabilities" herein nor shall this agreement be construed to create a Third-Party Beneficiary related to any of the "Excluded Liabilities". The Company retains all defenses, offsets and claims, and the right to assert same as to any and all of the "Excluded Liabilities."

Section 1.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the Closing, to assume and agrees to pay, perform and discharge only the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing Date, other than liabilities arising out of a breach of this Agreement by the Company (collectively, the "**Assumed Liabilities**"), including, but not limited to, (i) contractual liabilities arising from ownership of the Purchased Assets after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser), (ii) any litigation resulting from the use or ownership of any of the Purchased Assets that occurs subsequent to the Closing Date, and (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending after the Closing Date, related to the Purchased Assets, and any liens on the Purchased Assets relating to any such taxes accruing during the period subsequent to the Closing Date. For clarity, Purchaser will only assume liabilities which arise from or which are based upon or pertain to the Purchaser's ownership of the Purchased Assets which occur after the Closing Date.

Section 1.3 Taxes. The Company shall pay when due any sales, transfer, excise, or other taxes which may be imposed in any jurisdiction in connection with or arising from the sale and transfer of any of the Purchased Assets to Purchaser.

Section 1.4 Bulk Sales Laws. The Company acknowledges that any applicable provisions of any tax clearance or bulk sales laws pertaining to the transactions contemplated by this Agreement are being complied with and that the Company agrees to indemnify and hold harmless Purchaser from and against any and all liabilities arising out of or relating to any such tax clearance or bulk sales law. Any such liability shall be an Excluded Liability.

Article III PURCHASE PRICE FOR THE PURCHASED ASSETS

The Purchaser shall pay to the Company for all of the Purchased Assets a total purchase price of \$4,200,000 (the "**Purchase Price**"), which will be payable at the Closing, by issuance to the Company of a 10-year promissory note (the "**Promissory Note**") with a principal amount equal to \$4,200,000, which Promissory Note will bear interest at the rate of 7% per annum and be payable, in arrears, in 120 equal monthly payments of principal and interest of \$48,765.56, based on a 10-year amortization schedule, with the first payment due 30 days after Closing. The

Promissory Note will be secured by a first lien on the Purchased Assets pursuant to a security agreement and the filing of a UCC financing statement.

Article IV CLOSING

Section 1.1 The Closing. The closing (the “**Closing**”) of the transactions contemplated by this Agreement shall take place as soon as practicable, but in no event later than five (5) business days after the satisfaction or waiver of the conditions set forth in Article VIII and Article IX (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to satisfaction or waiver of those conditions), or on such other date as the Parties may mutually agree in writing (the “**Closing Date**”). The Closing will take place at the office of Title Partners, 5501 LBJ Freeway, Suite 200, Dallas, Texas 75240, or at such other place as agreed upon among the parties hereto, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. Notwithstanding the foregoing, in the event the conditions to Closing have not been satisfied or waived by January 31, 2023, then the Company or Purchaser may terminate this Agreement by giving written notice to the other Parties as provided for in herein, and this Agreement will be of no further force or effect.

Section 1.2 Delivery of Documents at Closing. At the Closing: (a) the Company shall deliver to Purchaser all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all liens, charges or encumbrances, other than Permitted Encumbrances, against delivery by Purchaser to the Company of payment in an amount equal to the Purchase Price of the Purchased Assets being purchased by Purchaser in the manner set forth herein; and (b) the Company and Purchaser shall deliver the various certificates, instruments and documents (and shall take the required actions) referred to in Articles VIII and IX below.

Section 1.3 Delivery of Documents Subsequent to Closing. Assuming the Closing of this Agreement occurs, thereafter, the Company agrees to and shall, without further consideration, execute and deliver, at the request of Purchaser from time to time, all papers, instruments and assignments, and perform any other reasonable acts Purchaser may require from time to time to effect fully the transactions contemplated by this Agreement and vest in Purchaser all of the Company’s right, title and interest in and to the Purchased Assets, including, without limitation, all documents necessary to record in the name of Purchaser the assignment of the Purchased Assets with the United States Patent and Trademark Office and the United States Copyright Office (as applicable) and, with respect to any foreign rights included in or that may be applicable to the Purchased Assets, with any other applicable foreign or international office or registrar.

Article V REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedules accompanying this Agreement (each a “**Schedule**” and collectively the “**Schedules**”), the Company hereby represents and warrants to Purchaser as follows:

Section 1.1 Organization, Good Standing and Qualification of the Company. The Company is a Texas corporation duly organized and validly existing and in good standing under the laws of the state of Texas, has all requisite power and authority to carry on its business, and is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such

qualification, except where the failure to do so would not have a material adverse effect to the Company.

Section 1.2 Subsidiaries. The Company does not own any subsidiaries.

Section 1.3 Ownership of the Purchased Assets. The Company owns (under an installment contract) all of the Purchased Assets free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances, other than Permitted Encumbrances. The Company has the unrestricted right and power to transfer, convey and deliver full ownership of the Purchased Assets without the consent or agreement of any other person and without any designation, declaration or filing with any Governmental Authority. Upon the transfer of the Purchased Assets to Purchaser as contemplated herein, Purchaser will receive title thereto, free and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions other than Permitted Encumbrances. For purposes of this Agreement, “**Permitted Encumbrances**” means (a) liens for taxes, assessments or government charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and which are subject to reasonable reserves, all as listed on Schedule 5.3, attached hereto; (b) those encumbrances, if any, listed on Schedule 5.3 attached hereto.

Section 1.4 Authorization. All action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein have been taken by the Company or will be taken prior to the Closing Date. The Company has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors’ rights and to general equitable principles.

Section 1.5 No Breaches or Defaults. Except as shown on Schedule 5.5, the execution, delivery, and performance of this Agreement by the Company does not: (i) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of the Company, (ii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets, (iii) conflict with or result in a breach or violation of, or default under, or give rise to any right of acceleration or termination of, any of the terms, conditions or provisions of any note, bond, lease, license, agreement or other instrument or obligation to which the Company is a party of by which the Company’s assets or properties are bound or (iv) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (a) any applicable Legal Requirement (as defined below), or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Company is a party or by which the Purchased Assets may be bound or affected except as required by the United States Patent and Trademark Office. For purposes of this Agreement, “**Governmental Authority**” means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, “**Legal Requirement**” means any law, statute, injunction, decree, order or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority.

Section 1.6 Consents. No permit, consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity

is required on the part of the Company in connection with the execution and delivery by the Company of this Agreement or the consummation and performance of the transactions contemplated hereby except as required by the United States Patent and Trademark Office..

Section 1.7 Pending Claims. There is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or, to the Company's knowledge, threatened against the Company before any court, arbitration, administrative or regulatory body or any governmental agency which would reasonably be expected to result in any judgment, order, award, decree, liability or other determination which will or would reasonably be expected to have any material effect upon the Company or the transfer by the Company to Purchaser of the Purchased Assets, and there is no basis known to the Company for any such action. No litigation is pending, or, to the Company's knowledge, threatened against the Company, which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. The Company is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against it or which would reasonably be expected to materially and adversely affect the Company or the Purchased Assets.

Section 1.8 Taxes. The Company has timely and accurately prepared and filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates by the Company and to the best of its knowledge has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes and withholding or other payroll related taxes shown on such returns. The Company is not delinquent in the payment of any tax or governmental charge of any nature. The Company has no knowledge of any liability for any tax to be imposed by any taxing authorities upon the Company as of the date of this Agreement and as of the Closing that is not adequately provided for. No assessments or notices of deficiency or other communications have been received by the Company with respect to any tax return of the Company which has not been paid, discharged or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. Except as shown on Schedule 5.8, none of the federal, state, foreign and local tax returns of the Company have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. The Company has no knowledge of any additional assessments, adjustments or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company for any period, nor of any basis for any such assessment, adjustment or contingency. There are no agreements between the Company and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 1.9 [Intentionally omitted].

Section 1.10 No Material Adverse Change. The Company has conducted its business in reference to the Purchased Assets in the ordinary course, consistent with past practice, and there has been no change that has had or would reasonably be expected to have a material adverse effect upon the Purchased Assets.

Section 1.11 Compliance with Laws. To the knowledge of the Company, the Company is, and at all times prior to the date hereof, has been in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of the Purchased Assets. The Company has not received any written order or written notice of any such violation or claim of violation of any such statute, order, rule, ordinance or regulation by the Company related to the Purchased Assets, except as listed on Schedule 5.11.

Section 1.12 Contracts and Leases. Except as shown on Schedule 5.12, the Company does not (i) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) have any contractual or other obligations relating to the Purchased Assets, whether written or oral except its installment Purchase Agreement; and (iii) have given any power of attorney to any person or organization for any purpose relating to the Purchased Assets. The Company or its predecessors presently licenses the Purchased Assets to the Businesses under existing licensing agreements (the “**Existing Licensing Agreements**”), which Existing Licensing Agreements will be terminated as of the Closing Date. The Company shall make available to Purchaser prior to the Closing Date each and every written contract, lease or other document relating to the Purchased Assets of the Company to which it is subject or is a party or a beneficiary. To the Company’s knowledge, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute legal, valid and binding obligations of the Company and the other respective parties thereto and are enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors’ rights and to general equitable principles. The Company has no knowledge of any default or breach under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents, except as listed on Schedule 5.13. Neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the financial condition of the Company.

Section 1.13 No Default. The Company is not in default under any term or condition of any instrument evidencing, creating or securing any indebtedness of the Company, under any other contract, lease, agreement, commitment or undertaking to which the Company is a party or by which it or the Purchased Assets are bound.

Section 1.14 Disclosure. To the best of the Company’s knowledge, no representation or warranty of the Company contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Section 1.15 Intellectual Property.

(a) The Company is the sole and exclusive owner through an Installment Sale Agreement of all right, title, and interest in and to the Purchased Assets free and clear of all liens, security interests, charges, encumbrances, equities, or other adverse claims (including without limitation undisclosed distribution rights). The Company has not received notice of, and there is no basis for, any claim, charge, action, suit, or proceeding against the Company involving: (i) unfair competition with respect to any intangible property right of any third person or entity; (ii) infringement by the Purchased Assets of any patent, trademark, trade name, copyright, trade secret, or other intellectual property right of any third party; (iii) the improper use of the trade secrets, formulae, or intellectual property of others; or (iv) a claim that any trademark, trade name, service mark, or logo in use or proposed for use by the Company is likely to be confused with a trademark, trade name, service mark, or logo of a third party.

(b) There are no outstanding, nor are there any threatened, disputes or other disagreements with respect to (i) ownership by the Company of all of its Purchased Assets, (ii) any licenses or similar agreements or arrangements which limit the Company’s right to exploit the Purchased Assets, or (iii) infringement by a third party of any of the Purchased Assets. The Company has taken all steps reasonably necessary to

protect its right, title, and interest in and to its Purchased Assets and the continued use of the Purchased Assets. Without limiting the generality of the foregoing, all designs, drawings, specifications, source code, object code, documentation, flow charts and diagrams incorporating, embodying, or reflecting any of the Purchased Assets at any state of its development were written, developed, and created solely and exclusively by employees of the Company without the assistance of any third party, or were created by third parties who assigned ownership of their rights to the Company in valid and enforceable agreements.

(c) Federally Registered Trademarks. The service marks/trademarks listed in Section 1.1(a) are part of the Purchased Assets, and comprise an accurate and complete list of all service marks/trademarks for which Company or its predecessors have applied for federal registration or obtained federal registration with the USPTO.

Section 1.16 Brokerage Commission. No broker or finder has acted on behalf of the Company or any of its affiliates in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Company.

Article VI REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Company as follows:

Section 1.1 Organization, Good Standing and Qualification of the Purchaser. The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Purchaser.

Section 1.2 Authorization. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein has been taken by the Purchaser or will be taken prior to the Closing Date. The Purchaser has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 1.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by Purchaser does not: (i) conflict with, violate, or constitute a breach of or a default under or (ii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which Purchaser is a party.

Section 1.4 Consents. No permit, consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity

is required on the part of Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 1.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Purchaser.

Section 1.6 Disclosure. To the best of Purchaser's knowledge, no representation or warranty of Purchaser contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Article VII COVENANTS OF THE COMPANY

Section 1.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Company agrees that until the Closing Date or the termination of this Agreement, neither the Company nor any representative of the Company will offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, merger, corporate reorganization of the Company, or the sale, transfer, encumbrance, pledge, collateralization or hypothecation of the Purchased Assets. The Company hereby agrees to advise the Purchaser of any contact from any third party regarding the acquisition or other investment in the Company or the Purchased Assets, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 1.2 Access; Due Diligence. Between the date of this Agreement and the Closing Date, the Company shall, subject to the Parties previous Non-Disclosure Agreement (a) provide Purchaser and their authorized representatives reasonable access to the books and records of the Company as they relate to the Purchased Assets; (b) permit the Purchaser to make inspections thereof; and (c) cause the officers and advisors of the Company and the Business to furnish the Purchaser with such information with respect to the Purchased Assets and to discuss such information with the Purchaser, as the Purchaser may from time to time reasonably request.

Section 1.3 Taxes. The Company shall file or cause to be filed all tax returns required to be filed by the Company, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Company shall not (a) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Company; (b) make, change or revoke any election with respect to taxes; or (c) extend or waive the applicable statute of limitations with respect to any taxes.

Section 1.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Company shall operate itself and the Business in the ordinary course consistent with past practices, and:

- (a) The Company will not sell, lease, license, transfer or assign the Purchased Assets;
- (b) The Company will not waive or release any right or claim held by it related to the Purchased Assets, absent the consent of Purchaser;

Nothing herein shall be deemed to prevent the Company from fulfilling current existing obligations and obligations incurred in the normal course of business until Closing.

Article VIII
CONDITIONS TO CLOSING OF
THE COMPANY

Each obligation of the Company to be performed on the Closing Date shall be subject to the satisfaction of each of the conditions stated in this Article VIII, except to the extent that such satisfaction is waived by the Company in writing:

Section 1.1 Representations and Warranties Correct. The representations and warranties made by Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. Purchaser shall provide to the Company certificates, dated the Closing Date and signed by its President, to the effect set forth in Section 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Payment of Purchase Price. Purchaser shall have tendered the Purchase Price as referenced in Article III to the Company concurrently with the Closing.

Section 1.5 Corporate Resolutions. Purchaser shall provide corporate resolutions of the Board of Directors which approve the transactions contemplated herein and authorize the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against Purchaser.

Article IX
CONDITIONS TO CLOSING OF
PURCHASER

Each obligation of Purchaser to be performed on the Closing Date will be subject to the satisfaction of each of the conditions stated in this Article IX, except to the extent that such satisfaction is waived by Purchaser in writing.

Section 1.1 Representations and Warranties Correct. The representations and warranties made by the Company shall be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. The Company will provide to Purchaser certificates, dated the Closing Date and signed by the President of the Company to the effect set forth in Section 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Delivery of Purchased Assets. The Company shall have delivered all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all encumbrances (except Permitted Encumbrances) in form and substance satisfactory to the Purchaser.

Section 1.5 Corporate Resolutions. The Company shall provide to Purchaser resolutions of its board of directors and shareholders, which approve all of the transactions contemplated herein and authorizes the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority will have been commenced and no investigation by any governmental or regulatory authority will have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against the Company or any of its assets.

Article X INDEMNIFICATION

Section 1.1 Indemnification from the Company. The Company hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold Purchaser, its officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the “**Purchaser Group**”) harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys’ fees and costs of any suit related thereto) (collectively, “**Losses**”), whether arising from a direct (or first-party) claim or a third-party claim, suffered or incurred by any of the Purchaser Group arising from: (a) any breach of any representation or warranty of the Company contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Company hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Company under this Agreement; or (c) any Excluded Liability.

Section 1.2 Indemnification from Purchaser. Purchaser agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to the Company) and hold the Company and its officers, directors, affiliates, agents, legal counsel, successors and assigns (collectively, the “**Company Group**”) harmless from and against any and all Losses, whether arising from a direct (or first party) claim or a third-party claim, suffered or incurred by any of Company Group, arising from (a) any breach of any representation or warranty of Purchaser contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Purchaser hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of Purchaser under this Agreement; or (c) any Assumed Liability.

Section 1.3 Defense of Claims. If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the Indemnitor within ten (10) business days after receipt of notice or other date by which action must be taken; provided that the failure of

any Indemnitee to give timely notice shall not affect rights to indemnification hereunder except to the extent that the Indemnitor demonstrates damage caused by such failure. After such notice, the Indemnitor shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the Indemnitor's cost, risk and expense; and such Indemnitee shall cooperate in all reasonable respects, at its cost, risk and expense, with the Indemnitor and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the Indemnitee may, at its own cost, participate in such investigation, trial and defense of such lawsuit or action and any appeal arising therefrom, but the fees and expenses of its legal counsel shall be at the expense of the Indemnitee, except to the extent that (i) the employment thereof has been specifically authorized by the Indemnitor in writing, (ii) the Indemnitor has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict of any material issue between the position of the Indemnitor and the position of such Indemnitee, in which case the Indemnitor shall be responsible for the reasonable fees and expenses of no more than one separate legal counsel. The Indemnitor shall not, without the prior written consent of the Indemnitee, effect any settlement of any proceeding in respect of which any Indemnitee is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the Indemnitor and includes an unconditional release of such Indemnitee from all liability on claims that are the subject matter of such proceeding.

Section 1.4 Default of Indemnification Obligation. If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys' fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 1.5 Survival of Representations and Warranties. The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "**Indemnitor**") under this Agreement unless the party entitled to indemnification (the "**Indemnitee**") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

Section 1.6 Right to Offset. In the event that the Purchaser is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser of any debts or liabilities resulting from the purchase of the Purchased Assets which were incurred prior to the Closing Date, then Purchaser shall have the right to offset any such amount from any obligations that are then due and payable to the Company by the Purchaser.

Article XI
MISCELLANEOUS

Section 1.1 Amendment; Waiver. Neither this Agreement nor any provision hereof may be amended, modified or supplemented unless in writing, executed by all the parties hereto. Except as otherwise expressly provided herein, no waiver with respect to this Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power or remedy.

Section 1.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in Person or sent by registered or certified mail (return receipt requested) or nationally recognized overnight delivery service, postage pre-paid, or electronic mail, provided that any notice sent by electronic mail must include a reference to this Section 12.2 to be effective, addressed as follows, or to such other address as such party may notify to the other parties in writing:

(a) If to the Company: ERAF, Inc.
Attn: Charles J. Quaid
c/o Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

with a copy to: Charles J. Quaid
Quaid Farish, LLC.
8150 N. Central Exp., Ste 600
Dallas, Texas 75206
Email: cquaid@quaidfarish.com

(b) If to the Purchaser: RCI Hospitality Holdings, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066

with a copy to: Robert D. Axelrod
Axelrod & Smith
1502 Augusta Drive, Suite 320
Houston, Texas 77057
Email: rdaxel@asklawhou.com

A notice or communication will be effective (i) if delivered in Person, by electronic mail, or by overnight courier, on the business day it is delivered and (ii) if sent by registered or certified mail, three (3) business days after dispatch. In the event either party delivers a notice by electronic mail, such party agrees to deposit the original notice in a post office, branch office post office, or mail depository maintained by the U.S. Postal Service postage prepaid and addressed as set forth above.

Section 1.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such

provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 1.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 1.5 Public Announcements. The parties hereto agree that prior to making any public announcement or statement with respect to the transactions contemplated by this Agreement, the party desiring to make such public announcement or statement shall advise the other parties hereto and exercise their best efforts to agree upon the text of a public announcement or statement to be made by the party desiring to make such public announcement; provided, however, that if any party hereto is required by law to make such public announcement or statement, then such announcement or statement may be made without the approval of the other parties, provided that such party will advise the other parties hereto.

Section 1.6 Entire Agreement. This Agreement, the Cooperation Agreement of this date required of Seller by Buyer and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings, contracts and communications, whether verbal or written among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

Section 1.7 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Texas, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Dallas County, Texas.

Section 1.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page was an original thereof.

Section 1.9 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with the negotiation and execution of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby.

Section 1.10 Section Headings. The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 1.11 No Third-Party Beneficiaries. Nothing in this Agreement will confer any third party beneficiary or other rights upon any person (specifically including any employees of The Company) or any entity that is not a party to this Agreement.

Section 1.12 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such actions as may be reasonably be requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

Section 1.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit, upon their respective acceptance of its terms, conditions and/or form.

Section 1.14 Termination of Agreement. This Agreement shall terminate and be of no force and effect and all other agreements executed herewith shall be of no force and effect if: (i) the transactions contemplated by this Agreement are not consummated on or before January 31, 2023, unless all of the parties hereto agree in writing to extend the Agreement or (ii) all of the parties agree in writing to terminate this Agreement sooner.

Section 1.15 Attorney Review – Construction. In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other that they have had the opportunity to be advised by attorneys of their own choice and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

Section 1.16 Gender. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter gender and the singular shall include the plural and vice versa, wherever appropriate.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Intellectual Property Purchase Agreement to become effective as of the date first set forth above.

RCI HOSPITALITY HOLDINGS, INC.

By: /s/ Eric Langan
Eric Langan, President

ERAF, INC.

By: /s/ Steven William Craft
Steven William Craft, President

Signature page to Intellectual Property Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item

Quantity

Item

Quantity

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made and entered into this ___ day of December, 2022, by and among ECAL-D&D, Inc., a Texas corporation (the “**Company**”), and BD Hospitality Acquisition, Inc., a Texas corporation (the “**Purchaser**”). The Company and the Purchaser are sometimes hereinafter collectively referred to as the “**Parties**.”

WHEREAS, the Company owns certain automated teller machines (the “**ATMs**”) located at certain adult entertainment establishments, which ATMs are described on Exhibit 1.1 and are located at the locations set forth on Exhibit 1.1; and

WHEREAS, the Purchaser and the Company desire that the Purchaser purchase all of the ATMs from the Company; and

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements and the respective representations and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

**Article I
PURCHASE AND SALE OF THE ASSETS**

Section 1.1 Assets of the Company to be Transferred to Purchaser. On the Closing Date (as defined in Section 4.1 hereof), and subject to the terms and conditions set forth in this Agreement, the Company shall sell, convey, transfer and assign, or cause to be sold, conveyed, transferred and assigned to Purchaser free and clear of all liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions, subject only to any liens created as part of the purchase, and Purchaser shall acquire from the Company all of the ATMs described in Exhibit 1.1, which are collectively referred to as the “**Purchased Assets**”.

**Article II
LIABILITIES**

Section 1.1 Excluded Liabilities. Purchaser shall have no obligation and is not assuming, and the Company shall retain, pay, perform, defend and discharge, all of the liabilities and obligations of every kind whatsoever related or connected to the Purchased Assets or the business of the Company, which liabilities existed, arose, or accrued during the periods on or prior to the Closing Date, whether disclosed or undisclosed, known or unknown on the Closing Date, direct or indirect, absolute or contingent, secured or unsecured, liquidated or unliquidated, accrued or otherwise, whether liabilities for taxes, liabilities of creditors, liabilities arising under any existing lease agreement, liabilities arising under any profit sharing, pension or other benefit under any plan of the Company, liabilities to any Governmental Agency (as hereinafter defined) or third parties, liabilities assumed or incurred by the Company by operation of law or otherwise (collectively, the “**Excluded Liabilities**”), including, but not limited to, (i) contractual liabilities arising or accruing from the Company, its business or ownership of the Purchased Assets on or prior to the Closing Date, (ii) any liability with respect to the Company’s or its business’ or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period on or prior to the Closing Date, (iii) any existing litigation against the Company or its business, (iv) any taxes owing by the Company for taxable periods or portions of taxable periods ending on or before the Closing Date, whether related to the Company’s business, the Purchased Assets or otherwise, and any liens on the Purchased Assets relating to any such taxes, and (v) any suit, action, proceeding, claim or investigation against Purchaser Group (as hereinafter defined)

which arises from or which is based upon or pertaining to the Company's conduct or operation of its business on or prior to the Closing Date; provided that any such liability shall only be an Excluded Liability to the extent the liability relates to the period ending on the Closing Date and, for clarity, any liability which arises from or which is based upon or pertaining to the Purchaser's conduct or operation of its business relating to any period ending after the Closing shall solely be a liability of the Purchaser. Nothing herein shall be interpreted to prevent the Company from contesting the validity of any of its alleged liabilities including as defined as "Excluded Liabilities" herein nor shall this agreement be construed to create a Third-Party Beneficiary related to any of the "Excluded Liabilities". The Company retains all defenses, offsets and claims, and the right to assert same as to any and all of the "Excluded Liabilities."

Section 1.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the Closing, to assume and agrees to pay, perform and discharge only the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing Date, other than liabilities arising out of a breach of this Agreement by the Company (collectively, the "**Assumed Liabilities**"), including, but not limited to, (i) contractual liabilities arising from the business of the Purchaser, ownership of the Purchased Assets or operation by Purchaser of any business using the ATMs after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser), (ii) any litigation resulting from the use or ownership of any of the Purchased Assets that occurs subsequent to the Closing Date as a result of Purchaser's operation of any business using the ATMs, and (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending after the Closing Date, whether related to the Purchased Assets or Purchaser's operation of any business using the ATMs, and any liens on the Purchased Assets relating to any such taxes accruing during the period subsequent to the Closing Date. For clarity, Purchaser will only assume liabilities which arise from or which are based upon or pertain to the Purchaser's conduct or operation of its business or use of the ATMs which occur after the Closing Date.

Section 1.3 Taxes. The Company shall pay when due any sales, transfer, excise, or other taxes which may be imposed in any jurisdiction in connection with or arising from the sale and transfer of any of the Purchased Assets to Purchaser.

Section 1.4 Bulk Sales Laws. The Company acknowledges that any applicable provisions of any tax clearance or bulk sales laws pertaining to the transactions contemplated by this Agreement are being complied with and that the Company agrees to indemnify and hold harmless Purchaser from and against any and all liabilities arising out of or relating to any such tax clearance or bulk sales law. Any such liability shall be an Excluded Liability.

Article III PURCHASE PRICE FOR THE PURCHASED ASSETS

The Purchaser shall pay to the Company for all of the Purchased Assets a total purchase price of Two Million Six Hundred Thousand Dollars \$(2,600,000.00)(the "**Purchase Price**"), which will be payable at the Closing, as follows: (a) One Million Five Hundred Thousand Dollars (\$1,500,000.00) cash by wire transfer; (b) issue to the Company a 10-year promissory note (the "**Promissory Note**") with a principal amount equal to One Million One Hundred Thousand Dollars (\$1,100,000.00), which Promissory Note will bear interest at the rate of 7% per annum and be payable, in arrears, in 120 equal monthly payments of principal and interest of \$12,771.93, based on a 10-year amortization schedule, with the first payment due 30 days after Closing. The Promissory Note will be secured by a first lien on the Purchased Assets pursuant to a security agreement and the filing of a UCC financing statement creating a lien against the Purchased Assets. Purchaser shall remain liable under 1.5 hereof.

Article IV CLOSING

Section 1.1 The Closing. The closing (the “**Closing**”) of the transactions contemplated by this Agreement shall take place as soon as practicable and when agreed to by the parties, but in no event until the satisfaction or waiver of the conditions set forth in Article VIII and Article IX (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to satisfaction or waiver of those conditions), or on such other date as the Parties may mutually agree in writing (the “**Closing Date**”). The Closing will take place at the office of Title Partners, 5501 LBJ Freeway, Suite 200, Dallas, Texas 75240, or at such other place as agreed upon among the parties hereto, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. Notwithstanding the foregoing, in the event the conditions to Closing have not been satisfied or waived by January 31, 2023, then the Company or Purchaser may terminate this Agreement by giving written notice to the other Parties as provided for in Section 12.2, and this Agreement will be of no further force or effect.

Section 1.2 Delivery of Documents at Closing. At the Closing: (a) the Company shall deliver to Purchaser all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all liens, charges or encumbrances, other than Permitted Encumbrances, against delivery by Purchaser to the Company of payment in an amount equal to the Purchase Price of the Purchased Assets being purchased by Purchaser in the manner set forth herein in accordance with Article III hereof; and (b) the Company and Purchaser shall deliver the various certificates, instruments and documents (and shall take the required actions) referred to in Articles VIII and IX below.

Article V REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedules accompanying this Agreement (each a “**Schedule**” and collectively the “**Schedules**”), the Company hereby represents and warrants to Purchaser as follows:

Section 1.1 Organization, Good Standing and Qualification of the Company. The Company is a Texas corporation duly organized and validly existing and in good standing under the laws of the state of Texas, has all requisite power and authority to carry on its business, and is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Company.

Section 1.2 Ownership of the Purchased Assets. The Company owns all of the Purchased Assets free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances, other than Permitted Encumbrances. The Company has the unrestricted right and power to transfer, convey and deliver full ownership of the Purchased Assets without the consent or agreement of any other person and without any designation, declaration or filing with any Governmental Authority. Upon the transfer of the Purchased Assets to Purchaser as contemplated herein, Purchaser will receive title thereto, free, and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances, or other restrictions other than Permitted Encumbrances. For purposes of this Agreement, “**Permitted Encumbrances**” means (a) liens for taxes, assessments or government charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings and which are subject to reasonable reserves, all as listed on Schedule 5.2, attached hereto; (b) those encumbrances, if any, listed on Schedule 5.2 attached hereto.

Section 1.3 Authorization. All action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein have been taken by the Company or will be taken prior to the Closing Date. The Company has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 1.4 No Breaches or Defaults. Except as shown on Schedule 5.4, the execution, delivery, and performance of this Agreement by the Company does not: (i) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of the Company, (ii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets, (iii) conflict with or result in a breach or violation of, or default under, or give rise to any right of acceleration or termination of, any of the terms, conditions or provisions of any note, bond, lease, license, agreement or other instrument or obligation to which the Company is a party of by which the Company's assets or properties are bound or (iv) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (a) any applicable Legal Requirement (as defined below), or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Company is a party or by which the Purchased Assets may be bound or affected. For purposes of this Agreement, "**Governmental Authority**" means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, "**Legal Requirement**" means any law, statute, injunction, decree, order, or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority.

Section 1.5 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of the Company in connection with the execution and delivery by the Company of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 1.6 Pending Claims. There is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or, to the Company's knowledge, threatened against the Company before any court, arbitration, administrative or regulatory body or any governmental agency which would reasonably be expected to result in any judgment, order, award, decree, liability or other determination which will or would reasonably be expected to have any material effect upon the Company or its business or the transfer by the Company to Purchaser of the Purchased Assets, and there is no basis known to the Company for any such action. No litigation is pending, or, to the Company's knowledge, threatened against the Company, which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. The Company is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against it or which would reasonably be expected to materially and adversely affect the Company or the Purchased Assets. There are however claims, suits, arbitrations, investigations, actions, litigations, or other proceedings, now pending or threatened against the Company as listed in Schedule 5.6 hereof.

Section 1.7 Taxes. The Company has timely and accurately prepared and filed all federal, state, foreign and local tax returns and reports required to be filed related to the Purchased Assets prior to such dates by the Company and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes, and withholding or other payroll related taxes shown on such returns. The Company to the best knowledge of the Company, is not delinquent in the payment of any tax or governmental charge of any nature related to the Purchased Assets. The Company has no knowledge of any liability for any tax to be imposed by any taxing authorities upon the Company as of the date of this Agreement and as of the Closing that is not adequately provided for related to the Purchased Assets. No assessments or notices of deficiency or other communications have been received by the Company with respect to any tax return of the Company related to the Purchased Assets which has not been paid, discharged, or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. Except as shown on Schedule 5.7, none of the federal, state, foreign and local tax returns of the Company have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations, or claims pending. The Company has no knowledge of any additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company for any period, nor of any basis for any such assessment, adjustment, or contingency. There are no agreements between the Company and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 1.8 Compliance with Laws. To the knowledge of the Company, the Company is, and at all times prior to the date hereof, has been in compliance with all statutes, orders, rules, ordinances and regulations applicable to the ownership of the Purchased Assets. The Company has not received any written order or written notice of any such violation or claim of violation of any such statute, order, rule, ordinance, or regulation by the Company related to or impacting the ownership of the Purchased Assets, except as listed on Schedule 5.8. The Company owns, holds, possesses, or lawfully uses in the operation of its business all permits and licenses which are in any manner necessary or required for it to conduct its operation and business as now being conducted related to the Purchased Assets. Schedule 5.8 sets forth a list of all licenses and permits held by the Company used in the operation of its business, all of which are in good standing and will be in effect as of the Closing Date, unless surrendered by the Company to effectuate this transaction. To the knowledge of the Company, no material record violations exist in respect of any such permit or license and no investigation or proceeding is pending or threatened, that would reasonably be expected to result in the suspension, revocation, modification, non-renewal, limitation or restriction of any such permits or licenses.

Section 1.9 Contracts and Leases. Except as shown on Schedule 5.9 or referenced in this Section, the Company does not (i) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (iii) have given any power of attorney to any person or organization for any purpose relating to the Purchased Assets or business of the Company. The Company operates its ATMs under existing location agreements with the landlords of such premises terminable at will by either party and upon loss of the right to occupy the location. The Company shall make available to Purchaser prior to the Closing Date each and every written contract, lease or other document relating to the Purchased Assets of the Company to which it is subject or is a party or a beneficiary. To the Company's knowledge, such contracts, leases or other documents relating to the Purchased Assets are valid and in full force and effect according to their terms and constitute legal, valid and binding obligations of the Company and the other respective parties thereto and are enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles. The Company has no knowledge of any default or breach under

such contracts, leases, or other documents or of any pending or threatened claims under any such contracts, leases, or other documents relating to the Purchased Assets, except as listed on Schedule 5.9. Neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the financial condition of the Company or related to the Purchased Assets after the Closing.

Section 1.10 No Default. To the best knowledge of the Company, the Company is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Company related to the Purchased Assets, under any other contract, lease, agreement, commitment or undertaking related to the Purchased Assets to which the Company is a party or by which it or its assets or properties are bound.

Section 1.11 Disclosure. To the best of the Company's knowledge, no representation or warranty of the Company contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Section 1.12 Brokerage Commission. No broker or finder has acted on behalf of the Company or any of its affiliates in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Company.

Article VI REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Company as follows:

Section 1.1 Organization, Good Standing and Qualification of the Purchaser. The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Purchaser.

Section 1.2 Authorization. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein has been taken by the Purchaser or will be taken prior to the Closing Date. The Purchaser has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 1.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by Purchaser does not: (i) conflict with, violate, or constitute a breach of or a default under or (ii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal

Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which Purchaser is a party.

Section 1.4 Consents. No permit, consent, approval, or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 1.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser in connection with this Agreement or in the transactions contemplated hereby and no person is entitled to any brokerage or finder's fee or compensation in respect thereto based in any way on agreements, arrangements or understandings made by or on behalf of the Purchaser.

Section 1.6 Disclosure. To the best of Purchaser's knowledge, no representation or warranty of Purchaser contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Article VII COVENANTS OF THE COMPANY

Section 1.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Company agrees that until the Closing Date or the termination of this Agreement, neither the Company nor any representative of the Company will offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, merger, corporate reorganization of the Company, or the sale, transfer, encumbrance, pledge, collateralization or hypothecation of the Purchased Assets. The Company hereby agrees to advise the Purchaser of any contact from any third party regarding the acquisition or other investment in the Company or the business of the Company, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 1.2 Access; Due Diligence. Between the date of this Agreement and the Closing Date, the Company shall, subject to the Parties' previous Non-Disclosure Agreement (a) provide Purchaser and their authorized representatives reasonable access to the locations of the Purchased Assets and all offices and other facilities and properties of the Company, and to the books and records of the Company as related to the Purchased Assets; (b) permit the Purchaser to make inspections of the Purchased Assets; and (c) cause the officers and advisors of the Company to furnish the Purchaser with such financial and operating data and other information related to the Purchased Assets and to discuss such information with the Purchaser, as the Purchaser may from time to time reasonably request.

Section 1.3 Taxes. The Company shall file or cause to be filed all tax returns required to be filed by the Company related to the Purchased Assets, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Company shall not (a) change any method of accounting of the Company for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Company related to the Purchased Assets; (c) change an accounting period of the Company with respect to any tax related to the Purchased Assets; (d) make, change or revoke any election with respect to taxes related to the Purchased Assets; or (e) extend or waive the applicable statute of limitations with respect to any taxes related to the Purchased Assets.

Section 1.4 **Conduct of Business.** From the date of the execution hereof until the Closing Date, the Company shall operate itself and its business related to the Purchased Assets in the ordinary course consistent with past practices, and:

- (a) related to the Purchased Assets its condition (financial or otherwise), liabilities, assets, or business or in any of its business relationships, including relationships with suppliers or customers, that, when considered individually or in the aggregate, would reasonably be expected to have a material adverse effect on it;
- (b) The Company will not sell, lease, transfer or assign any of the Purchased Assets;
- (c) The Company will not accelerate, terminate, modify, or cancel any agreement, contract, lease, or license (or series of related agreements, contracts, leases and licenses) related to the Purchased Assets, absent the consent of Purchaser;
- (d) The Company will operate its business related to the Purchased Assets in the ordinary course and consistent with past practices so as to preserve its business organization intact, to retain the services of their employees and to preserve their goodwill and relationships with suppliers, creditors, customers, and others having business relationships with them related to the Purchased Assets;
- (e) The Company will not delay or postpone the payment of accounts payable and other liabilities related to the Purchased Assets outside the ordinary course of business;
- (f) The Company will not make any change in any method, practice, or principle of accounting related to the Purchased Assets involving its business or assets;
- (g) The Company will not issue, sell, or otherwise dispose of any of the Purchased Assets or create, sell, or dispose of any options, rights, conversion rights or other agreements or commitments of any kind relating to the issuance, sale, or disposition of the Purchased Assets;
- (h) The Company shall perform in all material respects all of its obligations under material contracts, leases and other documents relating to or affecting the Purchased Assets.

Nothing herein shall be deemed to prevent the Company from fulfilling current existing obligations and obligations incurred in the normal course of business until Closing.

Article VIII CONDITIONS TO CLOSING OF THE COMPANY

Each obligation of the Company to be performed on the Closing Date shall be subject to the satisfaction of each of the conditions stated in this Article VIII, except to the extent that such satisfaction is waived by the Company in writing:

Section 1.1 **Representations and Warranties Correct.** The representations and warranties made by Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. Purchaser shall provide to the Company certificates, dated the Closing Date, and signed by its President, to the effect set forth in Section 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Payment of Purchase Price. Purchaser shall have tendered the Purchase Price as referenced in Article III to the Company concurrently with the Closing.

Section 1.5 Corporate Resolutions. Purchaser shall provide corporate resolutions of the Board of Directors which approve the transactions contemplated herein and authorize the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against Purchaser.

Section 1.7 Consents; Status of Permits and Licenses. Purchaser shall have obtained all necessary permits and other authorizations, whether city, county, state or federal, which may be needed to operate the ATMS at their current locations, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to operating the Purchased Assets without any interruption.

Article IX CONDITIONS TO CLOSING OF PURCHASER

Each obligation of Purchaser to be performed on the Closing Date will be subject to the satisfaction of each of the conditions stated in this Article IX, except to the extent that such satisfaction is waived by Purchaser in writing.

Section 1.1 Representations and Warranties Correct. The representations and warranties made by the Company shall be true and correct in all material respects as of the Closing Date.

Section 1.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the Closing Date will have been performed or complied with in all material respects.

Section 1.3 Delivery of Certificate. The Company will provide to Purchaser certificates, dated the Closing Date, and signed by the President of the Company to the effect set forth in Section 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 1.4 Delivery of Purchased Assets. The Company shall have delivered all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets, free and clear of all encumbrances (except Permitted Encumbrances) in form and substance satisfactory to the Purchaser.

Section 1.5 Corporate Resolutions. The Company shall provide to Purchaser resolutions of its board of directors and shareholders, which approve all of the transactions contemplated herein and authorizes the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 1.6 Consents; Status of Permits and Licenses. Purchaser shall possess all necessary permits and other authorizations, whether city, county, state or federal, which may be needed to operate the Purchased Assets at their current locations, and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to operating the Purchased Assets without any interruption.

Section 1.7 Financial Records. The financial records of the business of the Company related to the Purchased Assets shall be maintained and exist in such a manner as to allow for a certified audit as determined by the Purchaser.

Section 1.8 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority will have been commenced and no investigation by any governmental or regulatory authority will have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against the Company or any of its assets.

Article X CLOSING ADJUSTMENTS

The Company and the Purchaser agree that there shall be an adjustment made within 90 days of the Closing Date to adjust for any Excluded Liabilities that are found to exist as of the Closing Date, as such Excluded Liabilities may relate to the Purchased Assets or the business of the Company, so that the Company shall be responsible and liable to the Purchaser for the liabilities of the Company that exist as of the Closing Date, less a credit for any miscellaneous cash on hand (for clarity, the Parties intend that cash on hand at Closing will be zero), credit card receivables or pro rata portion of pre-paid items.

Article XI INDEMNIFICATION

Section 1.1 Indemnification from the Company. The Company hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold Purchaser, its officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the “**Purchaser Group**”) harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys’ fees and costs of any suit related thereto) (collectively, “**Losses**”), whether arising from a direct (or first-party) claim or a third-party claim, suffered or incurred by any of the Purchaser Group arising from: (a) any breach of any representation or warranty of the Company contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Company hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Company under this Agreement; or (c) any Excluded Liability.

Section 1.2 Indemnification from Purchaser. Purchaser agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to the Company) and hold the Company and its officers, directors, affiliates, agents, legal counsel, successors and assigns (collectively, the “**Company Group**”) harmless from and against any and all Losses, whether arising from a direct

(or first party) claim or a third-party claim, suffered or incurred by any of Company Group, arising from (a) any breach of any representation or warranty of Purchaser contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Purchaser hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of Purchaser under this Agreement; or (c) any Assumed Liability.

Section 1.3 Defense of Claims. If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the Indemnitor within ten (10) business days after receipt of notice or other date by which action must be taken; provided that the failure of any Indemnitee to give timely notice shall not affect rights to indemnification hereunder except to the extent that the Indemnitor demonstrates damage caused by such failure. After such notice, the Indemnitor shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the Indemnitor's cost, risk and expense; and such Indemnitee shall cooperate in all reasonable respects, at its cost, risk and expense, with the Indemnitor and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the Indemnitee may, at its own cost, participate in such investigation, trial and defense of such lawsuit or action and any appeal arising therefrom, but the fees and expenses of its legal counsel shall be at the expense of the Indemnitee, except to the extent that (i) the employment thereof has been specifically authorized by the Indemnitor in writing, (ii) the Indemnitor has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict of any material issue between the position of the Indemnitor and the position of such Indemnitee, in which case the Indemnitor shall be responsible for the reasonable fees and expenses of no more than one separate legal counsel. The Indemnitor shall not, without the prior written consent of the Indemnitee, effect any settlement of any proceeding in respect of which any Indemnitee is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the Indemnitor and includes an unconditional release of such Indemnitee from all liability on claims that are the subject matter of such proceeding.

Section 1.4 Default of Indemnification Obligation. If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys' fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 1.5 Survival of Representations and Warranties. The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "**Indemnitor**") under this Agreement unless the party entitled to indemnification (the "**Indemnitee**") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

Section 1.6 Right to Offset. In the event that the Purchaser is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser of any debts or liabilities resulting from the purchase of the Purchased Assets which were incurred prior to the Closing Date, then Purchaser shall have the right to offset any such amount from any obligations that are then due and payable to the Company by the Purchaser.

Article XII MISCELLANEOUS

Section 1.1 Amendment; Waiver. Neither this Agreement nor any provision hereof may be amended, modified, or supplemented unless in writing, executed by all the parties hereto. Except as otherwise expressly provided herein, no waiver with respect to this Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power, or remedy.

Section 1.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in Person or sent by registered or certified mail (return receipt requested) or nationally recognized overnight delivery service, postage pre-paid, or electronic mail, provided that any notice sent by electronic mail must include a reference to this Section 12.2 to be effective, addressed as follows, or to such other address as such party may notify to the other parties in writing:

(a) If to the Company: ECAL-D&D, Inc.
 Attn: Charles J. Quaid
 % Quaid Farish, LLC.
 8150 N. Central Exp., Ste 600
 Dallas, Texas 75206
 Email: cquaid@quaidfarish.com_

with a copy to: Charles J. Quaid
 Quaid Farish, LLC.
 8150 N. Central Exp., Ste 600
 Dallas, Texas 75206
 Email: cquaid@quaidfarish.com

(b) If to the Purchaser: BD Hospitality Acquisition, Inc.
 Attn: Travis Reese, President
 10737 Cutten Road
 Houston, Texas 77066
 Email: eric@rcihh.com

with a copy to: Robert D. Axelrod
 Axelrod & Smith
 1502 Augusta Drive, Suite 320
 Houston, Texas 77057
 Email: rdaxel@asklawhou.com

A notice or communication will be effective (i) if delivered in Person, by electronic mail, or by overnight courier, on the business day it is delivered and (ii) if sent by registered or certified mail, three (3) business days after dispatch. In the event either party delivers a notice by electronic mail, such party agrees to deposit the original notice in a post office, branch office

post office, or mail depository maintained by the U.S. Postal Service postage prepaid and addressed as set forth above.

Section 1.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 1.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 1.5 Public Announcements. The parties hereto agree that prior to making any public announcement or statement with respect to the transactions contemplated by this Agreement, the party desiring to make such public announcement or statement shall advise the other parties hereto and exercise their best efforts to agree upon the text of a public announcement or statement to be made by the party desiring to make such public announcement; provided, however, that if any party hereto is required by law to make such public announcement or statement, then such announcement or statement may be made without the approval of the other parties, provided that such party will advise the other parties hereto.

Section 1.6 Entire Agreement. This Agreement and the Cooperation Agreement of this date required of Seller by Buyer and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings, contracts and communications, whether verbal or written among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

Section 1.7 Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Texas, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Dallas County, Texas.

Section 1.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page was an original thereof.

Section 1.9 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with the negotiation and execution of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby.

Section 1.10 Section Headings. The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 1.11 No Third-Party Beneficiaries. Nothing in this Agreement will confer any third party beneficiary or other rights upon any person (specifically including any employees of The Company) or any entity that is not a party to this Agreement.

Section 1.12 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such actions as may be reasonably be requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

Section 1.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit, upon their respective acceptance of its terms, conditions and/or form.

Section 1.14 Termination of Agreement. This Agreement shall terminate and be of no force and effect and all other agreements executed herewith shall be of no force and effect if: (i) the transactions contemplated by this Agreement are not consummated on or before January 31, 2023, unless all of the parties hereto agree in writing to extend the Agreement or (ii) all of the parties agree in writing to terminate this Agreement sooner.

Section 1.15 Attorney Review - Construction. In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other that they have had the opportunity to be advised by attorneys of their own choice and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

Section 1.16 Gender. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter gender and the singular shall include the plural and vice versa, wherever appropriate.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement to become effective as of the date first set forth above.

BD HOSPITALITY ACQUISITION, INC.

By: /s/ Eric Langan
Eric Langan, President

ECAL-D&D, INC.

By: /s/ Steven William Craft
Steven William Craft, President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

ATM Description

Location

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of the Effective Date (as defined below), by and between RCI Holdings, Inc. a Texas corporation, with offices at 10737 Cutten Road, Houston, Harris County, Texas 77066, ("Buyer"), and DUNCAN BURCH, an individual, at 1418 Dudley Dr., Carrollton, Dallas County, Texas 75007, ("Seller").

RECITALS

A. Seller owns the following real property:

- (a) 3601 Highway 157, Ft. Worth, Tarrant County, Texas 75236, more particularly described in Exhibit "A";
 - (b) 2711 Majesty Arlington, Tarrant County, Texas 76011, more particularly described in Exhibit "B";
 - (c) 6440 Southwest Freeway, Houston Harris County, Texas 77074, more particularly described in Exhibit "C";
 - (d) 10723 Composite Drive, Dallas, Dallas County, Texas 77220 and more particularly described in Exhibit "D"; and
 - (e) 10250 Shady Trail, Dallas, Dallas County, Texas 77220, more particularly described in Exhibit "E".
- (all the foregoing referenced herein as the "Land");

B. Seller and Buyer have agreed to the purchase and sale of the Land and such other items that constitute the "Property" (hereafter defined) pursuant to this Agreement.

AGREEMENT

In consideration of the foregoing, the terms, covenants, conditions, and agreements contained herein, and other good and valuable consideration, Seller and Buyer agree as follows:

1. Purchase and Sale. Buyer will purchase from Seller, and Seller will sell to Buyer, free and clear of all debts, liens, and encumbrances, all of the following property, AS IS, (collectively, the "Property"):

(A) The Land and all right, title and interest of Seller in and to all related rights and appurtenances, including all right, title and interest of Seller, if any, in and to (i) any Land lying in the bed of any street, road, highway or alley (whether opened or proposed) adjoining the Land, (ii) any easements, rights, privileges and appurtenances relating or benefiting the Land, and (iii) any strips and gores adjoining the Land;

(B) All buildings, improvements and fixtures located on or attached to the Land, which are owned by Seller and all third-party warranties or guaranties, if transferable, related to same (herein collectively, the "**Improvements**");

(C) All permits, governmental approvals, utility rights, development rights and similar rights related to the Land, whether granted by governmental authorities or private persons excluding permits and licenses issued to Seller's Existing Tenants which will become void upon Closing with Buyer's termination of all current and to be assigned Leases with each respective current tenant upon Closing;

(D) All of the right, title and interest of Seller, if any, in and to any soil reports, engineering reports, plans and specifications, architectural or engineering drawings, site plans, layouts for surface and underground utilities, sewer and storm drains and landscaping, licenses, permits or other rights granted by governmental authorities, immunities, privileges, consents, grants, warranties, disposal agreements, servicing contracts, maintenance agreements, supply agreements, storage agreements, utility agreements, and all other agreements owned, used, or held for use by Seller relating to the use, ownership and operation of the Land and the Improvements (herein collectively, the "**Business Arrangements**");

(E) All of the right, title and interest of Seller in and to any prepayments and deposits of any kind heretofore made by Seller for utility services applicable to the Land and the Improvements (herein collectively, the "**Deposits**"), if any;

(F) All non-removable and attached tangible personal property, fixtures and equipment owned by Seller, if any, as currently located upon or used in connection with the Land (herein "**Fixtures**");

(G) All of the right, title and interest of Seller in and to any lease, excluding overdue payments, prepayments and deposits of every kind heretofore made by any tenant thereunder (which deposits and prepayments shall belong to Seller) (herein collectively, the "**Leases**"); and

(H) For 6440 Southwest Freeway, Houston Harris County, Texas only, the equipment and furniture therein.

All of the above-referenced property described in subparagraphs (A) through (H) is hereinafter collectively referred to as the "**Property**").

2. Purchase Price. The total purchase price to be paid by Buyer for the Property (the "Purchase Price") shall be Forty-One Million and No/100 Dollars (\$41,000,000.00). The Purchase Price, less reduction for such credits, prorrations and adjustments as are provided for herein shall be payable on the Closing Date (hereafter defined) as follows: (a) Twenty Million Dollars (\$20,000,000.00) in Cash, (b) the issuance of 200,000 shares of restricted common stock, par value \$0.01 of RCI Hospitality Holdings, Inc., and (c) the delivery of a Note by Buyer to Seller made payable in favor of Seller in the amount of Five Million Dollars (\$5,000,000.00), said Note to be secured by (i) a Vendor's Lien retained by Seller and (ii) a Deed of Trust with Assignments of Rents secured by all sold Property with an obligation for all future tenants of the Property to subordinate their Lease to the Seller's Lien and recognize Seller's right to terminate any such Tenant's Lease without any Tenant recourse against the Property or Seller or his successors or assigns).

The Purchase Price shall be allocated to the sale of each site of the Property as set forth in Exhibit "J"

As additional consideration, Seller is granted a 10-year Lease for One Dollar per year to lease the current office space located at 10723 Composite Drive, Dallas, Dallas County, Texas 75220 (the middle section currently occupied by Burch Management Company, Inc.). Seller may sublease said space to any entity that Seller is affiliated with without the Buyer's consent.

As additional consideration, Seller is granted a 10-year Lease for One Dollar per year to lease the current space located in each of the Properties being sold hereunder currently used as a clothing boutique (or in Houston one space as a hair salon and one space as a boutique). Seller may sublease said space to any entity that Seller is affiliated without the Buyer's consent.

3. Earnest Money and Independent Consideration. Within five (5) business days after the Effective Date, Buyer shall deposit with the Title Company (hereafter defined) the sum of Seventy-Five Thousand and No/100 Dollars (\$75,000.00), \$100.00 of which will serve as independent consideration for this Agreement and Buyer's termination rights contained herein. In the event Buyer terminates this Agreement, the earnest money will be refunded to Buyer, less \$100.00 that Seller will retain as independent consideration. The \$75,000.00 shall be deposited as earnest money (such remainder together with any interest earned thereon, the "Earnest Money"). All Earnest Money will be applied as a credit against the Purchase Price if the Closing occurs.

4. Closing Date.

(A) The purchase of the Property will be completed through Title Partners, 5501 LBJ Freeway, Suite 200, Dallas, Texas 75240, Escrow Agent William M. Woodall, Contact Debby Moore (Phone No. 214-987-6780, email: debby.moore@titlepartnersllc.com) (the "Title Company"). The closing of this transaction (the "Closing") contemplated by this Agreement shall take place as soon as practicable and when agreed upon by the parties, but in no event until the satisfaction or waiver of the conditions set forth in herein (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to satisfaction or waiver of those conditions), or on such other date as the Parties may mutually agree in writing (the "**Closing Date**").

(B) On or prior to the Closing Date, Seller will deposit with the Title Company the following items (collectively the "Closing Documents"):

(1) a fully ready for execution special warranty deed on each Property in form of Exhibit "F" attached (the "Deed"), duly executed and acknowledged by Seller, conveying the Property to Buyer AS IS subject only to the Permitted Exceptions (as defined herein) in accordance with this Agreement;

(2) such documents as the Title Company and Buyer may require to establish the authority of Seller to complete the sale of the Property as well as an Affidavit of Debts, Liens and Parties in Possession in such form as the Title Company may reasonably require for issuance of the Title Policy (as defined herein) in the required form with no exceptions for rights of any parties in possession of the Property and without exception for any liens;

(3) an affidavit, dated as of the Closing Date and executed by Seller under penalty of perjury, stating that Seller is not a person with respect to whom withholding is required under Section 1445 of the Internal Revenue Code;

(4) a certificate dated as of the Closing Date and executed by Seller, either stating that the representations and warranties made by Seller in this Agreement are correct and complete on the date of the certificate as if made again on the Closing Date or advising Buyer, with particulars, why such statement cannot be made;

(5) A Blanket Conveyance, Bill of Sale and Assignment for the Fixtures in the form attached as Exhibit "G";

(6) A Termination Agreement of any and all Leases of the Premises with Seller's tenants in the form attached hereto as Exhibit "H" with the understanding that Seller will terminate said Leases contemporaneously with Closing;

(7) Documentation to the satisfaction of Buyer's attorney and the Title Company that no debts, liens, or encumbrances exist against the Land or Property including UCC Search Results indicating no liens exist or any liens bonded around to the satisfaction of the Title Company and Buyer; and

(8) An affidavit from the President of Buyer with attached Corporate Minutes or a Corporate Resolution in form acceptable to the Seller and the Title Company, that both provide that the purchase of the Property to Buyer has been approved by the Buyer's Board of Directors and the President is executing the Deed and other required documents necessary to Close as President with the full authority from the Buyer to so execute said Deed and other documents necessary to Close on the sale.

(C) On the Closing Date, Buyer will deposit with the Title Company:

(1) All cash funds required in Section 2 Purchase Price hereinabove net of credit for the Earnest Money, if any, and prorations and other items charged or credited to Buyer in accordance with this Agreement;

(2) the Note, Deed of Trust, Guaranty, or other documents referenced herein to be executed by Buyer including as set forth in Section 2 Purchase Price hereinabove

Documents and funds deposited in escrow under this Section 4 will be returned to the person who deposited them if the Seller or Buyer terminates its obligation to complete the transfer of the Property under circumstances allowed by this Agreement subsequent to the time when the deposit is made.

(D) On the Closing Date the Title Company will take the following actions:

(1) Deliver the Deed for each Property for recording, with instructions to deliver the Deed to Buyer after recording.

(2) Deliver to Buyer for each Property (i) the Title Policy (hereafter defined) or an irrevocable commitment to issue the Title Policy to Buyer within a reasonable time after Closing, and (ii) the Closing Documents (other than the Deed).

(3) Pay to Seller the Purchase Price, net of prorations and other items (including amount required to pay-off monetary liens, if any) charged or credited to Seller in accordance with this Agreement and deliver to Buyer the executed Note, Deed of Trust, Guaranty or other documents referenced herein to be executed and provided to Seller, including in Section 2 Purchase Price hereinabove.

(E) Simultaneously with the Closing, Seller will deliver to Buyer, outside of the Closing, and if not previously delivered, originals or, if originals are not in Seller's possession, copies of all documents evidencing permits, licenses, approvals, utility rights, development rights and similar rights related to the Property, if any, that are to be transferred to Buyer. Additionally, simultaneously with the Closing, Seller will deliver to Buyer, all other items and information in the possession or control of Seller or its legal representatives required for Buyer to have full use and enjoyment of the Property.

5. Deliveries; Inspection Period.

(A) Seller will deliver to Buyer, within seven (7) business days after the Effective Date, the following:

(1) a true, correct, and complete copy all applicable permits and other related governmental approvals related to the Land that are in the possession of Seller or its legal representatives, save and except those permits and licenses issued to Seller's Existing Tenants; and

(2) tax statements showing real property taxes for the Property for the year 2022 and 2023 (if in existence).

Buyer understands, acknowledge, and agrees that the materials made available to Buyer or Seller pursuant to this Agreement are provided without representation or warranty as to the accuracy or completeness thereof or the sufficiency for the purposes for which Buyer uses such materials except as specifically otherwise provided in this Agreement.

(B) Within seven (7) business days after the Effective Date, Seller at Buyer's expense will cause Title Company to issue a commitment for the Title Policy (the "Title Commitment") together with all documents referenced as exception or possible exceptions to coverage. Failure of the Title Company to issue the Title Commitment in such time period shall NOT constitute a default by Seller under this Agreement.

(C) Buyer may make inquiries to third parties, including, without limitation, the Lessee, contractors, and municipal, local, and other governmental officials and representatives, and Seller consents to such inquiries. Seller also agrees that Buyer may conduct a Phase 1 and Phase 2 Environmental Investigation upon the Property. Buyer and its representatives, consultants and contractors may make inspections and tests regarding the Property as Buyer deems desirable upon reasonable prior notice to Seller. Damages to the Property resulting from any inspection or testing conducted by or at the direction of Buyer will be repaired by Buyer so that the Property is restored as nearly as possible to its original condition. Buyer will indemnify, defend and hold harmless Seller against any claim arising out of activities conducted on the Property by Buyer and its representatives, consultants and contractors and related loss, damage, liability, obligation, suit, cause of action, judgment, settlement, penalty, fine or cost or expense (including reasonable fees and disbursements of attorneys and other professionals and court costs) to the extent caused directly and proximately by the Buyer and its representatives, consultants and contractors, unless the claim results from the negligence, gross negligence or willful misconduct of Seller, or a pre-existing condition of or at the Property.

(D) Buyer, at Buyer's sole cost and expense, will use reasonable efforts to obtain, prior to the Closing Date, a TLTA or ALTA survey of the Property, prepared by a registered land surveyor, and containing a surveyor's certificate addressed to Buyer (or its designees) and the Title Company in such form as is reasonably acceptable to such parties (the "Survey"). Upon approval of the Survey by Buyer, which shall not be unreasonably withheld, if the Property is not already a platted lot, the metes and bounds description of the Land reflected in the Survey shall be used in conjunction with the legal description of the Land described on Exhibits "A"-"E" to this Agreement in the Deed and any other documents requiring a legal description of the Land.

(E) Buyer may terminate its obligation to complete the transaction described in this Agreement at any time during the period beginning on the Effective Date and ending at 5:00 p.m., Dallas, Texas time, on the Closing Date (the "Feasibility Period"), if Buyer determines, in Buyer's sole and absolute discretion, that the Property is not suitable for Buyer's purposes. Buyer may exercise its right under this Section 5(E) by delivering written notice to

Seller or the Title Company at any time during the Feasibility Period. If Buyer terminates its obligation to complete the transaction pursuant to this Section 5(E), Buyer will have no further obligation to Seller hereunder and the Earnest Money shall be returned to Buyer. If Buyer has not delivered written notice pursuant to this Section 5(E) to Seller by the end of the Feasibility Period, Buyer shall be deemed to have waived its right to terminate its obligation to complete the transaction pursuant to this Section 5(E).

(F) Buyer, at Buyer's sole cost and expense, may conduct a UCC Search on the Land and Property.

6. Title and Title Insurance.

(A) Seller will convey (i) good and indefeasible fee simple title to the Land AS IS, subject only to the Permitted Exceptions and (ii) good title to all other Property through the deed attached hereto as Exhibit "F". As used in this Agreement, "Permitted Exceptions" means, collectively, (a) the lien of all ad valorem real estate taxes and assessments for the year in which the Closing occurs and subsequent years not yet due and payable as of the Closing Date, subject to adjustment as herein provided; and (b) items appearing of record or shown on the Survey and, in either case, not objected to by Buyer or waived or deemed waived by Buyer in accordance with the applicable provisions herein.

(B) Seller will cause the Title Company to issue, at Buyer's expense, an owner's policy of title insurance (the "Title Policy") with respect to the Land in the amount of the Purchase Price, ensuring that Buyer holds good and indefeasible fee simple title to the Land. The Title Policy may contain as exceptions to coverage only the Permitted Exceptions and the standard printed exceptions, modified as follows, in Buyer's sole discretion and at Buyer's sole cost:

(1) general exceptions for parties in possession, streets, and rights-of-way, and matters that would be shown by the Survey must be deleted in their entirety; and

(2) the exception to coverage dealing with encroachments, protrusions and boundary line conflicts must be modified at Buyer's option and at Buyer's expense to read in its entirety "shortages in area", if requested by Buyer.

(C) Buyer will pay the basic premium for the Title Policy and Buyer shall pay for any endorsements to same it requests.

(D) Buyer shall have until the end of the Feasibility Period (the "Title Objection Deadline") to notify Seller, in writing, of such objections as Buyer may have to anything contained in the Title Commitment or the Survey conducted under the provisions hereof. Any item contained in the Title Commitment, or any matter shown on such Survey to which Buyer does not object to prior to the Title Objection Deadline shall be deemed a Permitted Exception. Notwithstanding the foregoing, Buyer will be deemed to have objected to all matters on Schedule C of the Title Commitment without further action on Buyer's part. If Buyer shall notify Seller of objections to title or to matters shown on the Survey prior to the Title Objection Deadline, or is deemed to have objected to any such matters, Seller shall have the right, but not the obligation, except as set forth below, to cure such objections and shall notify Buyer of Seller's decision in this regard on the date which is the sooner of the Closing Date and the day which is one business day after receipt of Buyer's notice of objections. If Seller elects to attempt to cure, and provided that Buyer shall not have terminated this Agreement in accordance with the applicable provisions hereof, Seller shall have until the Closing Date to attempt to remove, satisfy or cure same and for this purpose Seller shall be entitled to a reasonable adjournment of the Closing if additional time is required, but in no event shall the adjournment exceed thirty (30)

days after the initial Closing Date referenced herein. If Seller elects not to cure any objections specified in Buyer's notice, or if Seller is unable to effect a cure prior to the Closing of any objection other than Mandatory Cure Matters (as defined below), Buyer shall have the following options: (a) to waive any such matter objected to by Buyer in which case such objection shall be deemed a Permitted Exception; or (b) to terminate this Agreement by sending written notice thereof to the Title Company on or before the Closing Date, as same may be so extended, and neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. If Buyer gives such notice of termination, this Agreement shall terminate, and the Earnest Money shall be promptly returned to Buyer. Notwithstanding anything contained herein to the contrary, Seller shall have the right but not the obligation to remove, escrow around or bond around all liens against the Property at or before Closing (collectively, the "Lien Cure Matters"), and no such lien or possessory right shall be a Permitted Exception unless escrowed or bonded around. Failure of Seller to cure any Lien Cure Matters will not be a default by Seller under this Agreement.

7. Closing Costs and Prorations.

(A) Seller will pay the escrow fee, if any, charged by the Title Company and the recording fee for the Deed and the cost of any endorsements it obtains to the Title Policy. Seller will pay all recording fees for the release of any applicable liens and encumbrances and the basic premium for the Title Policy. Buyer and Seller each will pay its own attorneys' fees, except as otherwise expressly provided in this Agreement. Other costs will be paid by Seller or Buyer, as applicable, as specified by other provisions of this Agreement or, if no provision is made in this Agreement, in accordance with local custom. Utility expenses will not be prorated but Seller will cooperate with Buyer to have the utilities transferred into Buyer's name at Closing, if necessary.

(B) Real property taxes, assessments, and other similar charges will be prorated between Seller and Buyer at and as of Closing, with Seller being responsible for all such taxes and assessments for periods of time up to and through the Closing Date. If any charge varies from the amount prorated at Closing, the parties shall adjust the prorations when the actual charge for the current year are available. If taxes are not paid at or before Closing, Buyer, having received a credit against the Purchase Price for the prorated portion of same attributable to Seller's ownership, shall pay same prior to delinquency. If this sale or Buyer's use of the Property after Closing results in the assessment of additional taxes, penalties, or interest for periods prior to Closing, same will be the obligation of Buyer. If any additional taxes, penalties, or interest for periods prior to Closing are imposed because of Seller's use or change in use of the Property prior to Closing, same will be the obligation of Seller.

The provisions of this Section 7 will survive the Closing.

8. Representations and Warranties of Seller. Seller represents and warrants to Buyer, as of the date of this Agreement and as of the date of the Closing, as follows:

(1) This Agreement and all documents to be delivered by Seller at the close of escrow have been and will be authorized and properly executed and will constitute the valid, binding, and enforceable obligations of Seller. The person executing this Agreement on behalf of Seller has been duly authorized and has the full power and authority to bind Seller.

(2) The execution and delivery of this Agreement by Seller, the performance by Seller of its obligations under this Agreement and the sale of the Property as contemplated by this Agreement will not result in (i) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which Seller is party or by which

Seller or the Property is bound or (ii) a violation of any applicable law, ordinance, regulation or rule of any governmental authority or any judgment, order or decree of any court or governmental authority except as listed in Exhibit "I".

(3) There is no action, suit, proceeding, inquiry or investigation (including any eminent domain proceeding), pending or, to the knowledge of Seller, threatened, by or before any court or governmental authority (i) against or affecting the Property or (ii) that would prevent or hinder the performance by Seller of its obligations under this Agreement or the sale of the Property as contemplated by this Agreement except as listed in Exhibit "I".

(4) To the best knowledge and belief of the Seller, there are no environmental issues affecting the Property and Seller is unaware of any Hazardous Materials (hereafter defined) on, under, or above the Property and Seller has placed no Hazardous Materials on, under, or above the Property during the period of Seller's ownership of the Property nor has Seller during the period of Seller's ownership of the Property installed, or become aware of, any , underground storage tank located on, under, or above, the Land. Seller has received no notice that the Property is currently or has ever been in violation of any Environmental Law. As used in this Agreement, "Hazardous Materials" means (i) any substance that constitutes hazardous material, hazardous waste or toxic waste within the meaning of any Environmental Law or that otherwise is subject to regulation under any Environmental Law and (ii) regardless of whether it is so classified, any radioactive material, any medical waste, asbestos, polychlorinated biphenyls (PCB's), lead-based paint, urea formaldehyde foam insulation and petroleum or petroleum derivatives. As used in this Agreement, "Environmental Law" means any law relating to the protection of the environment or, to the extent related to environmental conditions, human health, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, as amended; the Hazardous Materials Transportation Act, as amended; the Resource Conservation and Recovery Act, as amended; the Toxic Substances Control Act, as amended; the Federal Water Pollution Control Act, as amended; the Texas Water Code; and all regulations, rules, policies and interpretations issued under any of the foregoing.

(5) Seller owns fee simple title to all of the Property, and no other person owns any interest in the Property. No person other than Seller has a possessory right or right of occupancy with respect to any of the Property, other than Seller's current third party tenants, (Seller's Existing Tenants"), pursuant to a lease between Seller and such tenants, which shall be terminated by Seller contemporaneously with upon Closing, so that from and after Closing Buyer will have the exclusive possessory right of the Property.

(6) To the knowledge of Seller, the Property is not in any special taxing district such as, including but not limited to, a water district or a municipal utility district.

(7) Seller has not entered into any agreement to lease, sell, mortgage, or otherwise encumber or dispose of its interest in the Property or any part thereof other than the aforementioned lease with Seller's Existing Tenant that will be terminated at or before Closing.

(8) Seller has not granted to any person, firm or entity, other than Buyer, any right to purchase the Property or any portion thereof.

(9) To Seller's knowledge, Seller has obtained and paid for all material permits and certificates required under any applicable federal, state, or local law, ordinance, rule, or regulation or by any governmental or quasi-governmental agency to operate the Property and, to Seller's knowledge, all of the same are in good standing except as listed in Exhibit "I".

(10) Seller has not received from any governmental authority written notice of any violation of any zoning, building, fire or health code or any other statute, ordinance rule or regulation applicable (or alleged to be applicable) to the Property, or any part thereof, that will not have been corrected prior to the Closing Date solely at Seller's expense, except as listed in Exhibit "I".

(11) All bills and claims for labor performed or materials furnished to Seller for the benefit of the Property for the period prior to the Closing Date have been (or prior to the Closing Date will be) paid in full and there are (and on the Closing Date will be) no mechanic's liens or materialmen's liens (whether or not perfected) on or affecting the Property as a result of Seller's actions or inactions, except as listed in Exhibit "I".

(12) Seller is not a party to, and (except for recorded title matters existing on the date of this Agreement) none of the Property is subject to, any other contractual agreements or instruments which will be binding on the Property or Buyer on or after the Closing Date except as listed in Exhibit "I".

(13) There is no bankruptcy, insolvency, rearrangement, or similar action or proceeding, whether voluntary or involuntary, pending or, to the Seller's knowledge, threatened against Seller.

(14) Seller represents and warrants to Buyer (i) that neither itself nor any person or entity that directly owns a ten percent (10%) or greater equity interest in it nor any of its officers, directors or managing members is a person or entity (each a "Prohibited Person") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC"), of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including Executive Order 13224 (the "Executive Order"), signed on September 23, 2001, and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental action, (ii) that its activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the "Money Laundering Act"), and (iii) that it shall comply with the Executive Order and with the Money Laundering Act.

(15) There are no contracts to which Seller is a party or to which the Property is subject that will survive Closing.

Seller hereby indemnifies, defends, and holds harmless Buyer from and against any loss, damage, cost, and expense (including reasonable fees of attorneys and other professionals and court costs) suffered or incurred by Buyer as a result of any misstatement in the representations and warranties made in this Section 8 as of the date of this Agreement or as of the Closing Date. Seller's representations and warranties shall survive the Closing for a period of twenty four (24) months.

If Seller discloses to Buyer in the Seller's Certificate that any of such representations and warranties of Seller are untrue at Closing, Buyer may, at its option, terminate this Agreement, receive a refund of the Earnest Money, and elect not to purchase the Property. If the change in circumstances which renders any of Seller's representations and warranties untrue at Closing was beyond the control of Seller and not caused by any act or omission of Seller, then such termination right shall be Buyer's sole right and remedy in such event. If the change in circumstances was within the control of Seller or caused by an act or omission of Seller, then the fact that any of the Seller's representations and warranties are untrue at Closing shall constitute a breach of this Agreement by Seller and entitle Buyer to pursue the indemnity set forth above in

addition to, and cumulative of, its other rights and remedies under this Agreement due to such breach.

As used herein, "knowledge of the Seller" shall mean the actual knowledge of Seller's duly authorized representative signatory hereto without investigation, duty to investigate, implied knowledge of other individuals, and excluding constructive knowledge.

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES (OTHER THAN THE SPECIAL WARRANTY OF TITLE AS SET OUT IN THE DEED OR AS EXPRESSLY SET FORTH HEREIN), PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE CONDITION OF THE PROPERTY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY DURING BUYER 'S INSPECTION PERIOD, BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER, EXCEPT FOR SELLER'S OBLIGATIONS, REPRESENTATIONS, AND WARRANTIES IN THIS AGREEMENT AND IN THE DOCUMENTS TO BE DELIVERED AT CLOSING, INCLUDING, WITHOUT LIMITATION, THE SPECIAL WARRANTY OF TITLE IN THE DEED. EXCEPT FOR SELLER'S OBLIGATIONS, REPRESENTATIONS, AND WARRANTIES IN THIS AGREEMENT AND IN THE DOCUMENTS TO BE DELIVERED AT CLOSING, INCLUDING, WITHOUT LIMITATION, THE SPECIAL WARRANTY OF TITLE IN THE DEED, AND BREACHES OF SAME, BUYER (I) AGREES TO PURCHASE AND ACCEPT THE PROPERTY ON AN "AS IS" CONDITION AND "WITH ALL FAULTS" BASIS AND (II) HEREBY WAIVES AND RELEASES SELLER FROM ALL OBJECTIONS OR CLAIMS AGAINST SELLER ARISING FROM OR RELATED TO THE PROPERTY, THE CONDITION OF THE IMPROVEMENTS, WHETHER BY CONTRACT, UNDER LAW, UNDER ANY RIGHT OF CONTRIBUTION, OR OTHERWISE, BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION EXCEPT FOR SELLER'S REPRESENTATIONS AND WARRANTIES IN THIS AGREEMENT AND IN THE DOCUMENTS TO BE DELIVERED AT CLOSING, INCLUDING, WITHOUT LIMITATION, THE SPECIAL WARRANTY OF TITLE IN THE DEED. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT, OR OTHER PERSON, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT AND IN THE DOCUMENTS TO BE DELIVERED AT CLOSING. THE TERMS OF THIS PARAGRAPH SHALL SURVIVE CLOSING AND NOT BE DEEMED MERGED INTO THE DEED AND OTHER CLOSING DOCUMENTS.

9. Representations and Warranties of Buyer. Buyer represents and warrants to Seller, as of the date of this Agreement and as of the date of the Closing, as follows:

(A) Buyer has been duly organized and is validly existing under the laws of the State of Texas. All necessary corporate approval for enter into and closing on the purchase of

the Property has been approved by action of those required to approve by the applicable documents governing the legal existence and operations of Buyer.

(B) The execution and delivery of this Agreement by Buyer, the performance by Buyer of its obligations under this Agreement and the purchase of the Property as contemplated by this Agreement will not result in (i) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which Buyer is party or (ii) a violation of any applicable law, ordinance, regulation or rule of any governmental authority or any judgment, order or decree of any court or governmental authority

(C) To the knowledge of Buyer, there is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Buyer which, if adversely determined, could individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

(D) Buyer represents and warrants to Seller (i) that neither itself nor any person or entity that directly owns a ten percent (10%) or greater equity interest in it nor any of its officers, directors or managing members is a person or entity (each a "Prohibited Person") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC"), of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including Executive Order 13224 (the "Executive Order"), signed on September 23, 2001, and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental action, (ii) that its activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the "Money Laundering Act"), and (iii) that it shall comply with the Executive Order and with the Money Laundering Act.

(E) Buyer will indemnify, defend, and hold harmless Seller from and against any damage, cost of expense (including reasonable fees of attorneys and other reasonable professionals and court costs) suffered or incurred by Seller as a result of any knowing or intentional misstatement in the representations and warranties made in this Section 9 as of the date of this Agreement or as of the Closing Date. Notwithstanding anything contained herein to the contrary, in no event will Buyer be liable for any punitive, consequential, special, multiple, exemplary, or indirect damages in connection with this Agreement or any claim or cause of action asserted or brought by Seller against Buyer. Buyer's representations and warranties shall survive the Closing for a period of twenty four (24) months.

As used herein "knowledge of the Buyer" shall mean the actual knowledge of Buyer's duly authorized representative signatory hereto without investigation, duty to investigate, implied knowledge of other individuals, and excluding constructive knowledge.

10. Pre-Closing Obligations.

(A) Until the Closing Date or termination by Buyer or Seller of Seller's obligation to transfer of the Property pursuant to this Agreement, Seller will not, without Buyer's prior written approval (i) amend, terminate or otherwise modify any permit applicable to the Property, (ii) enter into or amend any contract affecting the Property that will be binding upon Buyer after Closing Date, (iii) grant, create or allow the creation of any easement, right-of-way, encumbrance, lien, restriction, condition, assessment, lease or other cloud on title which affects the Property, or amend, extend or otherwise modify the terms of any existing easement, right-of-way, encumbrance, lien, restriction, condition, assessment, lease or other cloud on title which affects the Property, (iv) enter into any contract for sale of the Property, or (v) undertake any action to change the zoning of the Property.

(B) Seller shall promptly give written notice to Buyer upon Seller obtaining knowledge of the occurrence of any event which makes any representations or warranties by Seller under this Agreement untrue or inaccurate in any material respect. Buyer shall promptly give written notice to Seller upon Buyer obtaining knowledge of the occurrence of any event which makes any representations or warranties by Buyer under this Agreement untrue or inaccurate in any material respect.

11. Condition to Buyer's Obligation. Buyer's obligation to purchase the Property pursuant to this Agreement is conditioned on satisfaction of the following conditions (collectively with the conditions in Section 12, the "Closing Conditions"):

(1) all representations of Seller contained in this Agreement are accurate and complete in all material respects at the Closing Date as if made again at that time;

(2) Seller performs all of the obligations to be performed under this Agreement at or before the time of the Closing, including delivering title to the Property in the condition required by Section 6;

(3) the Title Company is irrevocably committed to issue to Buyer the Title Policy in conformance with the requirements of Section 6(B); and

(4) There shall be no change in the zoning classification or the zoning ordinances or regulations affecting the Property from that existing as of date of the Agreement which would hinder or restrict Buyer's proposed use of the Property.

12. Condition to Seller's Obligation. Seller's obligation to sell the Property pursuant to this Agreement is conditioned on satisfaction of the following conditions (collectively, with the conditions in Section 11, the "Closing Conditions"):

(1) all representations of Buyer contained in this Agreement are accurate and complete in all material respects at the Closing Date as if made again at that time;

(2) Buyer performs all of the obligations to be performed under this Agreement at or before the time of the close of escrow, including payment of the Purchase Price.

13. Remedies.

(A) In the event Seller breaches the terms of this Agreement, Buyer shall, as its sole and exclusive remedy, except as set forth below, be entitled to solely terminate this Agreement and have its Earnest Money returned in full.

(B) In the event Buyer breaches the terms of this Agreement, Seller may, as its sole and exclusive remedy, except as set forth below, terminate this Agreement and retain the Earnest Money. Buyer and Seller agree that, because damages for Buyer's breach may be difficult or impossible to determine, the foregoing is an appropriate remedy for enforcement of Buyer's obligations under this Agreement.

(C) The foregoing limitation on remedies, however, shall not (i) limit a party prevailing in litigation to be entitled to collect from the other party its reasonable expenses incurred in connection with the litigation as otherwise provided in this Agreement providing that such party prevails on all or substantially all of the relief sought in its claim, or (ii) in the event close of escrow occurs, be applicable to obligations that expressly survive or otherwise contemplate being performed after the Closing under this Agreement.

14. Assignment. Neither party may assign its rights under this Agreement without the consent of the other party, which consent will not be unreasonably withheld, conditioned, or delayed.

15. Document Construction. (1) This Agreement shall not be construed more strictly against either party and both parties and their legal representatives have contributed substantially and materially to the preparation of this Agreement. (2) The headings in this agreement are for reference only and shall not affect the interpretation of this Agreement. (3) The word "including" means without limitation (4) Whenever required by the context hereof, the singular shall include the plural and vice versa and (5) The term "business day" means Monday through Friday but shall not include any Federal or State Holiday.

16. Consequences of Termination. If Buyer or Seller terminates its obligation to complete the transfer of the Property under circumstances permitted by this Agreement, other than a termination due to the default or breach of the other, neither Buyer nor Seller will have any further obligation under this Agreement, except indemnity under the applicable provisions hereunder. Nothing in this Section 16 is intended to limit the obligations of the Title Company or the provisions of this Agreement dealing with the disposition of the Earnest Money or other funds or documents held in escrow, if any, following termination of the obligations of Buyer or Seller. In the event of a Breach, Buyer's sole remedy shall be a return of the Earnest Money; Seller's sole remedy shall be retention of the Earnest Money.

17. Casualty. If, after the Effective Date but prior to the Closing Date, the Property is damaged by fire, windstorm, rioting or other civil disturbance, acts of war, acts of terrorism, earthquake or other casualty (a "Casualty Loss") and either (i) the cost to repair the related damage is more than One Hundred Thousand and No/100 Dollars (\$100,000.00), or (ii) the cost to repair or restore the Property exceeds the amount of insurance proceeds either delivered or assigned to Buyer and Seller does not pay the difference to Buyer at the close of escrow, then Buyer, at its option, may terminate its obligation to complete the purchase, in which case the Earnest Money will be returned to Buyer in full. If Buyer elects to complete the purchase notwithstanding a Casualty Loss, then Seller will deliver to Buyer at Closing, through the Closing escrow, all property damage insurance proceeds previously received by Seller, an amount equal to the deductible under Seller's insurance in respect of the damage, and an assignment of Seller's rights with respect to all uncollected property insurance proceeds, and Seller will cooperate with Buyer after the Closing Date in making claim for, and collecting, all available and applicable property damage insurance proceeds.

18. Condemnation. Seller agrees to give Buyer written notice of any action or proceeding or any anticipated action or proceeding for condemnation which may result in the taking of all or any part of the Property. If all or any part of the Property or any related access or development rights are taken by eminent domain after the date of such notice but prior to the

Closing Date, or if at any time after the date of such notice but prior to the Closing Date a proceeding for condemnation of all or part of the Property or related access or development rights is commenced or threatened, Seller must notify Buyer of such fact and then Buyer may elect either (i) to terminate its obligation to complete the purchase of the Property, in which case the Earnest Money will be returned in full to Buyer, or (ii) to complete the purchase of the Property, in which event Buyer will be entitled to any award paid or to be paid in the condemnation proceeding in respect of the Property or related access or development rights. If Buyer elects to purchase the Property notwithstanding an actual or threatened taking by eminent domain, Seller will deliver to Buyer at closing, through the closing escrow, all condemnation proceeds previously received by Seller, an assignment of Seller's rights with respect to all uncollected condemnation proceeds and such documents as Buyer may reasonably request to substitute itself for Seller in any pending eminent domain proceeding. If a proceeding for condemnation of all or part of the Property or related access or development rights is commenced or threatened prior to the Closing, Buyer may postpone the Closing Date until thirty (30) days after the date on which it learns of the proceeding or threatened proceeding. Seller will promptly notify Buyer if Seller learns that all or any part of the Property or any related access or development rights have been taken by eminent domain or that any proceeding for condemnation of all or any part of the Property or any related access or development rights has been commenced or is threatened.

19. Allocation of Liabilities. Buyer's acquisition of the Property may not be construed as an implied assumption by Buyer of any obligation or liability of Seller, and Buyer will not be responsible for the satisfaction of any of Seller's obligations and liabilities except as specifically set forth herein. Seller agrees to satisfy all of its obligations and liabilities on a timely basis and without recourse to Buyer or the Property. Seller's obligations under this Section 20 shall survive Closing.

20. Notices. Any notice given hereunder shall be in writing and may be sent by certified or registered mail, postage prepaid, personally delivered or sent by overnight courier service, addressed to the party to receive same at the address of such party shown below the party's signature hereto or such other address as such party may hereafter furnish to the other in writing AND additionally by electronic mail to the email address below such party's signature. Notice to the Title Company will be effective when sent by one of the foregoing means to the Title Company's address set forth above. Any notice mailed in accordance with the preceding sentence shall be deemed to have been given when sent by one of the foregoing means of delivery. Email notice will be effective when sent by the notifying party, including notice to or from the Title Company. For any notice regarding breach or termination hereunder, or when notice is otherwise required to be provided to Seller, to be effective against Seller, a copy of said notice shall be additionally be sent to Duncan Burch by email DBBURCHCLUBS@aol.com and sent to Seller's counsel, Charles J. Quaid via email to cquaid@quaidfarish.com. For any notice regarding breach or termination hereunder, or when notice is otherwise required to be provided to Buyer, to be effective against Buyer, a copy of said notice shall be additionally be sent to Eric Langan by email to eric@rcihh.com and sent to Buyer's counsel, Robert D. Axelrod via email to rdaxel@asklawhou.com.

21. INTENTIONALLY OMITTED .

22. Binding Effect. Subject to the provisions hereof, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, assigns and legal representatives. The paragraph captions used herein are for convenience only and shall not be deemed to have been included for any other purpose. In the event any provision of this Agreement shall be invalid, unlawful, or unenforceable, the other provisions hereof shall not be affected thereby and shall be valid and enforceable to the full extent permitted by law,

unless the language found to be invalid, unlawful, or unenforceable affects the intended economic effect of this Agreement.

23. Counterparts. This Agreement may be executed in multiple counterparts and, if so executed, each counterpart, when combined with constitute one and the same documents. Signatures may be exchanged by facsimile or other electronic means and such signature shall be deemed an original signature.

24. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Texas without regard to its conflict of law provisions. The parties hereby consent to the personal jurisdiction in the aforementioned state and waive any right to object to such jurisdiction on any basis, including but not limited to, *forum non conveniens*. Venue for any litigation for this agreement shall be in Dallas, Dallas County, Texas. **Each party knowingly, voluntarily, and intentionally waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal action, proceeding, cause of action or counterclaim arising out of or relating to this Agreement. Each party represents that it has consulted or had the opportunity to consult with legal counsel with respect to this waiver.**

25. Entire Agreement. This Agreement and the Cooperation Agreement of this date required of Seller by Buyer constitute the final expression of the Agreement between Buyer and Seller with respect to the subject matter hereof and a complete, fully integrated, and exclusive statement of their agreement in this regard and there are no understandings, agreements, covenants, representations, or warranties of any kind, express or implied, not expressly set forth herein. No modification of this Agreement by Seller will be binding unless it is in writing and is signed by an authorized representative of Buyer, and no modification of this Agreement shall be affected by the parties' course of dealing, usage, or trade custom.

26. No Brokers. The parties represent that neither party employed or used a broker or agent in this transaction. Therefore, Seller shall indemnify Buyer from all claims for all fees, commissions or compensation asserted by anyone claiming entitlement to same as a result of an agreement with or action of Seller and Buyer shall indemnify Seller from all claims for all fees, commissions or compensation asserted by anyone claiming entitlement to same as a result of an agreement with or action of Buyer.

27. Time is Of The Essence. Time is of the essence in each and every provision of this Agreement unless specifically provided herein to the contrary.

28. Waiver. Neither the failure of either party to insist upon the timely or full performance of any of the terms or conditions of this Agreement, nor the waiver of any breach of any of the terms and conditions of this Agreement, shall be construed as thereafter waiving any future failure of such terms and conditions.

29. Termination of Agreement. This Agreement shall terminate and be of no force and effect and all other agreements executed herewith shall be of no force and effect if: (i) the transactions contemplated by this Agreement are not consummated on or before January 31, 2023, unless all of the parties hereto agree in writing to extend the Agreement or (ii) all of the parties agree in writing to terminate this Agreement sooner.

30. Effective Date. As used herein the term "Effective Date" shall mean the date the Title Company delivers a fully executed counterpart of this Agreement signed by each of Seller and Buyer to Buyer.

[EXECUTION ON FOLLOWING PAGE]

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE DULY EXECUTED THIS AGREEMENT AS OF THE EFFECTIVE DATE.

Seller:

/s/ Duncan Burch
DUNCAN BURCH, an individual
Address: 1418 Dudley Dr., Carrollton, Dallas County, Texas 75007
email: dbburchclubs@aol.com

SELLER:

RCI Holdings, Inc., a Texas Corporation

By: /s/ Eric Langan
Name: Eric Langan
Title: President
Address: 10737 Cutten Road, Houston, Harris County, Texas 77066
email: eric@rcihh.com

Purchase and Sale Agreement – Page 16

EXHIBIT "A:

Exact Legal Description to be provided by Title Company in Title Commitment

Also described as:

Tract One:

North 105 feet of Lots 11 & 12, Block 2, CONWAY MANOR ADDITION, being out of the G.W. Couch Survey, in Tarrant County, Texas, according to corrected Plat recorded in Volume 388-5, Page 10, Plat Records, Tarrant County, Texas.

Tract Two:

Lot 11 and Lot 12, and the North 110.0 feet of Lot 1 and Lot 2, Block 2, CONWAY MANOR ADDITION, being out of the G. W. Couch Survey in Tarrant County, Texas according to the Plat recorded in Vol. 388-5, Page 10, Plat Records of Tarrant County, Texas.

Tract Three:

Lots 1 and 2, Block 2, CONWAY MANOR ADDITION, being out of the G. W. Couch Survey in Tarrant County, Texas, according to Plat recorded in Vol. 388-5, Page 10, Plat Records of Tarrant County, Texas, SAVE AND EXCEPT the South 30 feet as conveyed to the City of Fort Worth, 8/18/65, as recorded in Volume 4118, Page 403, Deed Records, Tarrant County, Texas.

Tract Four:

South 35' of Lots 11 & Lot 12, CONWAY MANOR ADDITION, being out of the G. W. Couch Survey in Tarrant County, Texas according to the Plat recorded in Vol. 388-5, Page 10, Plat Records of Tarrant County, Texas

Exhibit to Purchase and Sale Agreement

EXHIBIT "B"

Exact Legal Description to be provided by Title Company in Title Commitment

Also described as:

All that real property:

Situated in Tarrant County, Texas and BEING LOT 5, SITE 113 OF GREAT SOUTHWEST INDUSTRIAL DISTRICT, FIRST INSTALLMENT, INDUSTRIAL COMMUNITY NO. 2, an Addition to the City of Arlington, Tarrant County, Texas according to the Revised Plat recorded in Volume 388-135, Page 48, Plat Records, Tarrant County, Texas.

And commonly referred to as 2711 Majesty Arlington, Tarrant County, Texas

Exhibit to Purchase and Sale Agreement

EXHIBIT "C"

Exact Legal Description to be provided by Title Company in Title Commitment

Also described as:

146,204 SQUARE FEET OR 3.3564 ACRES OF LAND BEING ALL OF LOT 3, BLOCK 8, SHARPSTOWN INDUSTRIAL PARK SECTION 4, AS RECORDED IN VOLUME 58, PAGE 28, HARRIS COUNTY MAP RECORDS, SAVE AND EXCEPT A CERTAIN 2,876 SQUARE FOOT TRACT OF LAND (CALLED 2,867 SQUARE FEET) AS DESCRIBED IN DEED TO METROPOLITAN TRANSIT AUTHORITY RECORDED UNDER HARRIS COUNTY CLERK'S FILE NO. L474395; SAVE AND EXCEPT A CERTAIN 102 SQUARE FOOT TRACT OF LAND CONVEYED TO THE STATE OF TEXAS AS SET FORTH AND DESCRIBED IN DEED FILED FOR RECORD UNDER HARRIS COUNTY CLERK'S FILE NO. L837655; AND FURTHER SAVE AND EXCEPT THAT CERTAIN 0.062 ACRE TRACT OF LAND AWARDED TO METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS, UNDER CAUSE NO. 633272, IN THE COUNTY CIVIL COURT AT LAW NO. 1, HARRIS COUNTY, TEXAS, A CERTIFIED COPY OF WHICH IS FILED FOR RECORD UNDER HARRIS COUNTY CLERK'S FILE NO. S432055, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS;

BEGINNING at a brass disk in concrete found for the intersection of the Northwest line of U.S. Highway 59 (also known as Southwest Freeway, 300 feet wide) and the Northeasterly cutback line of Harwin Drive, said point being the most Easterly corner of the above mentioned 102 square foot tract and the most easterly south corner of the herein described tract;

THENCE North 71°47'40" W, along said cutback line 22.44 feet to a brass disk in concrete found in the Northeasterly line of Harwin (80' feet wide at this point) for the most Westerly corner of the above mentioned 102 square foot tract and the most Westerly South corner of the herein described tract;

THENCE North 44°44'12" W, along the northwesterly line of Harwin Drive, 20.01 feet to a point for corner for a point of curvature of a curve to the left;

THENCE In a northwesterly direction with the northeast line of Harwin Drive along a curve to the left having a radius of 1,025.85 feet, a central angle of 16°38' 40", and a chord which bears North 53°03'32" W, 296.96 feet, an arc distance of 298.01 feet to a point for corner found in the East line of the above mentioned 2,876 square foot tract for the most westerly corner of the herein described tract, said point being the most southerly southeast corner of Restricted Reserve "C" of Hillcroft Transit Center as recorded in Volume 350, Page 106, Harris County Map Records;

THENCE North 27°30' 06" E, along the east line of said 2,876 square foot tract and said Restricted Reserve "C", 99.18 feet to a nail in asphalt found for the point of curvature of a curve to the left;

THENCE in a northeasterly direction, continuing with the east line of said 2,876 square foot tract and said Restricted Reserve "C", along a curve to the left having a radius of 345.00 feet, a central

Exhibit to Purchase and Sale Agreement

angle of 27° 32' 26", and a chord which bears N 13° 43' 53" East, 164.24 feet, an arc distance of 165.83 feet to a 3/8 inch iron rod set for the point of tangency;

THENCE N 00° 02' 20" W, continuing along the east line of said 2,876 square foot tract and said Restricted Reserve "C", 25.12 feet to a ½ inch iron rod found in south line of Lot 1, Sharpstown Business Plaza as recorded in Volume 138, Page 72, Harris County Map Records, for the northwest corner of the herein described tract;

THENCE North 89° 57' 41" E, along the south line of said Lot 1, 150.00 feet to a 5/8 inch iron rod found for an angle point;

THENCE South 57°43' 35" E, continuing along the south line of said Lot 1, 372.00 feet to a 1 inch galvanized iron pipe (leaning) found in the northwest line of U.S. Highway 59 for the most easterly corner of the herein described tract;

THENCE S 45°15' 48" W, along the northwest line of U.S. Highway 59, a distance of 389.79 feet to the POINT OF BEGINNING.

And commonly referred to as 6440 Southwest Freeway, Houston, Harris County, Texas 77074

Save and except:

Third party rights in and to a sign situated along the Southerly side of property abutting Harwin Drive and the Easterly side abutting Highway 59 Feeder Road, as reflected by survey prepared September 25, 2013, revised September 26, 2013, under Job No. 1309085.

And commonly referred to as 6440 Southwest Freeway, Houston Harris County, Texas 77074.

EXHIBIT "D"

Exact Legal Description to be provided by Title Company in Title Commitment

Also described as:

Tract One:

BEING a tract of land located in the John Hunt Survey, Abstract No. 588, in the City of Dallas, Texas, being all of Lot 2, Block G/6509, Connell - Manana Addition, an addition to the City of Dallas, Texas as recorded in Volume 88201, Page 2638 of the Map Records of Dallas County, Texas and being more particularly described as follows:

Exhibit to Purchase and Sale Agreement

Commencing at the ½ inch iron rod set in the North line of Manana Drive (30 feet from the centerline of Manana Drive), point being South 89 degrees 35 minutes 00 seconds East 445.3 feet from the East line of Stemmons Freeway (Interstate Highway 35E) and being also the Southwest corner of the Connell - Manana Addition; Thence North, 2.00 feet along the West line of the Connell - Manana Addition to the Point of Beginning in the North line of Manana Drive (32 feet from the Centerline of Manana Drive);

THENCE North, 487.78 feet along the West line of the Connell - Manana Addition to a 60d nail found in the centerline of the St. Louis, San Francisco and Texas Railway Spur;

THENCE South 89 degrees 49 minutes 10 seconds East, 144.29 feet along the centerline of the railway spur to a ½ inch iron rod found at the Northwest corner of the Connell - Manana Addition;

THENCE South 488.41 feet along the East line of the Connell - Manana Addition to a point for corner in the North line of Manana Drive (32 feet from the centerline of Manana Drive);

THENCE North 89 degrees 35 minutes 00 seconds West, 144.29 feet along the North line of Manana Drive (32 feet from and parallel to the centerline of Manana Drive) to the Point of Beginning and containing 70,429 square feet or 1.617 acres of land, more or less.

Tract Two:

BEING a tract of land located in the John Hunt Survey, Abstract No. 588, in the City of Dallas, Texas, being all of Lot E, Block 6509 of the Second Installment Walnut-Stemmons Industrial Park, an Addition to the City of Dallas, Texas, recorded in Volume 70217, Page 1855, Map Records, Dallas, County, Texas and more particularly described as follows:

BEGINNING at an iron rod for corner on the South line of Composite Drive being North 89 degrees 19 minutes 29 seconds West 488.19 feet from a 1" iron rod found at the Southwest corner of the intersection of Composite Drive and Electronic Lane;

THENCE South 00 degrees 40 minutes 31 seconds West 327.95 feet to P.K. nail found in asphalt for a corner on the South line of Block E, City Block 6509;

THENCE North 89 degrees 19 minutes 29 seconds West with the South line of Block E, City Block 6509, a distance of 200.00 feet to an iron rod found for corner;

THENCE North 00 degrees 40 minutes 31 seconds East 327.95 feet to an iron rod found for corner on the South line of Composite Drive;

Exhibit to Purchase and Sale Agreement

THENCE South 89 degrees 19 minutes 29 seconds East, with the South line of Composite Drive 200.00 feet to the POINT OF BEGINNING and containing 65,590 square feet of land, more or less.

and commonly referred to as 10723 Composite Drive, Dallas, Dallas County, Texas 77220

Exhibit to Purchase and Sale Agreement

EXHIBIT "E"

Exact Legal Description to be provided by Title Company in Title Commitment

Also described as:

All that certain lot, tract or parcel of land being a 2.6877 acre tract of land out of the Absolom Smith Survey Abstract No. 1347, Dallas County, Texas, and being all of Lot 2, Block 6479 of Cerdo I Addition an addition to the City of Dallas, Texas, as recorded in Volume 2002080, Page 00141 of the Deed Records of Dallas County, Texas, said tract being more particularly described as follows: BEGINNING at a 1/2" iron rod found for a corner in the east right-of-way line of Shady Trail (56 feet wide) said point being the southwest corner of Block A/6478 of Northwest Center Addition an addition to the City of Dallas, Texas, as recorded in Volume 82103, Page 2200 of the Deed Records of Dallas County, Texas;
THENCE S 89° 52' 31" E, along the south line of above said Northwest Center Addition, 599.47 feet to a 1/2" iron rod set for a angle point;
THENCE N 89° 59' 06" E, continuing along the above said south line of Northwest Center Addition and along the south line of Olympic Center Addition as recorded in Volume 84140, Page 3973 of the Deed Records of Dallas County, Texas, 89.41 feet to a cross found for a corner, said point being the northwest corner of Lot I, Block 6480 of Hydrometals Inc., Addition an addition to the City of Dallas, Texas, as recorded in Volume 76204, Page 0856 of the Deed Records of Dallas County, Texas;
THENCE S 1° 02' 21" E, along the west line of above said Hydrometals Inc., Addition, 137.26 feet to a metal fence post found for a corner, said point being the northeast corner of a tract of land as conveyed to Tom O. Collins by deed as recorded in Volume 84012, Page 4151 of the Deed Records of Dallas County, Texas;
THENCE N 89° 40' 01" W, along the north line of the above said Collins tract, 90.48 feet to a 1/2" iron rod set for a angle point;
THENCE S 89° 40' 03" W, continuing along the north line of above said Collins tract, 191.57 feet to a 1/2" iron rod set for a re-entrant corner, said point being the northwest corner of said Collins tract;
THENCE S 0° 52' 06" E, along the west line of the above said Collins tract, 52.34 feet to a 3/8" iron rod found for a corner, said point being the northeast corner of Shady-Willow Addition an addition to the City of Dallas, Texas, as recorded in Volume 79219, Page 688 of the Deed Records of Dallas County, Texas;
THENCE S 89° 48' 26" W, along the north line of above said Shady-Willow Addition, 410.56 feet to a 5/8" iron rod with a cap found for a corner in the above referenced east line of Shady Trail;
THENCE N 0° 08' E, along the above said east line of Shady Trail, 192.82 feet to the POINT OF BEGINNING and CONTAINING 117.076 square feet or 2.6877 acres of land.

and commonly referred to as 10250 Shady Trail, Dallas, Dallas County, Texas 77220

Exhibit to Purchase and Sale Agreement

EXHIBIT "F"

SPECIAL WARRANTY DEED WITH VENDOR'S LIEN

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Date: _____ 202_

Grantor: Duncan Burch

Grantor's Mailing Address: 6826 Greenville Avenue, Dallas, Texas, 75231

Grantee: RCI Holdings, Inc., a Texas Corporation

Grantee's Mailing Address: 10737 Cutten Road, Houston, Harris County, Texas 77066

Consideration: TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration.

Property (including any improvements): See Exhibit A hereto

(collectively, the "*Property*").

Reservation from Conveyance: All matters of record

Exceptions to Conveyance and Warranty: Those matters shown on Exhibit B attached hereto and incorporated herein and all matters of record (the "*Permitted Exceptions*").

Grantor, **Duncan Burch**, an individual, for the above Consideration and subject to the Permitted Exceptions and Reservations From Conveyance, hereby grants, sells, bargains and conveys all of Grantor's interest in the Property, together with all and singular the rights and appurtenances thereto in any way belonging to Grantor to Grantee, **RCI Holding, Inc.**, a Texas Corporation, and Grantee's heirs, successors, and assigns, TO HAVE AND TO HOLD the Property, subject to, and except as to, the Permitted Exceptions and Reservations From Conveyance, unto the said Grantee, and its successors and assigns forever, and Grantor hereby binds itself, and its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the Property unto the said Grantee and its successors and assigns, against every person whomsoever lawfully claiming, or to claim the same or any part thereof by, through, or under Grantor but not otherwise.

As part of the purchase price of the Property, certain funds have been advanced at the special insistence and request of Grantee by Duncan Burch (hereinafter called "Lender"), which sum is included in and as evidence of which Grantee has executed and delivered its certain promissory note effective of even date herewith in said sum payable to the order of Lender. It is expressly agreed and stipulated that a vendor's lien as well as superior title in and to the Property are retained against the Property until the above-described note and all interest thereon are fully paid according to their face and tenor, effect and reading, when this Deed shall become absolute. Said vendor's lien and superior title herein retained are hereby TRANSFERRED, ASSIGNED, SOLD and CONVEYED to Lender, its successors and assigns, the payee named in the above-described note, without recourse on Grantor.

This Deed shall also convey to Grantee, without warranty of any kind or nature, (i) Grantor's interest, if any, in all rights, titles, powers, privileges, easements, licenses, rights-of-way and interests appurtenant to the Property, (ii) Grantor's interest in all permits, governmental approvals, utility rights, development rights and similar rights related to the Property, whether granted by governmental authorities

Exhibit to Purchase and Sale Agreement

Exhibit "A"

Exact Legal Description to be provided by Title Company in Title Commitment

Exhibit "B"

to be provided by Title Company in Title Commitment

Exhibit to Purchase and Sale Agreement

EXHIBIT "G"

BLANKET CONVEYANCE, BILL OF SALE AND ASSIGNMENT

THE STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF DALLAS §

This Agreement is entered into this ____ day of _____, 202__, between **Duncan Burch** an individual ("**Assignor**"), and **RCI Holdings, Inc.**, a Texas corporation ("**Assignee**"),

Exhibit to Purchase and Sale Agreement

pertaining to the property (the "Real Property") being more particularly described on Exhibit "A", attached hereto and made a part hereof for all purposes, contemporaneously being conveyed by Assignor and acquired by Assignee.

NOW, THEREFORE, in consideration of the receipt of Ten and no/100 (\$10.00) and other good and valuable consideration in hand paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged and confessed by Assignor, Assignor does hereby ASSIGN, TRANSFER, SET OVER and DELIVER to Assignee, its successors and assigns, all of Seller's right, title and interest in and to the following (herein called the "Assigned Property"):

1. Any fixtures owned by Seller (if any) and situated on the Real Property.
2. All assignable warranties and guarantees (express or implied) issued in connection with or arising out of (a) the purchase and repair of all fixtures, equipment and personal property owned by Assignor and attached to and located in or used in connection with the Real Property (if any).
3. All of the miscellaneous contracts and agreements listed in Exhibit "B" hereto (if any).

IT IS UNDERSTOOD AND AGREED THAT GRANTOR IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE ASSIGNED PROPERTY, INCLUDING, BUT NOT LIMITED TO THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. BY ITS ACCEPTANCE HEREOF, GRANTEE ACKNOWLEDGES AND AGREES GRANTOR HAS SOLD AND CONVEYED TO GRANTEE AND GRANTEE HEREBY ACCEPTS THE ASSIGNED PROPERTY "AS IS", "WHERE IS", AND "WITH ALL FAULTS"".

IN WITNESS WHEREOF, this Assignment has been executed as of the ___ day of _____, 202_.

ASSIGNOR:

Duncan Burch

ASSIGNEE:

RCI Holdings, Inc
a Texas corporation

By: Eric Langan
Title: President

Exhibit to Purchase and Sale Agreement

EXHIBIT "A"
Legal Description

Exhibit to Purchase and Sale Agreement

EXHIBIT "B"

Miscellaneous Contracts and Agreements

NONE.

Exhibit to Purchase and Sale Agreement

EXHIBIT "H"

LEASE TERMINATION AGREEMENT

This Lease Termination Agreement ("**Agreement**") made this ___ day of _____, 202__, by and between _____, a Texas corporation (the "**Tenant**"), and Duncan Burch, a Texas resident (the "**Landlord**").

WHEREAS, Tenant owns and operates an adult entertainment night club known as _____ (the "**Club**") located at _____ (the "**Premises**"); and

WHEREAS, the Landlord owns the real property where the Premises is located, which interest includes all ownership rights to such real property (the "**Real Property**"); and

WHEREAS, Tenant and Landlord entered into a Lease, dated _____, under which the Landlord currently leases the Premises to the Tenant (the "**Lease**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereto, intending to be legally bound, hereby agree as follows:

1. The Lease will terminate, for all purposes, on the date first written above. ("**Termination Date**");
2. As of the Termination Date, no amounts are owed to Landlord by Tenant or Tenant has made arrangements with Landlord to pay any amounts owed by Tenant and Landlord will look solely to Tenant for payment of same; and
3. As of the Termination Date, no party to the Lease or any other party related thereto or controlled thereby, wholly or in part, directly or indirectly, shall have any further obligations to each other pursuant to or arising directly or indirectly from the Lease except as noted in above as to owed amounts. Any right, title or interest in or to the Premises or the Real Property in favor of the Tenant, including but not limited to any right of possession, or option to purchase (if any), shall terminate and be without force or effect upon the Termination Date.
4. Tenant and Landlord release the other from all obligations under the Lease, except as noted above as to amounts owed by Tenant and as to any indemnification of Landlord by Tenant provided for in the Lease for actions or activities of Tenant pre-dating this Termination.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Exhibit to Purchase and Sale Agreement

By: _____, President

By: _____
Duncan Burch, Individually

EXHIBIT “I”

Suits and matters listed only go to unresolved claims and unresolved matters directly impacting the Property

10723 Composite Dr. Dallas, Dallas County, Texas:

Lis Pendens filed by Belfor USA Group, Inc. d/b/a Belfor Property Restoration

“Constitutional Lien” filed by Belfor USA Group, Inc. d/b/a Belfor Property Restoration

Lawsuit CAUSE NO. DC-22-05038 in the 116th Judicial District Court Dallas County Texas styled Belfor USA Group, Inc. d/b/a Belfor Property Restoration, Plaintiff v Duncan Burch et al, Defendants.

City of Dallas Fire and “Community Policing” has notified of alleged violations of Dallas City Code.

Issue whether tenant at location needs a Promoter’s Permit under Ch 38A of Dallas City Code;

EXHIBIT “J”

Allocation of Purchase Price

Exhibit to Purchase and Sale Agreement

10723 Composite, Dallas, Dallas County, Texas \$11,000,000.00
10250 Shady Trail, Dallas, Dallas County, Texas \$11,000,000.00
3601 Highway 157 Ft Worth, Tarrant County Texas \$4,000,000.00
6440 Southwest Freeway, Houston, Harris County Texas \$11,000,000.00
2711 Majesty Drive, Arlington, Tarrant County, Texas \$4,000,000.00

RECEIPT OF CONTRACT AND EARNEST MONEY:

I, William Woodall, of Title Partners, 5501 LBJ Freeway Suite 200 Dallas, Texas 75240 (the "Title Company") acknowledge receipt of a fully executed contract between RCI Holdings, Inc. a Texas corporation and Duncan Burch, and the deposit of Three Hundred Thousand One Thousand and no/100 (\$1000) Dollars earnest money by RCI Holdings, Inc. this day of _____, 202__.

Exhibit to Purchase and Sale Agreement

William Woodall

Exhibit to Purchase and Sale Agreement

COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT (this “**Agreement**”), dated as of December __, 2022 (the “**Effective Date**”), is by and among Duncan Burch, an individual (“**Burch**”), Burch Management Company, Inc., a Texas corporation (“**Burch Management**”), TTNA, Inc., a Texas corporation (“**TTNA**”), DB Entertainment, Inc., a Texas corporation (“**DB Entertainment**”), Duncan Burch, Inc., a Texas corporation (“**DBI**”), Millennium Restaurants Group, Inc., a Texas corporation (“**Millennium**”), T&N, Inc., a Texas corporation (“**T&N**,” and collectively with TTNA, DB Entertainment, DBI and Millennium, the “**Club Sellers**,” and each a “**Club Seller**”), ERAF, Inc., a Texas corporation (“**ERAF**”), and ECAL-D&D, Inc., a Texas corporation (“**ECAL**”), HQ Real Estate Management LLC, a Texas limited liability company (“**HQ**”), ST Dining Services, Inc., a Texas corporation (“**ST Dining**”), RCI Dining Services (Eules), Inc., a Texas corporation (“**RCI Dining Eules**”), RCI Dining Services (Southwest Freeway), Inc., a Texas corporation (“**RCI Dining SWF**”), RCI Dining Services (Composite), Inc., a Texas corporation (“**RCI Dining Composite**”), RCI Dining Services (Majesty), Inc., a Texas corporation (“**RCI Dining Majesty**,” and collectively with ST Dining, RCI Dining Eules, RCI Dining SWF and RCI Dining Composite, the “**Club Purchasers**,” and each a “**Club Purchaser**”), BD Hospitality Acquisition, Inc., a Texas corporation (“**BD Hospitality**”), RCI Holdings, Inc., a Texas corporation (“**RCI Holdings**”), and RCI Hospitality Holdings, Inc., a Texas corporation (“**RCI Hospitality**”). Burch, Burch Management, each of the Club Sellers, ERAF, ECAL, HQ, each of the Club Purchasers, BD Hospitality, RCI Holdings and RCI Hospitality are each a “**Party**” and collectively the “**Parties**” to this Agreement.

WITNESSETH:

WHEREAS, concurrent with execution of this Agreement, each Club Seller has entered into an Asset Purchase Agreement with a Club Purchaser (collectively, the “**Club Asset Purchase Agreements**”) to sell substantially all of its tangible and intangible assets and personal property used in the adult business owned by that Club Seller to that Club Purchaser (each adult business purchased from each Club Seller is referred to hereinafter as an “**Club**,” and collectively, the “**Clubs**”):

WHEREAS, also concurrent with execution of this Agreement, Burch and RCI Holdings have entered into a Purchase and Sale Agreement (the “**Real Estate Agreement**”) pursuant to which Burch will sell by Special Warranty Deed to RCI Holdings the five parcels of real property where the Clubs are located; as part of the purchase price of the real property, it is contemplated that RCI Holdings will cause RCI Hospitality to issue shares of its common stock to Burch at closing, which shares will be subject to a Lock-Up Agreement restricting the timing and amount of shares that can be sold (the “**Lock-Up Agreement**”);

WHEREAS, also concurrent with execution of this Agreement, ERAF and RCI Hospitality have entered into an Asset Purchase Agreement (the “**ERAF IP Agreement**”), pursuant to which RCI Hospitality will acquire from ERAF all rights to the service mark “Cabaret Royale,” and all other intellectual property and common law rights, to the extent common law rights exist, in “Chicas Locas,” and “Cabaret Royale,” any derivatives of those names, all trademarks, tradenames, service marks, patents, copyrights, and trade secrets;

WHEREAS, also concurrent with execution of this Agreement, HQ Real Estate Management LLC and RCI Hospitality have entered into an Intellectual Property Purchase Agreement (the “**HQ IP Agreement**,” and collectively with the ERAF IP Agreement, the “**IP Agreements**”), pursuant to which RCI Hospitality will acquire from HQ all rights to the service marks “Baby Dolls Topless Saloon,” “Baby Dolls” and “Baby Dolls Saloon,” and all other

intellectual property and common law rights, to the extent same exists, in “Baby Dolls Topless Saloon,” “Baby Dolls” and “Baby Dolls Saloon,” any derivatives of those names, all trademarks, tradenames, service marks, patents, copyrights, and trade secrets;

WHEREAS, also concurrent with execution of this Agreement, BD Hospitality and ECAL have entered into an Asset Purchase Agreement (the “**ATM Agreement**”), pursuant to which BD Hospitality will acquire from ECAL all of the automated teller machines (“ATMs”) that are located at the Clubs;

WHEREAS, it is also contemplated that at or prior to closing of the transactions contemplated by the Club Asset Purchase Agreements, Real Estate Agreement, IP Agreements and ATM Agreement, RCI Dining Eules and DB Entertainment have entered into a Stock Purchase Agreement (the “**Stock Purchase Agreement**”), pursuant to which RCI Dining Eules will acquire from DB Entertainment all of the issued and outstanding capital stock of Baby Dolls’ Topless Saloons, Inc. (a wholly-owned subsidiary of DB Entertainment); Baby Dolls’ Topless Saloons, Inc. holds the Specialized Certificate of Occupancy allowing a sexually oriented business to operate at 3601 FM 157, Eules, Texas 76040;

WHEREAS, it is also contemplated that at or prior to closing of the transactions contemplated by the Club Asset Purchase Agreements, Real Estate Agreement, IP Agreements, ATM Agreement and Stock Purchase Agreement, Burch will enter into a five-year Non-Compete Agreement with BD Hospitality (the “**Non-Compete Agreement**”), in such form to be agreed to by Burch and BD Hospitality, pursuant to the terms of which Burch will covenant to not compete, either directly or indirectly, with BD Hospitality, any of its affiliates, any of the Club Purchasers, or any of the Clubs, by owning, participating in or operating an establishment featuring live female nude or semi-nude adult entertainment within a 50-mile radius of each Club, excluding 3 currently licensed SOB locations on Goodnight Lane (including as licensed at 10901 Stemmons Freeway, Dallas, Texas and currently held by Goodnight Plaza, Inc.), on Technology Blvd (Cowboys Red River site/parking site including as licensed at 10410 Technology Blvd., Dallas, Dallas County, Texas and currently held by Funfare Restaurants Group, Inc.) and on Manana Road (including as currently licensed at 2535 Manana Road, Dallas, Dallas County, Texas and currently held by The Strip Mall, Inc.). If at the time of closing, any sale of a Club or sale of any parcel of real estate (under the Real Estate Agreement) is not closed and acquired by the applicable purchaser, the location of each said Club and/or real estate parcel location not acquired will be excluded from the covenant to not compete; provided, however, that nothing in this sentence will be deemed to limit or modify the rights and obligations of the Parties provided under Section 1 of this Agreement;

WHEREAS, it is also contemplated that at or prior to closing of the transactions contemplated by the Club Asset Purchase Agreements, Real Estate Agreement, IP Agreements, ATM Agreement, Stock Purchase Agreement and Non-Compete Agreement, that at the location of each Club Asset Buyer, a yet to be formed entity owned by Duncan Burch shall have the right to lease space in each such piece of real property currently (or as of closing) being used for clothes boutique (and at the Houston real estate location additionally as a hair salon) for \$1.00 per year for 10 years commencing on the date of closing. Such entities shall have the exclusive right on the respective locations to operate such a business and the exclusive right on the respective locations to sell clothing, uniform, costumes, shoes, props, make-up, false eyelashes, and related accessories and attire used by entertainers or other club personnel (e.g., servers) (the “**Boutique Agreements**”); and Burch Management shall have the right to lease its current office and storage space at 10723 Composite from RCI Holdings for \$1.00 per year for 10 years commencing on the date of closing (the “**BMC Lease Agreement**”);

WHEREAS, it is also contemplated that at or prior to closing of the transactions contemplated by the Club Asset Purchase Agreements, Real Estate Agreement, IP Agreements,

ATM Agreement, Stock Purchase Agreement and Non-Compete Agreement, the following two guaranty agreements will be entered into: (1) Burch Management will enter into a Guaranty Agreement (the “**Burch Management Guaranty Agreement**”), in such form to be agreed to by Burch Management and BD Hospitality, pursuant to the terms of which Burch Management will guaranty all indemnification obligations of (a) each Club Seller under each of the Club Asset Purchase Agreements, (b) ERAF under the IP Agreements, (c) ECAL under the ATM Agreement, and (d) DB Entertainment under the Stock Purchase Agreement; and (2) BD Hospitality will enter into a Guaranty Agreement (the “**BD Hospitality Guaranty Agreement**,” and collectively with the Burch Management Guaranty Agreement, the “**Guaranty Agreements**”), in such form to be agreed to by Burch Management and BD Hospitality, pursuant to the terms of which BD Hospitality will guaranty all indemnification obligations of (a) each Club Purchaser under each of the Club Asset Purchase Agreements, and (b) RCI Dining Eules under the Stock Purchase Agreement;

WHEREAS, it is also contemplated that at or prior to closing of the transactions contemplated by the Club Asset Purchase Agreements, Real Estate Agreement, IP Agreements, ATM Agreement, Stock Purchase Agreement and Non-Compete Agreement, the Club Purchasers and/or BD Hospitality and/or RCI Holdings will enter various security agreements, including the Guaranty Agreements, Stock Pledge Agreements, an Intellectual Property Security Agreement, a Deed of Trust, and Financing Statements as listed in Exhibit A hereto (collectively, the “**Security Agreements**”);

WHEREAS, it is the desire of BD Hospitality that the closing of the transactions contemplated by the Club Asset Purchase Agreements, Real Estate Agreement, IP Agreements, ATM Agreement, Stock Purchase Agreement, Non-Compete Agreement, Guaranty Agreements, BMC Lease Agreements, Security Agreements, and Boutique Agreements must be consummated and closed concurrently or such Parties to such agreements shall not be obligated to close on any such transactions;

WHEREAS, to induce the Club Purchasers, BD Hospitality, RCI Holdings and RCI Hospitality to enter into and consummate the transaction contemplated by the Club Asset Purchase Agreements, Real Estate Agreement, IP Agreements, ATM Agreement, Stock Purchase Agreement, Non-Compete Agreement, Guaranty Agreements, BMC Lease Agreement, Boutique Agreements and Security Agreements (and as a condition to the closing of such agreements), Burch, Burch Management, the Club Sellers, ERAF, HQ and ECAL have each agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the premises, the closing of the Club Asset Purchase Agreements, Real Estate Agreement, IP Agreements, ATM Agreement, Stock Purchase Agreement, Non-Compete Agreement, Guaranty Agreements, BMC Lease Agreement, Boutique Agreements and Security Agreements and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Concurrent Closing of Agreements. The Parties hereby agree that each obligation of each Party under the Club Asset Purchase Agreements, Real Estate Agreement, Lock-Up Agreement, IP Agreements, ATM Agreement, Stock Purchase Agreement, Non-Compete Agreement, Guaranty Agreements, BMC Lease Agreements, Boutique Agreements and Security Agreements (each a “**Subject Agreement**” and collectively, the “**Subject Agreements**”) to be performed on the closing dates of the Subject Agreements will be subject to the satisfaction of each of the conditions stated in each of the Subject Agreements, along with the condition that all of the transactions contemplated by the Subject Agreements must close and be consummated concurrently. Accordingly, in the event that all of the transactions contemplated by the Subject Agreements will not close and be consummated concurrently, the Parties to such agreements shall not be obligated to close on any such transactions, except, with respect to a particular

Subject Agreement, to the extent that such satisfaction is waived in writing by all of the Parties to that particular Subject Agreement;

2. Interpretation and Conflict. This Agreement shall be deemed to amend and modify the terms and conditions of the Subject Agreements. In the event there is deemed to be any conflict between the terms and conditions of this Agreement and the terms and conditions of any of the Subject Agreements, the terms and conditions of this Agreement shall control.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Cooperation Agreement to become effective as of the date first set forth above.

/s/ Duncan Burch
DUNCAN BURCH, Individually

BURCH MANAGEMENT COMPANY, INC.

By: /s/ Duncan Burch
Duncan Burch, President

TTNA, INC.

By: /s/ Steven William Craft
Steven William Craft, President

DB ENTERTAINMENT, INC.

By: /s/ Steven William Craft
Steven William Craft, President

DUNCAN BURCH, INC.

By: /s/ Steven William Craft
Steven William Craft, President

MILLENNIUM RESTAURANTS GROUP, INC.

By: /s/ Steven William Craft
Steven William Craft, President

T&N, INC.

By: /s/ Steven William Craft
Steven William Craft, President

ERAF, INC.

By: /s/ Steven William Craft
Steven William Craft, President

ECAL-D&D, INC.

By: /s/ Steven William Craft
Steven William Craft, President

HQ Real Estate Management, LLC.

By: /s/ Duncan Burch
Duncan Burch, Manager/President

IN WITNESS WHEREOF, the undersigned have executed this Cooperation Agreement to become effective as of the date first set forth above.

ST DINING SERVICES, INC.

By: /s/ Travis Reese
Travis Reese, President

RCI DINING SERVICES (EULESS), INC.

By: /s/ Travis Reese
Travis Reese, President

RCI DINING SERVICES (SOUTHWEST FREEWAY), INC.

By: /s/ Travis Reese
Travis Reese, President

RCI DINING SERVICES (COMPOSITE), INC.

By: /s/ Travis Reese
Travis Reese, President

RCI DINING SERVICES (MAJESTY), INC.

By: /s/ Travis Reese
Travis Reese, President

BD HOSPITALITY ACQUISITION, INC.

By: /s/ Eric Langan
Eric Langan, President

RCI HOLDINGS, INC.

By: /s/ Eric Langan
Eric Langan, President

RCI HOSPITALITY HOLDINGS, INC.

By: /s/ Eric Langan
Eric Langan, President

EXHIBIT A

(1) Club Asset Purchase Agreement - Baby Dolls – Dallas

Seller: TTNA, Inc.

Buyer: ST Dining Services, Inc.

(2) Club Asset Purchase Agreement - Baby Dolls Ft Worth

Seller: DB Entertainment, Inc.

Buyer: RCI Dining Service (Eules), Inc.

(3) Club Asset Purchase Agreement - Chicas Locas/Michael's International – Houston

Seller: Duncan Burch, Inc.

Buyer: RCI Dining Service (Southwest Freeway), Inc

(4) Club Asset Purchase Agreement - Chicas Locas/Cabaret Royale – Dallas

Seller: Millennium Restaurants Group, Inc.

Buyer: RCI Dining Service (Composite), Inc.

(5) Club Asset Purchase Agreement - Chicas Locas- Arlington

Seller T&N, Inc.

Buyer: RCI Dining Service (Majesty), Inc.

(6) HQ IP Agreement

Seller: HQ Real Estate Management LLC (through TTNA, Inc.)

Buyer: RCI Hospitality Holdings, Inc.

(7) ERAF IP Agreement

Seller: ERAF, Inc.

Buyer: RCI Hospitality Holdings, Inc.

(8) ATM Agreement

Seller: ECAL D&D, Inc.

Buyer: BD Hospitality Acquisition, Inc.

(9) Stock Purchase Agreement

Seller: DB Entertainment, Inc.

Buyer: RCI Dining Service (Eules), Inc.

(10) Real Estate Agreement

Seller: Duncan Burch

Buyer RCI Holdings, Inc.

(11) Absolute Unconditional and Continuing Guaranty of BD Hospitality Acquisition, Inc. as to promissory notes and buyers' indemnifications in transactions (1) through (5), (8) and (9);

(12) Absolute Unconditional and Continuing Guaranty of Burch Management Company, Inc. as to Seller's Indemnifications in transactions (1) through (9);

(13) Stock Pledge Agreements from BD Hospitality Acquisition, Inc. on all stock in all Club buyer entities in transactions (1) through (5) and from RCI Dining Service (Eules), Inc. on stock in transaction (9), with an Irrevocable Stock Power and Irrevocable Proxy;

(14) Security Agreements covering all furniture, fixtures, leasehold improvements, personal property, inventory (excluding liquor inventory), accounts receivable and chattel paper or instruments constituting proceeds from the each of Club buyer entities in favor of each of the respective Club seller entities, to be filed of record with any and all applicable UCC filings in transactions (1) through (5).

(15) Security Agreements covering all assets purchased in transactions (6) through (8) from the each buyer entity in favor of each respective seller entity, to be filed of record with any and all applicable UCC filings.

- (16) Deed of Trust** on all real estate sold in transaction (10) from buyer in favor of seller as beneficiary
- (17) Security Agreement** covering the intellectual property purchased in transactions (6) and (7) in favor of seller from buyer.
- (18) Non-Compete Agreement** from Burch to BD Hospitality
- (19) Lock-Up Agreement** from Burch to RCI Hospitality
- (20) Lease Terminations** all location of respective Club buyers in transactions (1) –(5) above from respective Club sellers
- (21) Lease from RCI Holdings to Burch Management** shall have the right to lease its current space at 10723 Composite from RCI Holdings for \$1.00 per year for 10 years commencing on the date of closing.
- (22) 5 Boutique Agreements (Lease/License)** to a to-be-formed entity or entities of Duncan Burch's choosing at granting the exclusive right on the respective property to operate.
- (23) Promissory Notes** on each transaction above



RCI Announces Definitive Agreements to Acquire Five Adult Nightclubs in Texas

HOUSTON, December 13, 2022— RCI Hospitality Holdings, Inc. (Nasdaq: RICK) today announced the signing of definitive agreements to acquire two Baby Dolls and three Chicas Locas adult nightclubs and their associated real estate in the Dallas-Fort Worth and Houston markets.

The acquisition would be RCI's second largest since its founding and one of the largest in the history of the adult nightclub industry.

- **Consideration** to be paid for all transactions totals \$66.5 million, consisting of \$25.0 million in total cash; 10-year, 7% seller financing notes totaling \$25.5 million; and 200,000 restricted shares of common stock based on a per share price of \$80, subject to a lock-up, leak out agreement.
- **EBITDA** contribution of approximately \$11 million is expected in the first year. Four locations are open, a fifth will reopen shortly after a full remodel, and RCI anticipates expanding operations of two of the locations. Once the remodeling and expansions are complete, EBITDA is expected to grow to \$14-16 million annually.
- **Closing**, which is expected in January, is subject to transfer of and/or obtaining all necessary permits, licenses, and other authorizations; and other customary closing conditions for transactions of this kind.

Eric Langan, RCI President & CEO, said: "This is a group of well-established, well-run, classic Texas gentlemen's clubs that are proven cash generators. We are pleased to make them part of RCI's portfolio, which will bring our total to 58 clubs. We also are excited to welcome their management teams to the RCI family. With their years of experience, they are some of the best in the industry and will enable us to continue to grow at an increased rate in 2023 and beyond."

Dean Reardon, RCI Management Vice President of Operations, said: "Baby Dolls and Chicas Locas have loyal followings among their guests and entertainers, attract both men and women, serve liquor and food, have good management, and fit well with our other brands in Texas."

RCI plans to discuss the acquisition in more detail on its 4Q22 Twitter Spaces conference call (click here: <https://twitter.com/i/spaces/1PlJQpoNQVaGE>) and at its Meet Management event at Rick's Cabaret New York, both currently planned for Wednesday, December 14, 2022. See our December 8, 2022 news release for more details.

Club	Address
Baby Dolls	10250 Shady Trail, Dallas, TX 75220
Baby Dolls	3601 FM157, Fort Worth, TX 76040
Chicas Locas	2711 Majesty Drive, Arlington, TX 76011
Chicas Locas	10723 Composite Drive, Dallas, TX 75220
Chicas Locas	6440 SW Fwy, Houston, TX 77074

About RCI Hospitality Holdings, Inc. (Nasdaq: RICK) (Twitter: [@RCIHHinc](https://twitter.com/RCIHHinc))

With more than 60 locations, RCI Hospitality Holdings, Inc., through its subsidiaries, is the country's leading company in adult nightclubs and sports bars/restaurants. See all our brands at www.rcihospitality.com.

Forward-Looking Statements

This press release may contain forward-looking statements that involve a number of risks and uncertainties that could cause the company's actual results to differ materially from those indicated, including, but not limited to, the risks and uncertainties associated with (i) operating and managing an adult entertainment or restaurant business, (ii) the business climates in cities where it operates, (iii) the success or lack thereof in launching and building the company's businesses, (iv) cyber security, (v) conditions relevant to real estate transactions, (vi) the impact of the COVID-19 pandemic, and (vii) numerous other factors such as laws governing the operation of adult entertainment or restaurant businesses, competition and dependence on key personnel. For more detailed discussion of such factors and certain risks and uncertainties, see RCI's annual report on Form 10-K for the year ended September 30, 2021, as well as its other filings with the U.S. Securities and Exchange Commission. The company has no obligation to update or revise the forward-looking statements to reflect the occurrence of future events or circumstances.

Media & Investor Contacts

Gary Fishman and Steven Anreder at 212-532-3232 or gary.fishman@anreder.com and steven.anreder@anreder.com