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): July 23, 2021

RCI HOSPITALITY HOLDINGS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Texas	001-13992	76-0458229
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(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 July 23, 2021, RCI Hospitality Holdings, Inc. ("RCIH," "we," or "us") and certain subsidiaries entered into definitive agreements (the "Agreements") to acquire 11 gentlemen's clubs, nine of which are controlled by club entrepreneur Troy Lowrie of Lakewood, Colorado, six related real estate properties, and associated intellectual property for a total purchase price of $88.0 million. The Agreements for the 11 clubs being purchased include ten Asset Purchase Agreements and one Stock Purchase Agreement. Under each Asset Purchase Agreement, a newly formed subsidiary of Big Sky Hospitality Holdings, Inc., ("Big Sky"), 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. Under the Stock Purchase Agreement (for the acquisition of the PT's Portland club in Portland, Maine), a newly formed subsidiary of Big Sky will purchase all of the capital stock of Kenkev, Inc., a South Carolina corporation and the parent company that owns the club-owning entity, Kenkev II, Inc., a Maine corporation. The aggregate purchase price to be paid by RCIH and our subsidiaries for the purchase of the nine operating clubs controlled by Mr. Lowrie is $56,600,000, payable as follows: (1) $19,600,000 payable by cashier's check, certified funds, or wire transfer; (2) $11,000,000 evidenced by ten-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in 120 equal monthly payments of principal and interest; (3) $8,000,000 evidenced by 20-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in 240 equal monthly payments of principal and interest; and (4) the issuance of 300,000 shares of restricted common stock, par value $0.01 of RCIH, based on a per share price of $60.00 per share; with each type of consideration under subsections (1), (2), (3) and (4) above to be paid pro-rata based on the purchase price for each club transaction. The purchase prices of the two clubs not controlled by Mr. Lowrie, PT's Showclub in Denver and PT's Louisville in Louisville, are $300,000 and $100,000, respectively, payable by cashier's check, certified funds, or wire transfer.

Below is a list of each club seller and the name and location of the club being sold (except for Kenkev, Inc., each of the club sellers listed below is organized in the state where the club is located):

Club Sellers	Club Name	Club Location
Glenarm Restaurant LLC	Diamond Cabaret	Denver, Colo.
Glendale Restaurant Concepts LLC	Mile High Club	Glendale, Colo.
Illinois Restaurant Concepts, LLC	Diamond Club St. Louis	Sauget, Ill.
Indy Restaurant Concepts, LLC.	PT's Indy	Indianapolis, Ind.
Kenkev, Inc.*	PT's Portland	Portland, Maine
MRC, LLC	Country Rock Cabaret	Sauget, Ill.
Raleigh Restaurant Concepts, LLC	Men's Club Raleigh	Raleigh, N.C.
Stout Restaurant Concepts, LLC	LaBoheme	Denver, Colo.
VCG Restaurants Denver, LLC	PT's Centerfold	Denver, Colo.
OG1, LLC	PT's Showclub	Denver, Colo.
Market Entertainment Inc.	PT's Louisville	Louisville, Ky .

* HWL (as defined below) is the actual club seller, as it is selling the capital stock of Kenkev, Inc. in this transaction.

RCIH, Big Sky, HWL-3 LLLP, a Colorado limited liability limited partnership ("HWL"), and Family Dog LLC, a Colorado limited liability company ("Family Dog") are parties to each Asset Purchase Agreement and the Stock Purchase Agreement (other than the agreements with OG1, LLC and Market Entertainment Inc.). HWL owns at least 90% of each of the nine club sellers controlled by Mr. Lowrie and Family Dog owns 99.99% of the issued and outstanding partnership interests of HWL. The Asset Purchase Agreements and the Stock Purchase Agreement provide that each club seller, along with HWL and Family Dog, jointly and severally, will indemnify Big Sky, RCIH and each club 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 club purchaser, along with Big Sky and RCIH, jointly and severally, will indemnify HWL, Family Dog and each club 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.

The consummation and closing of the Asset Purchase Agreements and the Stock 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, (3) the 2019 adjusted EBITDA for the nine clubs controlled by Mr. Lowrie total an aggregate of not less than $10,700,000, and (4) other customary closing conditions for transactions of this nature. Further, the parties to the Agreements desire to close all the club purchase transactions on the same closing date, but recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, it is anticipated and intended that the parties close on the purchase of at least six of the nine clubs controlled by Mr. Lowrie along with the purchase of the club owned by OG1, LLC, on the first such closing (the "First Closing") and to close the remaining club transactions as soon as practicable thereafter. The closing of the real estate property transactions under the Real Estate Purchase and Sale Agreement (described below) and the closing of the intellectual property transaction under the IP Purchase Agreement (described below) shall also occur at the First Closing.

The Agreements include a Real Estate Purchase and Sale Agreement under which our subsidiary RCI Holdings, Inc. ("RCI Holdings") will purchase six real estate properties where six of the clubs are located for a total purchase price of $18,000,000, payable as follows: (1) $16,800,000 payable by wire transfer; and (2) $1,200,000 evidenced by a promissory note, with such terms (for payment, interest and otherwise) consistent with the terms of the promissory note to be executed by RCI Holdings for bank financing described below. Closing of the real estate transaction is subject to RCI Holdings obtaining bank financing in an amount of not less than $10,800,000 on terms and conditions reasonably acceptable to RCI Holdings, which financing will be secured by the six real estate properties and other customary closing conditions for transactions of this nature.

Below is a list of each real property seller that is a party to the Real Estate Purchase and Sale Agreement with RCI Holdings, along with the addresses of the real estate properties being sold:

Real Property Sellers	Real Property Addresses	Club Name
1601 West Evans, LLC	1601 W Evans Ave., Denver, Colo.	PT's Showclub
200 Riverside, LLC	200 Riverside St., Portland, Maine	PT's Portland
227 East Market, LLC	227 E Market St., Louisville, Ky.	PT's Louisville
3480 South Galena, LLC	3480 S Galena Ave., Denver, Colo. (two parcels)	PT's Centerfold
4451 East Virginia, LLC	4451 E Virginia Ave., Glendale, Colo.	Mile High Club
7916 Pendleton Pike, LLC	7916 Pendleton Pike, Indianapolis, Ind.	PT's Indy

Lastly, the Agreements also provide that at the First Closing, pursuant to an asset purchase agreement (the "IP Purchase Agreement," which agreement has not yet been entered into or finalized), a subsidiary of Big Sky will acquire substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("Club Licensing") which is 95% owned by Troy Lowrie, for a purchase price of $13,000,000. The assets of Club Licensing include substantially all of the intellectual property used in the adult entertainment establishment businesses owned and operated by the club sellers. The $13,000,000 purchase price will be payable as follows: (1) $1,000,000 evidenced by a 20-year promissory note, bearing interest at 6% per annum, payable, in arrears, in 240 equal monthly payments of principal and interest; and (2) the issuance of 200,000 shares of restricted common stock, par value $0.01 of RCIH, based on a per share price of $60.00 per share.

The descriptions above of the Agreements, including the Asset Purchase Agreements, Stock Purchase Agreement and Real Estate Purchase and Sale 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 10.12, respectively, and are incorporated herein by reference.

The Agreements 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, the club and real estate sellers or their respective subsidiaries and affiliates. The Agreements contains 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 Agreement and the sale and issuance of a total of 500,000 restricted shares of common stock of RCIH is incorporated herein by reference.

The securities to be issued under the 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 isolated private transactions; (ii) a limited number of securities will be issued to a limited number of purchasers; (iii) there are no public solicitations; (iv) the purchasers have represented that they are "accredited investors"; (v) the investment intent of the purchasers; and (vi) the restriction on transferability of the securities to be issued.

ITEM 8.01. OTHER EVENTS.

On July 26, 2021, we issued a press release announcing the signing of the Agreements. 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.

No.	Exhibit
10.1	Asset Purchase Agreement with Glenarm Restaurant Concepts, LLC dated July 23, 2021
10.2	Asset Purchase Agreement with Glendale Restaurant Concepts, LLC dated July 23, 2021
10.3	Asset Purchase Agreement with Illinois Restaurant Concepts, LLC dated July 23, 2021
10.4	Asset Purchase Agreement with Indy Restaurant Concepts, LLC dated July 23, 2021
10.5	Asset Purchase Agreement with MRC, LLC dated July 23, 2021
10.6	Asset Purchase Agreement with Raleigh Restaurant Concepts, LLC dated July 23, 2021
10.7	Asset Purchase Agreement with Stout Restaurant Concepts, LLC dated July 23, 2021
10.8	Asset Purchase Agreement with VCG Restaurants Denver, LLC dated July 23, 2021
10.9	Asset Purchase Agreement with Market Entertainment, Inc. dated July 23, 2021
10.10	Asset Purchase Agreement with OG1, LLC dated July 23, 2021
10.11	Stock Purchase Agreement with HWL-3 LLLP (for the purchase of Kenkev, Inc.) dated July 23, 2021
10.12	Real Estate Purchase and Sale Agreement with Real Property Sellers dated July 23, 2021
99.1	Press release dated July 26, 2021

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: July 28, 2021

By: */s/ Eric Langan*
Eric Langan
President and Chief Executive Officer

Exhibit 10.1

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among Glenarm Restaurant Concepts, LLC, a Colorado limited liability company (the "**Seller**"), HWL-3 LLLP, a Colorado limited liability limited partnership ("**HWL**"), Family Dog LLC, a Colorado limited liability company ("**Family Dog**" and, together with the Seller and HWL, the "**Seller Group**"), 1222 Glenarm, Inc., a Colorado corporation (the "**Purchaser**") Big Sky Hospitality Holdings, Inc., a Texas corporation ("**Big Sky**") and RCI Hospitality Holdings, Inc., a Texas corporation ("**Rick's**" and, together with the Purchaser and Big Sky, the "**Purchaser Group**"). The Seller, Family Dog, HWL, the Purchaser, Big Sky and Rick's are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**." A reference to the Seller Group or the Purchaser Group is a reference to each Party that comprises such group.

WHEREAS, the Seller owns and operates an adult entertainment establishment known as Diamond Cabaret Denver (the "**Business**") located at 1222 Glenarm Place, Denver, Colorado (the "**Premises**");

WHEREAS, HWL owns 90% of the issued and outstanding membership of the Seller;

WHEREAS, Family Dog owns 99.99% of the issued and outstanding partnership interests of HWL;

WHEREAS, Big Sky owns 100% of the issued and outstanding capital stock of Purchaser;

WHEREAS, Rick's owns 100% of the issued and outstanding capital stock of Big Sky;

WHEREAS, the Purchaser and the Seller desire that the Purchaser purchase and the Seller sell substantially all of the assets owned by the Seller, which is substantially all of the assets of the Business; and

WHEREAS, the transactions contemplated by this Agreement are part of a series of related transactions by and among HWL, Family Dog, and certain of their affiliated or related parties, on the one hand, and Ricks and certain of its affiliated parties, on the other hand, as further described in Section 4.3.

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 Seller 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 Seller will 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 (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and the Purchaser will acquire from the Seller all of the tangible and intangible assets and personal property of every kind and description and wherever situated used in the Business, except the Excluded Assets, as defined in Section 1.2, including the following personal property of the Seller:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated used in the Business, including inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers 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 Seller (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 Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including all alcoholic beverages sold by the Seller 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;

(d) all of the Seller's right, title, and interest, as lessee, of any and all equipment leased by the Seller and located at the Premises if disclosed by Seller and for which Purchaser agrees to assume payment. The Seller will 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 Seller to the use of the telephone numbers presently being used in 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;

(f) copies of the Seller'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 Seller or any rights thereto, including but not limited to the name "Diamond Cabaret Denver" or any derivative, all trademarks, trade names, service marks, patents, copyrights, and trade secrets;

(h) all licenses, rights or ownership interests held by the Seller 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;

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult nude or semi-nude entertainment business serving alcoholic beverages on the Premises which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and 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 Seller, the Seller'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**").

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, will list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (a) the corporate seals, books, accounting records and records related to corporate governance of the Seller; (b) all the Seller's bank accounts and all Seller monies (including cash) on hand as of the Closing; (c) all credit card receipts and ATM purchases from the operation of the Business as of the close of business on the day of Closing; (d) securities of any type, whether marketable or not; (e) all prepaid expenses, security deposits and tax refunds; (f) accounts or notes receivable of, or held by, the Seller not generated by the business of the Seller; (g) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise; (h) the Seller'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 Seller is a party; (i) all business insurance policies of the Seller; and (j) all employee benefit plans of the Seller (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 Seller which are used in the Business and are not otherwise an Excluded Asset, such assets will nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II
LIABILITIES

Section 2.1 Excluded Liabilities. Except for the Assumed Liabilities (defined in Section 2.2(b)), Purchaser will have no obligation and is not assuming, and the Seller will 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, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 Seller, liabilities to any Governmental Authority (as hereinafter defined) or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**"), including, but not limited to, (a) contractual liabilities arising or accruing from the Seller or the Business or ownership of the Purchased Assets prior to the Closing Date, (b) any existing litigation against the Seller or the Business, (c) any liability with respect to the Seller's or the Business or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by the Seller for taxable periods or portions of taxable periods ending 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 (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Indemnitees (as hereinafter defined in Section 11.1) which arises from or which is based upon or pertaining to the Seller Group's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that the Seller misclassified any entertainers.

Section 2.2 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:

(a) the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing, other than liabilities arising out of a breach of this Agreement by the Seller Group, including (i) contractual liabilities arising from the Seller's ownership of the Purchased Assets on or after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser, subject to subsection (b) below), (ii) any liability resulting from the ownership of any of the Purchased Assets that occurs subsequent to the Closing, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending subsequent to the Closing, 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, and (iv) any litigation, suit, action, proceeding, claim or investigation by any individual or Governmental Authority alleging that, during any period after the Closing, Purchaser, through its operation of the Business after the Closing, misclassified entertainers; and

(b) the liabilities arising on or after the Closing Date under the contracts set forth in Schedule 2.2, which are assumed in writing by Purchaser (the liabilities and obligation set forth in subsections (a) and (b) are collectively, the "**Assumed Liabilities**").

Section 2.3 Taxes.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller Group and 50% by the Purchaser Group.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller Group shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to relating to the Business, the Purchased Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller Group shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed). Any such liability will be an Excluded Liability.

ARTICLE III
PURCHASE PRICE FOR
THE PURCHASED ASSETS

Purchase Price. The Purchaser will pay to the Seller for all of the Purchased Assets a total purchase price of $11,300,000.00 (the "**Purchase Price**"), which will be payable at the Closing as follows:

(a) $3,913,013.79 payable by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing;

(b) A 10 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $2,196,113.07;

(c) A 20 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $1,597,173.14; and

(d) the issuance and delivery of 59,895 Rick's Shares (defined in Section 4.3(a)(iii)), which may be issued direct to, or transferred after the Closing to, HWL or Family Dog.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur as part of the First Closing (defined in Section 4.3(a)(v)) or the First Closing shall have already occurred. The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) a bill of sale, in a form agreed to by the Parties, executed by the Seller;

(ii) an assignment and assumption agreement, in a form agreed to by the Parties (the "**Assignment and Assumption Agreement**"), executed by the Seller;

(iii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Troy Lowrie ("**Lowrie**");

(iv) a lock-up/leak-out agreement, in a form agreed to by the Parties (a "**Lock-up/Leak-Out Agreement**"), executed by HWL, Family Dog, and each equity owner of Family Dog who will receive 12,000 or more Rick's Shares (each, a "**Shareholder**");

(v) either:

(1) an executed assignment of the Existing Lease (defined in Section 5.16) consistent with Section 9.16, with the consent of the owner and lessor of the Premises, in a form agreed to by the Parties; or

(2) in the event of a New Lease (defined in Section 9.16), an agreement terminating the Existing Lease, in a form agreed to by the Parties, executed by the Seller and owner and lessor of the Premises;

(vi) a security agreement, in a form agreed to by the Parties (the "**Security Agreement**"), executed by HWL and Family Dog; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Assignment and Assumption Agreement executed by Purchaser;

(ii) the Non-Compete Agreement executed by Rick's;

(iii) the Lock-up/Leak-Out Agreement executed by Rick's;

(iv) the Purchase Price in accordance with Article III, including the Club Notes and issuance and delivery of the Rick's Shares;

(v) the executed Guaranty Agreement of Rick's of the Club Notes (the "**Rick's Guaranty**");

(vi) the Security Agreement executed by the Purchaser; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. The transactions contemplated by this Agreement are part of series of related transactions by and among certain of the Parties and certain affiliated and related parties (the "**Related Transaction Parties**"). The Related Transaction Parties intend and will use commercially reasonable efforts to cause the transactions described in this Section 4.3 (collectively, the "**Related Transactions**") to close as described in this Section 4.3.

(a) Sale of the Affiliated Clubs.

(i) The Parties intend that each affiliated club seller, as set forth in Exhibit 4.3(a) (an "**Affiliated Club Seller**"), will sell substantially all of its tangible and intangible assets and personal property (each, a "**Club Transaction**") to a subsidiary of Rick's (an "**Affiliated Club Purchaser**") for the purchase price identified on Exhibit 4.3(a) pursuant to a definitive asset purchase agreement with provisions substantially similar to this Agreement (each, a "**Definitive Agreement**").

(ii) For clarity, (1) the Seller under this Agreement is an Affiliated Club Seller, (2) the transactions contemplated by this Agreement constitute a Club Transaction, and (3) this Agreement is a Definitive Agreement.

(iii) The aggregate purchase price to be paid by Rick's and the Affiliated Club Purchasers to the Affiliated Club Sellers from the closing of all the Club Transactions is $56,600,000, payable as follows: (1) $19,600,000 payable by cashier's check, certified funds, or wire transfer; (2) $11,000,000 evidenced by ten-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in one hundred twenty (120) equal monthly payments of principal and interest (each, a "**10 Year Note**"); (3) $8,000,000 evidenced by twenty-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in two hundred forty (240) equal monthly payments of principal and interest (each, a "**20 Year Note**" and, together with the 10 Year Notes, the "**Club Notes**"); and (4) the issuance of 300,000 shares of restricted common stock, par value $0.01 of Rick's, based on a per share price of $60.00 per share (the "**Rick's Shares**"); with each type of consideration under subsections (1), (2), (3) and (4) above to be paid pro-rata based on the purchase price for each Club Transaction.

(iv) Rick's and the Affiliated Club Purchaser shall issue the Rick's Shares and the Club Notes directly to HWL or Family Dog (as directed by the Seller Group), unless otherwise directly by the Seller Group. The Club Notes and the Rick's Guaranty shall be in the form agreed to by the Parties.

(v) The Related Transaction Parties desire to close all the Club Transactions on the same closing date, but recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, the Related Transaction Parties anticipate and intend to close at least six of the nine Club Transactions and the purchase of substantially all of the assets of OG1, LLC, an Unaffiliated Club as referred to and defined in Section 9.15 hereof, on the first such closing (the "**First Closing**") and to close the remaining Club Transactions as soon as practicable thereafter.

(b) Sale of the Real Property. At the First Closing, and pursuant to one or more definitive purchase and sale agreements, the appropriate parties shall close on the purchase and sale of six parcels of real property from certain real estate sellers to RCI Holdings, Inc., a Texas corporation wholly owned by Ricks, all as identified and for the aggregate purchase prices set forth on Exhibit 4.3(b). The real estate sellers will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the real estate properties set forth beside the real estate sellers name on Exhibit 4.3(b), which warranty deeds will convey good and marketable title to the real properties to RCI Holdings, Inc. free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(c) Sale of Intellectual Property. At the First Closing, and pursuant to a definitive asset purchase agreement, the appropriate parties shall close on the sale of substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("**Club Licensing**"), to a wholly owned subsidiary of Rick's for a purchase price of $13,000,000. The assets of Club Licensing include substantially all of the intellectual property used in the adult entertainment establishment businesses owned and operated by the Affiliated Club Sellers (the "**IP Transaction**").

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER GROUP

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller Group, jointly and severally, hereby represents and warrants to the Purchaser Group the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller Group.

(a) The Seller is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Seller.

(b) HWL is a Colorado limited liability limited partnership duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 HWL.

(c) Family Dog is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Family Dog.

Section 5.2 Ownership of the Seller and HWL.

(a) HWL owns 90% and Johan Van Baal owns 10% of the issued and outstanding membership interests of the Seller, which membership interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of stock authorized or issued by the Seller.

(b) Family Dog owns substantially all of the issued and outstanding partnership interests in HWL, which interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances.

Section 5.3 Subsidiaries. The Seller does not own any subsidiaries.

Section 5.4 Ownership of the Purchased Assets. The Seller 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 Seller 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 Encumbrances 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 5.4, attached hereto; and (b) any Encumbrances contemplated under the Club Notes and Security Agreement in favor of the Seller, HWL, and Family Dog.

Section 5.5 Authorization. All action on the part of the Seller Group necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller Group or will be taken prior to the Closing Date. The Seller Group has the requisite power and authority to execute and deliver this Agreement and to perform their 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 Seller Group, enforceable against the Seller Group 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 5.6 Acquisition of Stock for Investment.

(a) The Seller Group understands that the issuance of the Rick's Shares (as referenced in Article III herein) will not have been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and accordingly, are restricted securities, and the Seller Group's present intention is to receive and hold the Rick's Shares for investment only and not with a view to the distribution or resale thereof.

(b) Additionally, the Seller Group understands that any sale of any of the Rick's Shares issued under current law, will require either (i) the registration of the Rick's Shares under the Securities Act and applicable state securities laws; (ii) compliance with Rule 144 under the Securities Act; or (iii) the availability of an exemption from the registration requirements of the Securities Act and applicable state securities laws.

(c) The Seller Group acknowledges and represents that they are Accredited Investors as that term is defined in Rule 5.01(a) of Regulation D promulgated under the Securities Act.

(d) To assist in implementing the above provisions, the Seller Group hereby consents to the placement of the legend set forth below, or a substantially similar legend, on all certificates representing ownership of the Rick's Shares acquired hereby until the Rick's Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT, ARE RESTRICTED AS TO TRANSFERABILITY, AND MAY NOT BE SOLD, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION AND QUALIFICATION PROVISIONS OF APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM.

(e) The Seller Group understands and agrees that Rick's may notify its transfer agent of the Lock-Up/Leak-Out Agreements and the limitation on the number of Rick's Shares that may be sold in any given month in accordance with the terms and conditions of the Lock-Up/Leak-Out Agreement.

Section 5.7 The Seller Group's Access to Information. The Seller Group hereby confirms and represent that they: (a) have received (i) a copy of Rick's Form 10-K filed with the Securities and Exchange Commission (the "**SEC**") for the year ended September 30, 2020, and a copy of Rick's Form 10-Q's for the quarters ended December 31, 2020 and March 31, 2021, as filed with the SEC; (ii) a copy of Rick's Form 14A filed with the SEC on July 31, 2020; (iii) a copy of Rick's Form S-3 filed with the SEC on May 14, 2021, which went Effective on June 3, 2021; (iv) a copy of the Form 8-K's filed with the SEC on October 8, 2020, November 19, 2020, December 16, 2020, January 12, 2021, February 10, 2021, May 10, 2021, May 20, 2021, June 6, 2021, July 2, 2021, July 8, 2021 and July 15, 2021; (b) have been afforded the opportunity to ask questions of and receive answers from representatives of Rick's concerning the business and financial condition, properties, operations and prospects of Rick's; (c) have such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of the transactions contemplated hereby; (d) have had an opportunity to engage and is represented by an attorney of his choice; (e) have had an opportunity to negotiate the terms and conditions of this Agreement; (f) have been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (g) have been provided with and given an opportunity to review all current information about Rick's.

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller Group does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller Group; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets other than as contemplated herein; (c) 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 any member of the Seller Group is a party of by which the Seller Group's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller Group 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller Group in connection with the execution and delivery by the Seller Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller Group before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Purchased Assets, and there is no basis known to the Seller Group for any such action. No litigation is pending or threatened against the Seller Group, 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 Seller Group is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller Group, the Purchased Assets, or the Business.

Section 5.11 Taxes. The Seller Group has timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller Group and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. The Seller Group is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller Group or the Purchased Assets as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Seller. No assessments or notices of deficiency or other communications have been received by the Seller Group with respect to any tax return of the Seller 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 5.11, none of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the knowledge of the Seller Group, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller Group 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser the Seller's year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited Balance Sheets of the Seller as of June 30, 2021, 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 Seller and fairly represent in all material respects the financial position of the Seller and the results of operations and changes in financial position of the Seller as of the dates and for the periods indicated, in each case in conformity with the Seller's historical accounting practices applied on a consistent basis. Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, the Seller, 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 generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Seller has conducted its business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Seller; (b) acquisition or disposition of any material asset by the Seller or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Seller's accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 Seller is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Seller 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 Seller any labor disputes, strikes or work stoppages. The Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Seller is not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Seller. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Seller, or contributions or payments due to any Seller benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Seller personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the knowledge of the Seller Group, the Seller is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller Group has 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 Seller. The Seller 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 5.15 sets forth a list of all licenses and Permits held by the Seller used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, the Seller does not (a) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the Business. The Seller operates its adult entertainment establishment located at the Premises under an existing lease agreement ("**Existing Lease**"), which Existing Lease will either be (i) assigned to the Purchaser with the consent of the landlord and the Purchaser or (ii) terminated if a New Lease (defined in Section 9.16) is entered into between the landlord and the Purchaser as of the Closing Date. The Seller will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the Purchased Assets of the Seller to which it is subject or is a party or a beneficiary. 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 Seller 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, the Seller 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: (a) the sale, merger, consolidation or recapitalization of the Seller; (b) the sale of any of the Purchased Assets of the Seller (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Seller; (d) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Seller; or (g) the expenditure of more than $10,000 or the performance by the Seller extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Seller is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Seller or (b) covenants of HWL or the Seller 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 Seller in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. The Seller 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 Seller alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Seller, and no property currently or formerly owned, leased, or operated by the Seller, has been contaminated by the Seller or to the knowledge of the Seller Group by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Seller. The Seller 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Seller Group relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. The Seller Group is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Seller, under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Seller, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller Group.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER GROUP

The Purchaser Group hereby jointly and severally represents and warrants to the Seller Group as follows:

Section 6.1 Organization, Good Standing and Qualification of the Purchaser Group.

(a) The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Colorado, (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.

(b) Rick's (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 Rick's.

(c) Big Sky (i) is an entity duly organized 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 Big Sky.

Section 6.2 Authorization. All action on the part of the Purchaser Group 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 each member of the Purchaser Group or will be taken prior to the Closing Date. The Purchaser Group 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 Group, enforceable against the Purchaser Group 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser Group does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser Group is a party.

Section 6.4 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 any member of the Purchaser Group in connection with the execution and delivery by each member of the Purchaser Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser Group 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 Group.

Section 6.6 Valid Issuance of Shares. The Rick's Shares, when issued, sold, and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Lock-Up/Leak-Out Agreement and applicable state and federal securities laws. Assuming the accuracy of the representations of the Seller Group in Sections 5.6 and 5.7, the Rick's Shares will be issued in compliance with all applicable federal and state securities laws.

Section 6.7 Review of Affiliated Club Sellers' Financials. In reviewing the Seller's Financial Statements, and the other similar financial statements of the Affiliated Club Sellers, the Purchaser Group has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser Group to proceed with this Agreement, the Seller Group agree that until the Closing Date or the termination of this Agreement, whichever is earlier, none of the Seller Group or their affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller Group and which the Seller Group believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller Group; or (f) authorize or permit any of the Seller Group's Agents to take any such action or other actions as would adversely affect the Purchaser Group's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller Group set forth in the preceding sentence by any Agent of the Seller Group or its affiliates shall be a breach of this Section 7.1 by the Seller Group. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller Group, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller Group, (iii) license or transfer of all or a portion of the Purchased Assets or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller Group shall file or cause to be filed all tax returns required to be filed by the Seller Group, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller Group shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller Group will, and will cause the Seller to, (a) provide the Purchaser Group and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Seller, and to the books and records of the Seller; (b) permit the Purchaser Group to make inspections thereof; and (c) cause the officers and advisors of the Seller Group to furnish the Purchaser Group with such financial and operating data and other information with respect to Purchased Assets, Premises, and the Business and to discuss such information with the Purchaser Group, as the Purchaser Group may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller Group.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Seller will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Seller will not liquidate or distribute any membership interests or other equity interest or undertake any direct or indirect redemption, purchase or other acquisition of any equity interest;

(b) The Seller 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) Except as described on Schedule 7.4, the Seller 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 and with the consent of the Purchaser Group (not to be unreasonably withheld);

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

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

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

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

(k) The Seller 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;

(l) The Seller will not enter into any non-cancellable contract or agreement longer than one year;

(m) The Seller will not reclassify, split up or otherwise change any of its membership interest or capital structure;

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

(o) The Seller will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller Group shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller Group shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser Group has the right to terminate this Agreement prior to the Closing by written notice to the Seller Group in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser Group in its discretion. In the event that the Purchaser Group does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser Group shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF
THE SELLER GROUP

Each obligation of the Seller Group to be performed on the Closing Date will 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 Seller Group in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser Group contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser Group will provide to the Seller Group certificates, dated the Closing Date and signed by their presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser Group will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser Group will provide corporate resolutions of their 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 8.6 Good Standing Certificate. The Seller Group shall have received a Certificate of Good Standing issued by the state of Colorado for the Purchaser and from the state of Texas for Rick's and Big Sky.

Section 8.7 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 any member of the Purchaser Group.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will 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 nude and semi-nude entertainment on the Premises, including but not limited to a Denver Amusement Permit, a sexually oriented business license and a cabaret license for dancing, and all such permits and authorizations will 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 nude and semi-nude entertainment, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER GROUP

Each obligation of the Purchaser Group 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 the Purchaser Group in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller Group will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller Group will provide to the Purchaser Group certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller Group, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Purchase Assets. The Seller will 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 9.5 Corporate Resolutions. Each member of the Seller Group will provide to the Purchaser Group resolutions of its board of directors, managers, shareholders, members and general partner, as the case may be, of each of the respective Parties 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the state of Colorado for each member of the Seller Group.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will 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 nude and semi-nude entertainment on the Premises, including but not limited to a Denver Amusement Permit, a sexually oriented business license and a cabaret license for dancing, consistent with the current operation of the Business, and all such permits and authorizations will 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 nude and semi-nude entertainment, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Seller and the Business of Diamond Cabaret Denver and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Seller and Affiliated Club Sellers will be maintained and exist consistent with past practices and able to be audited by Rick's independent auditors.

Section 9.12 Bank Financing. RCI Holdings, Inc. or its Affiliates shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Properties as contemplated pursuant to Section 4.3(b) of the Related Transactions.

Section 9.13 Adjusted EBITDA. The 2019 adjusted EBITDA for the Affiliated Club Sellers shall total an aggregate of not less than $10,700,000.

Section 9.14 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 any member of the Seller Group or any of the Seller's assets.

Section 9.15 Unaffiliated Clubs. Affiliates of Rick's shall have entered into definitive asset purchase agreements for the purchase of substantially all of the assets of Market Entertainment Inc. and OG1, LLC, which operate the adult entertainment establishment businesses known as PT's Louisville and PT's Denver, respectively (the "**Unaffiliated Clubs**"). For clarity, the Unaffiliated Clubs are operated on real property being sold as part of the Real Estate Transaction.

Section 9.16 Termination or Assignment of Existing Lease. Either (a) the Existing Lease for the Premises will be terminated and a new lease will be entered into between the Purchaser and the owner and lessor of the Premises, on terms and conditions acceptable to the Purchaser, with a commencement date on the Closing Date (a "**New Lease**"), or (b) the Existing Lease will be assigned to the Purchaser and amended, with the consent of the owner and lessor of the Premises, allowing for at least a twenty-year total term from and after the Closing Date, along with such other terms and conditions acceptable to the Purchaser.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Seller will be responsible and liable to the Purchaser for the liabilities of the Seller 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, a *pro rata* portion of prepaid items, and other Excluded Assets delivered to Purchaser. If such Excluded Assets exceed such Excluded Liabilities as of the Closing Date, the Purchaser shall promptly pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price among the Purchased Assets and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule. The maximum amount that may be allocated in the final allocation schedule to the Non-Compete Agreement shall not exceed $10,000 ($90,000 in aggregate across all Definitive Agreements).

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller Group. The Seller Group, jointly and severally, hereby agree to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller Group contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller Group under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser Group. The Purchaser Group, jointly and severally, agree to and will indemnify, defend (with legal counsel reasonably acceptable to the HWL) and hold the Seller Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser Group contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser Group under this Agreement; or (c) any Assumed Liability.

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a third-party claim(s), the aggregate amount of all Losses for which the Seller Group shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s);

(b) The aggregate amount of all Losses arising from third party claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller Group on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud; and

(c) Only with respect to Losses arising from a third-party claim(s), notwithstanding Sections 11.4(a) and (b), the total aggregate amount of all Losses which HWL, Family Dog, and the Affiliated Club Sellers shall be liable for under the indemnification provisions in all Definitive Agreements shall not exceed $22,000,000; provided, that the foregoing limitation shall not apply in the case of fraud and/or in the case of direct (or first party) claim(s).

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller Group will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser Group will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser Group is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser Group of any Excluded Liabilities, such amounts shall be paid first by an offset from the then-outstanding principal balance under the Club Notes (defined in Section 4.3(a)(iii)) and, if the aggregate amount of such payments exceeds the then-outstanding principal balance under the Club Notes, directly from any member of the Seller Group. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b), the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser Group or any of their affiliates from bringing a claim against any Person, including any of the Seller Group, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser Group or any of their affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
MISCELLANEOUS

Section 12.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder will 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 Seller:
Glenarm Restaurant Concepts, LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(b) If to HWL or Family Dog:
HWL-3, LLLP
Family Dog LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(c) If to the Purchaser or Big Sky:
Big Sky Hospitality Holdings, Inc.
1222 Glenarm, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
email: eric@rcihh.com

(d) If to Rick's:
RCI Hospitality Holdings, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to:
Robert D. Axelrod
Axelrod & Smith
5300 Memorial Drive, Suite 1000
Houston, Texas 77007
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 a 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 12.3 Severability. Whenever possible, each provision of this Agreement will 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 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 12.5 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 will 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 12.6 Entire Agreement. This Agreement 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 12.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 12.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 12.9 Costs and Expenses. Each Party will 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 12.10 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 will not affect its interpretation.

Section 12.11 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 Seller) that is not a Party to this Agreement.

Section 12.12 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 12.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 12.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the First Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 12.15 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 12.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 12.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 12.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Seller Group:

GLENARM RESTAURANT CONCEPTS, LLC

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: Manager

HWL-3 LLLP

By: TARGE INC., its general partner

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: President of Targe Inc.

FAMILY DOG, LLC

By: Union Services, Inc., its manager

By: */s/ Troy Houston Lowrie, Jr.*
Name: Troy Houston Lowrie, Jr.
Title: President of Union Services, Inc.

Signature page to Asset Purchase Agreement

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Purchaser Group:

1222 GLENARM, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

RCI HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

BIG SKY HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item	Quantity	Item	Quantity

EXHIBIT 4.3(a)

Affiliated Club Asset Purchase Agreements

Affiliated Club Sellers	Affiliated Club Name	Address of Affiliated Club	Purchase Price
Glenarm Restaurant Concepts LLC	Diamond Cabaret Denver	1222 Glenarm Place, Denver, CO	$ 11,300,000
Glendale Restaurant Concepts LLC	Mile High Club	4451 E Virginia Ave., Glendale, CO	$ 1,200,000
Illinois Restaurant Concepts, LLC	Diamond Club St. Louis	1401 Mississippi Ave., Bay 18, Sauget, IL	$ 5,800,000
Indy Restaurant Concepts, LLC.	PT's Indy	7916 Pendleton Pike, Indianapolis, IN	$ 6,000,000
Kenkev, Inc.*	PT's Portland	200 Riverside St., Portland, ME	$ 7,900,000
MRC, LLC	Country Rock Cabaret	200 Monsanto Ave., Sauget, IL	$ 3,900,000
Raleigh Restaurant Concepts, LLC	Men's Club Raleigh	3210 Yonkers Rd., Raleigh, NC	$ 8,230,000
Stout Restaurant Concepts, LLC	LaBoheme	1443 Stout St., Denver, CO	$ 6,970,000
VCG Restaurants Denver, LLC	PT' Centerfold	3480 S Galena Ave., Denver, CO	$ 5,300,000

* The acquisition of Kenkev, Inc. will be via a stock purchase agreement, not an asset purchase agreement.

EXHIBIT 4.3(b)

Real Estate Property

Real Estate Sellers	Address of Real Properties	Purchase Price*	Club that Occupies Real Property
1601 W Evans LLC	1601 W Evans Ave., Denver CO	$ 3,325,000	PT's Showclub
200 Riverside LLC	200 Riverside St., Portland, ME	$ 3,100,000	PT's Showclub
227 E Market LLC	227 E Market St., Louisville, KY	$ 1,900,000	PT's Showclub
3480 S Galena LLC	3480 S Galena Ave., Denver, CO	$ 4,500,000	PT's Centerfolds
4451 E Virginia LLC	4451 E Virginia Ave., Glendale, CO	$ 3,325,000	Mile High Men's Club
7916 Pendleton Pike LLC	7916 Pendleton Pike, Indianapolis, IN	$ 1,850,000	PT's Showclub

* The purchase price for each real property may change, provided that the aggregate purchase price remains unchanged.

Exhibit 10.2

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among Glendale Restaurant Concepts, LLC, a Colorado limited liability company (the "**Seller**"), HWL-3 LLLP, a Colorado limited liability limited partnership ("**HWL**"), Family Dog LLC, a Colorado limited liability company ("**Family Dog**" and, together with the Seller and HWL, the "**Seller Group**"), 4451 East Virginia, Inc., a Colorado corporation (the "**Purchaser**"), Big Sky Hospitality Holdings, Inc., a Texas corporation ("**Big Sky**") and RCI Hospitality Holdings, Inc., a Texas corporation ("**Rick's**" and, together with the Purchaser and Big Sky, the "**Purchaser Group**"). The Seller, Family Dog, HWL, the Purchaser, Big Sky and Rick's are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**." A reference to the Seller Group or the Purchaser Group is a reference to each Party that comprises such group.

WHEREAS, the Seller owns and operates an adult entertainment establishment known as Mile High Club (the "**Business**") located at 4551 E. Virginia Ave., Glendale, Colorado (the "**Premises**");

WHEREAS, HWL owns 90% of the issued and outstanding membership of the Seller;

WHEREAS, Family Dog owns 99.99% of the issued and outstanding partnership interests of HWL;

WHEREAS, Big Sky owns 100% of the issued and outstanding capital stock of Purchaser;

WHEREAS, Rick's owns 100% of the issued and outstanding capital stock of Big Sky;

WHEREAS, the Purchaser and the Seller desire that the Purchaser purchase and the Seller sell substantially all of the assets owned by the Seller, which is substantially all of the assets of the Business; and

WHEREAS, the transactions contemplated by this Agreement are part of a series of related transactions by and among HWL, Family Dog, and certain of their affiliated or related parties, on the one hand, and Ricks and certain of its affiliated parties, on the other hand, as further described in Section 4.3.

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 Seller 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 Seller will 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 (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and the Purchaser will acquire from the Seller all of the tangible and intangible assets and personal property of every kind and description and wherever situated used in the Business, except the Excluded Assets, as defined in Section 1.2, including the following personal property of the Seller:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated used in the Business, including inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers 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 Seller (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 Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including all alcoholic beverages sold by the Seller 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;

(d) all of the Seller's right, title, and interest, as lessee, of any and all equipment leased by the Seller and located at the Premises if disclosed by Seller and for which Purchaser agrees to assume payment. The Seller will 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 Seller to the use of the telephone numbers presently being used in 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;

(f) copies of the Seller'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 Seller or any rights thereto, including but not limited to the name "Mile High Club" or any derivative, all trademarks, trade names, service marks, patents, copyrights, and trade secrets;

(h) all licenses, rights or ownership interests held by the Seller 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;

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult nude or semi-nude entertainment business serving alcoholic beverages on the Premises which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and 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 Seller, the Seller'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**").

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, will list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (a) the corporate seals, books, accounting records and records related to corporate governance of the Seller; (b) all the Seller's bank accounts and all Seller monies (including cash) on hand as of the Closing; (c) all credit card receipts and ATM purchases from the operation of the Business as of the close of business on the day of Closing; (d) securities of any type, whether marketable or not; (e) all prepaid expenses, security deposits and tax refunds; (f) accounts or notes receivable of, or held by, the Seller not generated by the business of the Seller; (g) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise; (h) the Seller'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 Seller is a party; (i) all business insurance policies of the Seller; and (j) all employee benefit plans of the Seller (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 Seller which are used in the Business and are not otherwise an Excluded Asset, such assets will nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II
LIABILITIES

Section 2.1 Excluded Liabilities. Except for the Assumed Liabilities (defined in Section 2.2(b)), Purchaser will have no obligation and is not assuming, and the Seller will 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, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 Seller, liabilities to any Governmental Authority (as hereinafter defined) or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**"), including, but not limited to, (a) contractual liabilities arising or accruing from the Seller or the Business or ownership of the Purchased Assets prior to the Closing Date, (b) any existing litigation against the Seller or the Business, (c) any liability with respect to the Seller's or the Business or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by the Seller for taxable periods or portions of taxable periods ending 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 (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Indemnitees (as hereinafter defined in Section 11.1) which arises from or which is based upon or pertaining to the Seller Group's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that the Seller misclassified any entertainers.

Section 2.2 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:

(a) the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing, other than liabilities arising out of a breach of this Agreement by the Seller Group, including (i) contractual liabilities arising from the Seller's ownership of the Purchased Assets on or after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser, subject to subsection (b) below), (ii) any liability resulting from the ownership of any of the Purchased Assets that occurs subsequent to the Closing, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending subsequent to the Closing, 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, and (iv) any litigation, suit, action, proceeding, claim or investigation by any individual or Governmental Authority alleging that, during any period after the Closing, Purchaser, through its operation of the Business after the Closing, misclassified entertainers; and

(b) the liabilities arising on or after the Closing Date under the contracts set forth in Schedule 2.2, which are assumed in writing by Purchaser (the liabilities and obligation set forth in subsections (a) and (b) are collectively, the "**Assumed Liabilities**").

Section 2.3 Taxes.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller Group and 50% by the Purchaser Group.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller Group shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to relating to the Business, the Purchased Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller Group shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed). Any such liability will be an Excluded Liability.

ARTICLE III
PURCHASE PRICE FOR
THE PURCHASED ASSETS

Purchase Price. The Purchaser will pay to the Seller for all of the Purchased Assets a total purchase price of $1,200,000.00 (the "**Purchase Price**"), which will be payable at the Closing as follows:

(a) $415,573.14 payable by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing;

(b) A 10 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $233,215.55;

(c) A 20 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $169,611.31; and

(d) the issuance and delivery of 6,360 Rick's Shares (defined in Section 4.3(a)(iii)), which may be issued direct to, or transferred after the Closing to, HWL or Family Dog.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur as part of the First Closing (defined in Section 4.3(a)(v)) or the First Closing shall have already occurred. The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) a bill of sale, in a form agreed to by the Parties, executed by the Seller;

(ii) an assignment and assumption agreement, in a form agreed to by the Parties (the "**Assignment and Assumption Agreement**"), executed by the Seller;

(iii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Troy Lowrie ("**Lowrie**");

(iv) a lock-up/leak-out agreement, in a form agreed to by the Parties (a "**Lock-up/Leak-Out Agreement**"), executed by HWL, Family Dog, and each equity owner of Family Dog who will receive 12,000 or more Rick's Shares (each, a "**Shareholder**");

(v) an agreement terminating the Existing Lease (defined in Section 5.16), in a form agreed to by the Parties, executed by the Seller and owner and lessor of the Premises (for clarity, such landlord is a real estate seller selling real property to RCI Holdings, Inc., as described in Section 4.3(b));

(vi) a security agreement, in a form agreed to by the Parties (the "**Security Agreement**"), executed by HWL and Family Dog; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Assignment and Assumption Agreement executed by Purchaser;

(ii) the Non-Compete Agreement executed by Rick's;

(iii) the Lock-up/Leak-Out Agreement executed by Rick's;

(iv) the Purchase Price in accordance with Article III, including the Club Notes and issuance and delivery of the Rick's Shares;

(v) the executed Guaranty Agreement of Rick's of the Club Notes (the "**Rick's Guaranty**");

(vi) the Security Agreement executed by the Purchaser; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. The transactions contemplated by this Agreement are part of series of related transactions by and among certain of the Parties and certain affiliated and related parties (the "**Related Transaction Parties**"). The Related Transaction Parties intend and will use commercially reasonable efforts to cause the transactions described in this Section 4.3 (collectively, the "**Related Transactions**") to close as described in this Section 4.3.

(a) Sale of the Affiliated Clubs.

(i) The Parties intend that each affiliated club seller, as set forth in Exhibit 4.3(a) (an "**Affiliated Club Seller**"), will sell substantially all of its tangible and intangible assets and personal property (each, a "**Club Transaction**") to a subsidiary of Rick's (an "**Affiliated Club Purchaser**") for the purchase price identified on Exhibit 4.3(a) pursuant to a definitive asset purchase agreement with provisions substantially similar to this Agreement (each, a "**Definitive Agreement**").

(ii) For clarity, (1) the Seller under this Agreement is an Affiliated Club Seller, (2) the transactions contemplated by this Agreement constitute a Club Transaction, and (3) this Agreement is a Definitive Agreement.

(iii) The aggregate purchase price to be paid by Rick's and the Affiliated Club Purchasers to the Affiliated Club Sellers from the closing of all the Club Transactions is $56,600,000, payable as follows: (1) $19,600,000 payable by cashier's check, certified funds, or wire transfer; (2) $11,000,000 evidenced by ten-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in one hundred twenty (120) equal monthly payments of principal and interest (each, a "**10 Year Note**"); (3) $8,000,000 evidenced by twenty-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in two hundred forty (240) equal monthly payments of principal and interest (each, a "**20 Year Note**" and, together with the 10 Year Notes, the "**Club Notes**"); and (4) the issuance of 300,000 shares of restricted common stock, par value $0.01 of Rick's, based on a per share price of $60.00 per share (the "**Rick's Shares**"); with each type of consideration under subsections (1), (2), (3) and (4) above to be paid pro-rata based on the purchase price for each Club Transaction.

(iv) Rick's and the Affiliated Club Purchaser shall issue the Rick's Shares and the Club Notes directly to HWL or Family Dog (as directed by the Seller Group), unless otherwise directly by the Seller Group. The Club Notes and the Rick's Guaranty shall be in the form agreed to by the Parties.

(v) The Related Transaction Parties desire to close all the Club Transactions on the same closing date, but recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, the Related Transaction Parties anticipate and intend to close at least six of the nine Club Transactions and the purchase of substantially all of the assets of OG1, LLC, an Unaffiliated Club as referred to and defined in Section 9.15 hereof, on the first such closing (the "**First Closing**") and to close the remaining Club Transactions as soon as practicable thereafter.

(b) Sale of the Real Property. At the First Closing, and pursuant to one or more definitive purchase and sale agreements, the appropriate parties shall close on the purchase and sale of six parcels of real property from certain real estate sellers to RCI Holdings, Inc., a Texas corporation wholly owned by Ricks, all as identified and for the aggregate purchase prices set forth on Exhibit 4.3(b). The real estate sellers will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the real estate properties set forth beside the real estate sellers name on Exhibit 4.3(b), which warranty deeds will convey good and marketable title to the real properties to RCI Holdings, Inc. free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(c) Sale of Intellectual Property. At the First Closing, and pursuant to a definitive asset purchase agreement, the appropriate parties shall close on the sale of substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("**Club Licensing**"), to a wholly owned subsidiary of Rick's for a purchase price of $13,000,000. The assets of Club Licensing include substantially all of the intellectual property used in the adult entertainment establishment businesses owned and operated by the Affiliated Club Sellers (the "**IP Transaction**").

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER GROUP

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller Group, jointly and severally, hereby represents and warrants to the Purchaser Group the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller Group.

(a) The Seller is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Seller.

(b) HWL is a Colorado limited liability limited partnership duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 HWL.

(c) Family Dog is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Family Dog.

Section 5.2 Ownership of the Seller and HWL.

(a) HWL owns 90% and Johan Van Baal owns 10% of the issued and outstanding membership interests of the Seller, which membership interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of stock authorized or issued by the Seller.

(b) Family Dog owns substantially all of the issued and outstanding partnership interests in HWL, which interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances.

Section 5.3 Subsidiaries. The Seller does not own any subsidiaries.

Section 5.4 Ownership of the Purchased Assets. The Seller 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 Seller 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 Encumbrances 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 5.4, attached hereto; and (b) any Encumbrances contemplated under the Club Notes and Security Agreement in favor of the Seller, HWL, and Family Dog.

Section 5.5 Authorization. All action on the part of the Seller Group necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller Group or will be taken prior to the Closing Date. The Seller Group has the requisite power and authority to execute and deliver this Agreement and to perform their 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 Seller Group, enforceable against the Seller Group 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 5.6 Acquisition of Stock for Investment.

(a) The Seller Group understands that the issuance of the Rick's Shares (as referenced in Article III herein) will not have been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and accordingly, are restricted securities, and the Seller Group's present intention is to receive and hold the Rick's Shares for investment only and not with a view to the distribution or resale thereof.

(b) Additionally, the Seller Group understands that any sale of any of the Rick's Shares issued under current law, will require either (i) the registration of the Rick's Shares under the Securities Act and applicable state securities laws; (ii) compliance with Rule 144 under the Securities Act; or (iii) the availability of an exemption from the registration requirements of the Securities Act and applicable state securities laws.

(c) The Seller Group acknowledges and represents that they are Accredited Investors as that term is defined in Rule 5.01(a) of Regulation D promulgated under the Securities Act.

(d) To assist in implementing the above provisions, the Seller Group hereby consents to the placement of the legend set forth below, or a substantially similar legend, on all certificates representing ownership of the Rick's Shares acquired hereby until the Rick's Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT, ARE RESTRICTED AS TO TRANSFERABILITY, AND MAY NOT BE SOLD, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION AND QUALIFICATION PROVISIONS OF APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM.

(e) The Seller Group understands and agrees that Rick's may notify its transfer agent of the Lock-Up/Leak-Out Agreements and the limitation on the number of Rick's Shares that may be sold in any given month in accordance with the terms and conditions of the Lock-Up/Leak-Out Agreement.

Section 5.7 The Seller Group's Access to Information. The Seller Group hereby confirms and represent that they: (a) have received (i) a copy of Rick's Form 10-K filed with the Securities and Exchange Commission (the "**SEC**") for the year ended September 30, 2020, and a copy of Rick's Form 10-Q's for the quarters ended December 31, 2020 and March 31, 2021, as filed with the SEC; (ii) a copy of Rick's Form 14A filed with the SEC on July 31, 2020; (iii) a copy of Rick's Form S-3 filed with the SEC on May 14, 2021, which went Effective on June 3, 2021; (iv) a copy of the Form 8-K's filed with the SEC on October 8, 2020, November 19, 2020, December 16, 2020, January 12, 2021, February 10, 2021, May 10, 2021, May 20, 2021, June 6, 2021, July 2, 2021, July 8, 2021 and July 15, 2021; (b) have been afforded the opportunity to ask questions of and receive answers from representatives of Rick's concerning the business and financial condition, properties, operations and prospects of Rick's; (c) have such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of the transactions contemplated hereby; (d) have had an opportunity to engage and is represented by an attorney of his choice; (e) have had an opportunity to negotiate the terms and conditions of this Agreement; (f) have been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (g) have been provided with and given an opportunity to review all current information about Rick's.

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller Group does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller Group; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets other than as contemplated herein; (c) 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 any member of the Seller Group is a party of by which the Seller Group's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller Group 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller Group in connection with the execution and delivery by the Seller Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller Group before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Purchased Assets, and there is no basis known to the Seller Group for any such action. No litigation is pending or threatened against the Seller Group, 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 Seller Group is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller Group, the Purchased Assets, or the Business.

Section 5.11 Taxes. The Seller Group has timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller Group and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. The Seller Group is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller Group or the Purchased Assets as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Seller. No assessments or notices of deficiency or other communications have been received by the Seller Group with respect to any tax return of the Seller 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 5.11, none of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the knowledge of the Seller Group, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller Group 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser the Seller's year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited Balance Sheets of the Seller as of June 30, 2021, 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 Seller and fairly represent in all material respects the financial position of the Seller and the results of operations and changes in financial position of the Seller as of the dates and for the periods indicated, in each case in conformity with the Seller's historical accounting practices applied on a consistent basis. Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, the Seller, 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 generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Seller has conducted its business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Seller; (b) acquisition or disposition of any material asset by the Seller or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Seller's accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 Seller is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Seller 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 Seller any labor disputes, strikes or work stoppages. The Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Seller is not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Seller. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Seller, or contributions or payments due to any Seller benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Seller personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the knowledge of the Seller Group, the Seller is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller Group has 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 Seller. The Seller 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 5.15 sets forth a list of all licenses and Permits held by the Seller used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, the Seller does not (a) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the Business. The Seller operates its adult entertainment establishment located at the Premises under an existing lease agreement (the "**Existing Lease**"), which Existing Lease will be terminated as of the Closing Date. The Seller will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the Purchased Assets of the Seller to which it is subject or is a party or a beneficiary. 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 Seller 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, the Seller 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: (a) the sale, merger, consolidation or recapitalization of the Seller; (b) the sale of any of the Purchased Assets of the Seller (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Seller; (d) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Seller; or (g) the expenditure of more than $10,000 or the performance by the Seller extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Seller is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Seller or (b) covenants of HWL or the Seller 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 Seller in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. The Seller 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 Seller alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Seller, and no property currently or formerly owned, leased, or operated by the Seller, has been contaminated by the Seller or to the knowledge of the Seller Group by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Seller. The Seller 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Seller Group relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. The Seller Group is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Seller, under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Seller, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller Group.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER GROUP

The Purchaser Group hereby jointly and severally represents and warrants to the Seller Group as follows:

Section 6.1 Organization, Good Standing and Qualification of the Purchaser Group.

(a) The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Colorado, (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.

(b) Rick's (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 Rick's.

(c) Big Sky (i) is an entity duly organized 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 Big Sky.

Section 6.2 Authorization. All action on the part of the Purchaser Group 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 each member of the Purchaser Group or will be taken prior to the Closing Date. The Purchaser Group 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 Group, enforceable against the Purchaser Group 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser Group does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser Group is a party.

Section 6.4 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 any member of the Purchaser Group in connection with the execution and delivery by each member of the Purchaser Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser Group 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 Group.

Section 6.6 Valid Issuance of Shares. The Rick's Shares, when issued, sold, and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Lock-Up/Leak-Out Agreement and applicable state and federal securities laws. Assuming the accuracy of the representations of the Seller Group in Sections 5.6 and 5.7, the Rick's Shares will be issued in compliance with all applicable federal and state securities laws.

Section 6.7 Review of Affiliated Club Sellers' Financials. In reviewing the Seller's Financial Statements, and the other similar financial statements of the Affiliated Club Sellers, the Purchaser Group has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser Group to proceed with this Agreement, the Seller Group agree that until the Closing Date or the termination of this Agreement, whichever is earlier, none of the Seller Group or their affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller Group and which the Seller Group believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller Group; or (f) authorize or permit any of the Seller Group's Agents to take any such action or other actions as would adversely affect the Purchaser Group's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller Group set forth in the preceding sentence by any Agent of the Seller Group or its affiliates shall be a breach of this Section 7.1 by the Seller Group. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller Group, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller Group, (iii) license or transfer of all or a portion of the Purchased Assets or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller Group shall file or cause to be filed all tax returns required to be filed by the Seller Group, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller Group shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller Group will, and will cause the Seller to, (a) provide the Purchaser Group and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Seller, and to the books and records of the Seller; (b) permit the Purchaser Group to make inspections thereof; and (c) cause the officers and advisors of the Seller Group to furnish the Purchaser Group with such financial and operating data and other information with respect to Purchased Assets, Premises, and the Business and to discuss such information with the Purchaser Group, as the Purchaser Group may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller Group.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Seller will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Seller will not liquidate or distribute any membership interest or other equity interest or undertake any direct or indirect redemption, purchase or other acquisition of any equity interest;

(b) The Seller 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) Except as described on Schedule 7.4, the Seller 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 and with the consent of the Purchaser Group (not to be unreasonably withheld);

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

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

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

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

(k) The Seller 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;

(l) The Seller will not enter into any non-cancellable contract or agreement longer than one year;

(m) The Seller will not reclassify, split up or otherwise change any of its membership interest or capital structure;

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

(o) The Seller will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller Group shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller Group shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser Group has the right to terminate this Agreement prior to the Closing by written notice to the Seller Group in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser Group in its discretion. In the event that the Purchaser Group does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser Group shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF
THE SELLER GROUP

Each obligation of the Seller Group to be performed on the Closing Date will 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 Seller Group in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser Group contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser Group will provide to the Seller Group certificates, dated the Closing Date and signed by their presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser Group will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser Group will provide corporate resolutions of their 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 8.6 Good Standing Certificate. The Seller Group shall have received a Certificate of Good Standing issued by the state of Colorado for the Purchaser and from the state of Texas for Rick's and Blue sky.

Section 8.7 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 any member of the Purchaser Group.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will 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 nude and semi-nude entertainment on the Premises, including but not limited to, a sexually oriented business license issued by the City of Glendale and a liquor license, and all such permits and authorizations will 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 nude and semi-nude entertainment, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER GROUP

Each obligation of the Purchaser Group 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 the Purchaser Group in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller Group will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller Group will provide to the Purchaser Group certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller Group, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Purchase Assets. The Seller will 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 9.5 Corporate Resolutions. Each member of the Seller Group will provide to the Purchaser Group resolutions of its board of directors, managers, shareholders, members and general partner, as the case may be, of each of the respective Parties 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the state of Colorado for each member of the Seller Group.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will 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 nude or semi-nude entertainment on the Premises consistent with the current operation of the Business, including but not limited to, a sexually oriented business license issued by the City of Glendale and a liquor license, and all such permits and authorizations will 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 nude and semi-nude entertainment, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Seller and the Business of Mile High Club and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Seller and Affiliated Club Sellers will be maintained and exist consistent with past practices and able to be audited by Rick's independent auditors.

Section 9.12 Bank Financing. RCI Holdings, Inc. or its Affiliates shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Properties as contemplated pursuant to Section 4.3(b) of the Related Transactions.

Section 9.13 Adjusted EBITDA. The 2019 adjusted EBITDA for the Affiliated Club Sellers shall total an aggregate of not less than $10,700,000.

Section 9.14 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 any member of the Seller Group or any of the Seller's assets.

Section 9.15 Unaffiliated Clubs. Affiliates of Rick's shall have entered into definitive asset purchase agreements for the purchase of substantially all of the assets of Market Entertainment Inc. and OG1, LLC, which operate the adult entertainment establishment businesses known as PT's Louisville and PT's Denver, respectively (the "**Unaffiliated Clubs**"). For clarity, the Unaffiliated Clubs are operated on real property being sold as part of the Real Estate Transaction.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Seller will be responsible and liable to the Purchaser for the liabilities of the Seller 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, a *pro rata* portion of prepaid items, and other Excluded Assets delivered to Purchaser. If such Excluded Assets exceed such Excluded Liabilities as of the Closing Date, the Purchaser shall promptly pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price among the Purchased Assets and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule. The maximum amount that may be allocated in the final allocation schedule to the Non-Compete Agreement shall not exceed $10,000 ($90,000 in aggregate across all Definitive Agreements).

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller Group. The Seller Group, jointly and severally, hereby agree to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller Group contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller Group under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser Group. The Purchaser Group, jointly and severally, agree to and will indemnify, defend (with legal counsel reasonably acceptable to the HWL) and hold the Seller Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser Group contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser Group under this Agreement; or (c) any Assumed Liability.

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a Third-Party Claim(s), the aggregate amount of all Losses for which the Seller Group shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s);

(b) The aggregate amount of all Losses arising from Third Party Claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller Group on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud; and

(c) Only with respect to Losses arising from a Third-Party Claim(s), notwithstanding Sections 11.4(a) and (b), the total aggregate amount of all Losses which HWL, Family Dog, and the Affiliated Club Sellers shall be liable for under the indemnification provisions in all Definitive Agreements shall not exceed $22,000,000; provided, that the foregoing limitation shall not apply in the case of fraud and/or in the case of direct (or first party) claim(s).

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller Group will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser Group will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser Group is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser Group of any Excluded Liabilities, such amounts shall be paid first by an offset from the then-outstanding principal balance under the Club Notes (defined in Section 4.3(a)(iii)) and, if the aggregate amount of such payments exceeds the then-outstanding principal balance under the Club Notes, directly from any member of the Seller Group. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b), the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser Group or any of their affiliates from bringing a claim against any Person, including any of the Seller Group, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser Group or any of their affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
MISCELLANEOUS

Section 12.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder will 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 Seller:
Glendale Restaurant Concepts, LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(b) If to HWL or Family Dog:
HWL-3, LLLP
Family Dog LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(c) If to the Purchaser or Big Sky:
Big Sky Hospitality Holdings, Inc.
4451 East Virginia, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
email: eric@rcihh.com

(d) If to Rick's:
RCI Hospitality Holdings, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to:
Robert D. Axelrod
Axelrod & Smith
5300 Memorial Drive, Suite 1000
Houston, Texas 77007
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 a 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 12.3 Severability. Whenever possible, each provision of this Agreement will 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 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 12.5 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 will 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 12.6 Entire Agreement. This Agreement 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 12.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 12.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 12.9 Costs and Expenses. Each Party will 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 12.10 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 will not affect its interpretation.

Section 12.11 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 Seller) that is not a Party to this Agreement.

Section 12.12 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 12.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 12.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the First Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 12.15 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 12.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 12.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 12.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Seller Group:

GLENDALE RESTAURANT CONCEPTS, LLC

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: Manager

HWL-3 LLLP

By: TARGE INC., its general partner

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: President of Targe Inc.

FAMILY DOG, LLC

By: Union Services, Inc., its manager

By: */s/ Troy Houston Lowrie, Jr.*
Name: Troy Houston Lowrie, Jr.
Title: President of Union Services, Inc.

Signature page to Asset Purchase Agreement

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Purchaser Group:

4451 EAST VIRGINIA, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

RCI HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

BIG SKY HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item	Quantity	Item	Quantity

EXHIBIT 4.3(a)

Affiliated Club Asset Purchase Agreements

Affiliated Club Sellers	Affiliated Club Name	Address of Affiliated Club	Purchase Price
Glenarm Restaurant Concepts LLC	Diamond Cabaret Denver	1222 Glenarm Place, Denver, CO	$ 11,300,000
Glendale Restaurant Concepts LLC	Mile High Club	4451 E Virginia Ave., Glendale, CO	$ 1,200,000
Illinois Restaurant Concepts, LLC	Diamond Club St. Louis	1401 Mississippi Ave., Bay 18, Sauget, IL	$ 5,800,000
Indy Restaurant Concepts, LLC.	PT's Indy	7916 Pendleton Pike, Indianapolis, IN	$ 6,000,000
Kenkev, Inc.	PT's Portland	200 Riverside St., Portland, ME	$ 7,900,000
MRC, LLC	Country Rock Cabaret	200 Monsanto Ave., Sauget, IL	$ 3,900,000
Raleigh Restaurant Concepts, LLC	Men's Club Raleigh	3210 Yonkers Rd., Raleigh, NC	$ 8,230,000
Stout Restaurant Concepts, LLC	LaBoheme	1443 Stout St., Denver, CO	$ 6,970,000
VCG Restaurants Denver, LLC	PT' Centerfold	3480 S Galena Ave., Denver, CO	$ 5,300,000

EXHIBIT 4.3(b)

Real Estate Property

Real Estate Sellers	Address of Real Properties	Purchase Price*	Club that Occupies Real Property
1601 W Evans LLC	1601 W Evans Ave., Denver CO	$ 3,325,000	PT's Showclub
200 Riverside LLC	200 Riverside St., Portland, ME	$ 3,100,000	PT's Showclub
227 E Market LLC	227 E Market St., Louisville, KY	$ 1,900,000	PT's Showclub
3480 S Galena LLC	3480 S Galena Ave., Denver, CO	$ 4,500,000	PT's Centerfolds
4451 E Virginia LLC	4451 E Virginia Ave., Glendale, CO	$ 3,325,000	Mile High Men's Club
7916 Pendleton Pike LLC	7916 Pendleton Pike, Indianapolis, IN	$ 1,850,000	PT's Showclub

* The purchase price for each real property may change, provided that the aggregate purchase price remains unchanged.

Exhibit 10.3

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among Illinois Restaurant Concepts, LLC, an Illinois limited liability company (the "**Seller**"), HWL-3 LLLP, a Colorado limited liability limited partnership ("**HWL**"), Family Dog LLC, a Colorado limited liability company ("**Family Dog**" and, together with the Seller and HWL, the "**Seller Group**"), 1401 Mississippi, Inc., an Illinois corporation (the "**Purchaser**") Big Sky Hospitality Holdings, Inc., a Texas corporation ("**Big Sky**") and RCI Hospitality Holdings, Inc., a Texas corporation ("**Rick's**" and, together with the Purchaser and Big Sky, the "**Purchaser Group**"). The Seller, Family Dog, HWL, the Purchaser, Big Sky and Rick's are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**." A reference to the Seller Group or the Purchaser Group is a reference to each Party that comprises such group.

WHEREAS, the Seller owns and operates an adult entertainment establishment known as Diamond Club St. Louis (the "**Business**") located at 1401 Mississippi Ave., Bay 18, Sauget, IL (the "**Premises**");

WHEREAS, HWL owns 90% of the issued and outstanding membership of the Seller;

WHEREAS, Family Dog owns 99.99% of the issued and outstanding partnership interests of HWL;

WHEREAS, Big Sky owns 100% of the issued and outstanding capital stock of Purchaser;

WHEREAS, Rick's owns 100% of the issued and outstanding capital stock of Big Sky;

WHEREAS, the Purchaser and the Seller desire that the Purchaser purchase and the Seller sell substantially all of the assets owned by the Seller, which is substantially all of the assets of the Business; and

WHEREAS, the transactions contemplated by this Agreement are part of a series of related transactions by and among HWL, Family Dog, and certain of their affiliated or related parties, on the one hand, and Ricks and certain of its affiliated parties, on the other hand, as further described in Section 4.3.

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 Seller 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 Seller will 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 (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and the Purchaser will acquire from the Seller all of the tangible and intangible assets and personal property of every kind and description and wherever situated used in the Business, except the Excluded Assets, as defined in Section 1.2, including the following personal property of the Seller:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated used in the Business, including inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers 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 Seller (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 Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including all alcoholic beverages sold by the Seller 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;

(d) all of the Seller's right, title, and interest, as lessee, of any and all equipment leased by the Seller and located at the Premises if disclosed by Seller and for which Purchaser agrees to assume payment. The Seller will 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 Seller to the use of the telephone numbers presently being used in 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;

(f) copies of the Seller'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 Seller or any rights thereto, including but not limited to the name "Diamond Club St. Louis" or any derivative, all trademarks, trade names, service marks, patents, copyrights, and trade secrets;

(h) all licenses, rights or ownership interests held by the Seller 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;

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult nude or semi-nude entertainment business serving alcoholic beverages on the Premises which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and 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 Seller, the Seller'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**").

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, will list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (a) the corporate seals, books, accounting records and records related to corporate governance of the Seller; (b) all the Seller's bank accounts and all Seller monies (including cash) on hand as of the Closing; (c) all credit card receipts and ATM purchases from the operation of the Business as of the close of business on the day of Closing; (d) securities of any type, whether marketable or not; (e) all prepaid expenses, security deposits and tax refunds; (f) accounts or notes receivable of, or held by, the Seller not generated by the business of the Seller; (g) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise; (h) the Seller'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 Seller is a party; (i) all business insurance policies of the Seller; and (j) all employee benefit plans of the Seller (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 Seller which are used in the Business and are not otherwise an Excluded Asset, such assets will nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II
LIABILITIES

Section 2.1 Excluded Liabilities. Except for the Assumed Liabilities (defined in Section 2.2(b)), Purchaser will have no obligation and is not assuming, and the Seller will 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, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 Seller, liabilities to any Governmental Authority (as hereinafter defined) or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**"), including, but not limited to, (a) contractual liabilities arising or accruing from the Seller or the Business or ownership of the Purchased Assets prior to the Closing Date, (b) any existing litigation against the Seller or the Business, (c) any liability with respect to the Seller's or the Business or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by the Seller for taxable periods or portions of taxable periods ending 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 (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Indemnitees (as hereinafter defined in Section 11.1) which arises from or which is based upon or pertaining to the Seller Group's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that the Seller misclassified any entertainers.

Section 2.2 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:

(a) the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing, other than liabilities arising out of a breach of this Agreement by the Seller Group, including (i) contractual liabilities arising from the Seller's ownership of the Purchased Assets on or after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser, subject to subsection (b) below), (ii) any liability resulting from the ownership of any of the Purchased Assets that occurs subsequent to the Closing, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending subsequent to the Closing, 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, and (iv) any litigation, suit, action, proceeding, claim or investigation by any individual or Governmental Authority alleging that, during any period after the Closing, Purchaser, through its operation of the Business after the Closing, misclassified entertainers; and

(b) the liabilities arising on or after the Closing Date under the contracts set forth in Schedule 2.2, which are assumed in writing by Purchaser (the liabilities and obligation set forth in subsections (a) and (b) are collectively, the "**Assumed Liabilities**").

Section 2.3 Taxes.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller Group and 50% by the Purchaser Group.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller Group shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to relating to the Business, the Purchased Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller Group shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed). Any such liability will be an Excluded Liability.

ARTICLE III
PURCHASE PRICE FOR
THE PURCHASED ASSETS

Purchase Price. The Purchaser will pay to the Seller for all of the Purchased Assets a total purchase price of $5,800,000.00 (the "**Purchase Price**"), which will be payable at the Closing as follows:

(a) $2,008,483.53 payable by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing;

(b) A 10 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $1,127,208.48;

(c) A 20 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $819,787.99; and

(d) the issuance and delivery of 30,742 Rick's Shares (defined in Section 4.3(a)(iii)), which may be issued direct to, or transferred after the Closing to, HWL or Family Dog.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur as part of the First Closing (defined in Section 4.3(a)(v)) or the First Closing shall have already occurred. The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) a bill of sale, in a form agreed to by the Parties, executed by the Seller;

(ii) an assignment and assumption agreement, in a form agreed to by the Parties (the "**Assignment and Assumption Agreement**"), executed by the Seller;

(iii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Troy Lowrie ("**Lowrie**");

(iv) a lock-up/leak-out agreement, in a form agreed to by the Parties (a "**Lock-up/Leak-Out Agreement**"), executed by HWL, Family Dog, and each equity owner of Family Dog who will receive 12,000 or more Rick's Shares (each, a "**Shareholder**");

(v) either:

(1) an executed assignment of the Existing Lease (defined in Section 5.16) consistent with Section 9.16, with the consent of the owner and lessor of the Premises, in a form agreed to by the Parties; or

(2) in the event of a New Lease (defined in Section 9.16), an agreement terminating the Existing Lease, in a form agreed to by the Parties, executed by the Seller and owner and lessor of the Premises;

(vi) a security agreement, in a form agreed to by the Parties (the "**Security Agreement**"), executed by HWL and Family Dog; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Assignment and Assumption Agreement executed by Purchaser;

(ii) the Non-Compete Agreement executed by Rick's;

(iii) the Lock-up/Leak-Out Agreement executed by Rick's;

(iv) the Purchase Price in accordance with Article III, including the Club Notes and issuance and delivery of the Rick's Shares;

(v) the executed Guaranty Agreement of Rick's of the Club Notes (the "**Rick's Guaranty**");

(vi) the Security Agreement executed by the Purchaser; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. The transactions contemplated by this Agreement are part of series of related transactions by and among certain of the Parties and certain affiliated and related parties (the "**Related Transaction Parties**"). The Related Transaction Parties intend and will use commercially reasonable efforts to cause the transactions described in this Section 4.3 (collectively, the "**Related Transactions**") to close as described in this Section 4.3.

(a) Sale of the Affiliated Clubs.

(i) The Parties intend that each affiliated club seller, as set forth in Exhibit 4.3(a) (an "**Affiliated Club Seller**"), will sell substantially all of its tangible and intangible assets and personal property (each, a "**Club Transaction**") to a subsidiary of Rick's (an "**Affiliated Club Purchaser**") for the purchase price identified on Exhibit 4.3(a) pursuant to a definitive asset purchase agreement with provisions substantially similar to this Agreement (each, a "**Definitive Agreement**").

(ii) For clarity, (1) the Seller under this Agreement is an Affiliated Club Seller, (2) the transactions contemplated by this Agreement constitute a Club Transaction, and (3) this Agreement is a Definitive Agreement.

(iii) The aggregate purchase price to be paid by Rick's and the Affiliated Club Purchasers to the Affiliated Club Sellers from the closing of all the Club Transactions is $56,600,000, payable as follows: (1) $19,600,000 payable by cashier's check, certified funds, or wire transfer; (2) $11,000,000 evidenced by ten-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in one hundred twenty (120) equal monthly payments of principal and interest (each, a "**10 Year Note**"); (3) $8,000,000 evidenced by twenty-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in two hundred forty (240) equal monthly payments of principal and interest (each, a "**20 Year Note**" and, together with the 10 Year Notes, the "**Club Notes**"); and (4) the issuance of 300,000 shares of restricted common stock, par value $0.01 of Rick's, based on a per share price of $60.00 per share (the "**Rick's Shares**"); with each type of consideration under subsections (1), (2), (3) and (4) above to be paid pro-rata based on the purchase price for each Club Transaction.

(iv) Rick's and the Affiliated Club Purchaser shall issue the Rick's Shares and the Club Notes directly to HWL or Family Dog (as directed by the Seller Group), unless otherwise directly by the Seller Group. The Club Notes and the Rick's Guaranty shall be in the form agreed to by the Parties.

(v) The Related Transaction Parties desire to close all the Club Transactions on the same closing date, but recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, the Related Transaction Parties anticipate and intend to close at least six of the nine Club Transactions and the purchase of substantially all of the assets of OG1, LLC, an Unaffiliated Club as referred to and defined in Section 9.15 hereof, on the first such closing (the "**First Closing**") and to close the remaining Club Transactions as soon as practicable thereafter.

(b) Sale of the Real Property. At the First Closing, and pursuant to one or more definitive purchase and sale agreements, the appropriate parties shall close on the purchase and sale of six parcels of real property from certain real estate sellers to RCI Holdings, Inc., a Texas corporation wholly owned by Ricks, all as identified and for the aggregate purchase prices set forth on Exhibit 4.3(b). The real estate sellers will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the real estate properties set forth beside the real estate sellers name on Exhibit 4.3(b), which warranty deeds will convey good and marketable title to the real properties to RCI Holdings, Inc. free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(c) Sale of Intellectual Property. At the First Closing, and pursuant to a definitive asset purchase agreement, the appropriate parties shall close on the sale of substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("**Club Licensing**"), to a wholly owned subsidiary of Rick's for a purchase price of $13,000,000. The assets of Club Licensing include substantially all of the intellectual property used in the adult entertainment establishment businesses owned and operated by the Affiliated Club Sellers (the "**IP Transaction**").

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER GROUP

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller Group, jointly and severally, hereby represents and warrants to the Purchaser Group the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller Group.

(a) The Seller is an Illinois limited liability company duly organized and validly existing and in good standing under the laws of the state of Illinois, 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 Seller.

(b) HWL is a Colorado limited liability limited partnership duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 HWL.

(c) Family Dog is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Family Dog.

Section 5.2 Ownership of the Seller and HWL.

(a) HWL owns 90% and Johan Van Baal owns 10% of the issued and outstanding membership interests of the Seller, which membership interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of stock authorized or issued by the Seller.

(b) Family Dog owns substantially all of the issued and outstanding partnership interests in HWL, which interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances.

Section 5.3 Subsidiaries. The Seller does not own any subsidiaries.

Section 5.4 Ownership of the Purchased Assets. The Seller 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 Seller 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 Encumbrances 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 5.4, attached hereto; and (b) any Encumbrances contemplated under the Club Notes and Security Agreement in favor of the Seller, HWL, and Family Dog.

Section 5.5 Authorization. All action on the part of the Seller Group necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller Group or will be taken prior to the Closing Date. The Seller Group has the requisite power and authority to execute and deliver this Agreement and to perform their 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 Seller Group, enforceable against the Seller Group 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 5.6 Acquisition of Stock for Investment.

(a) The Seller Group understands that the issuance of the Rick's Shares (as referenced in Article III herein) will not have been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and accordingly, are restricted securities, and the Seller Group's present intention is to receive and hold the Rick's Shares for investment only and not with a view to the distribution or resale thereof.

(b) Additionally, the Seller Group understands that any sale of any of the Rick's Shares issued under current law, will require either (i) the registration of the Rick's Shares under the Securities Act and applicable state securities laws; (ii) compliance with Rule 144 under the Securities Act; or (iii) the availability of an exemption from the registration requirements of the Securities Act and applicable state securities laws.

(c) The Seller Group acknowledges and represents that they are Accredited Investors as that term is defined in Rule 5.01(a) of Regulation D promulgated under the Securities Act.

(d) To assist in implementing the above provisions, the Seller Group hereby consents to the placement of the legend set forth below, or a substantially similar legend, on all certificates representing ownership of the Rick's Shares acquired hereby until the Rick's Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT, ARE RESTRICTED AS TO TRANSFERABILITY, AND MAY NOT BE SOLD, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION AND QUALIFICATION PROVISIONS OF APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM.

(e) The Seller Group understands and agrees that Rick's may notify its transfer agent of the Lock-Up/Leak-Out Agreements and the limitation on the number of Rick's Shares that may be sold in any given month in accordance with the terms and conditions of the Lock-Up/Leak-Out Agreement.

Section 5.7 The Seller Group's Access to Information. The Seller Group hereby confirms and represent that they: (a) have received (i) a copy of Rick's Form 10-K filed with the Securities and Exchange Commission (the "**SEC**") for the year ended September 30, 2020, and a copy of Rick's Form 10-Q's for the quarters ended December 31, 2020 and March 31, 2021, as filed with the SEC; (ii) a copy of Rick's Form 14A filed with the SEC on July 31, 2020; (iii) a copy of Rick's Form S-3 filed with the SEC on May 14, 2021, which went Effective on June 3, 2021; (iv) a copy of the Form 8-K's filed with the SEC on October 8, 2020, November 19, 2020, December 16, 2020, January 12, 2021, February 10, 2021, May 10, 2021, May 20, 2021, June 6, 2021, July 2, 2021, July 8, 2021 and July 15, 2021; (b) have been afforded the opportunity to ask questions of and receive answers from representatives of Rick's concerning the business and financial condition, properties, operations and prospects of Rick's; (c) have such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of the transactions contemplated hereby; (d) have had an opportunity to engage and is represented by an attorney of his choice; (e) have had an opportunity to negotiate the terms and conditions of this Agreement; (f) have been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (g) have been provided with and given an opportunity to review all current information about Rick's.

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller Group does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller Group; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets other than as contemplated herein; (c) 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 any member of the Seller Group is a party of by which the Seller Group's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller Group 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller Group in connection with the execution and delivery by the Seller Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller Group before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Purchased Assets, and there is no basis known to the Seller Group for any such action. No litigation is pending or threatened against the Seller Group, 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 Seller Group is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller Group, the Purchased Assets, or the Business.

Section 5.11 Taxes. The Seller Group has timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller Group and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. The Seller Group is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller Group or the Purchased Assets as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Seller. No assessments or notices of deficiency or other communications have been received by the Seller Group with respect to any tax return of the Seller 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 5.11, none of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the knowledge of the Seller Group, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller Group 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser the Seller's year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited Balance Sheets of the Seller as of June 30, 2021, 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 Seller and fairly represent in all material respects the financial position of the Seller and the results of operations and changes in financial position of the Seller as of the dates and for the periods indicated, in each case in conformity with the Seller's historical accounting practices applied on a consistent basis. Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, the Seller, 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 generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Seller has conducted its business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Seller; (b) acquisition or disposition of any material asset by the Seller or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Seller's accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 Seller is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Seller 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 Seller any labor disputes, strikes or work stoppages. The Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Seller is not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Seller. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Seller, or contributions or payments due to any Seller benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Seller personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the knowledge of the Seller Group, the Seller is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller Group has 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 Seller. The Seller 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 5.15 sets forth a list of all licenses and Permits held by the Seller used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, the Seller does not (a) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the Business. The Seller operates its adult entertainment establishment located at the Premises under an existing lease agreement ("**Existing Lease**"), which Existing Lease will either be (i) assigned to the Purchaser with the consent of the landlord and the Purchaser or (ii) terminated if a New Lease (defined in Section 9.16) is entered into between the landlord and the Purchaser as of the Closing Date. The Seller will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the Purchased Assets of the Seller to which it is subject or is a party or a beneficiary. 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 Seller 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, the Seller 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: (a) the sale, merger, consolidation or recapitalization of the Seller; (b) the sale of any of the Purchased Assets of the Seller (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Seller; (d) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Seller; or (g) the expenditure of more than $10,000 or the performance by the Seller extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Seller is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Seller or (b) covenants of HWL or the Seller 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 Seller in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. The Seller 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 Seller alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Seller, and no property currently or formerly owned, leased, or operated by the Seller, has been contaminated by the Seller or to the knowledge of the Seller Group by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Seller. The Seller 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Seller Group relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. The Seller Group is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Seller, under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Seller, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller Group.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER GROUP

The Purchaser Group hereby jointly and severally represents and warrants to the Seller Group as follows:

Section 6.1 Organization, Good Standing and Qualification of the Purchaser Group.

(a) The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Illinois, (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.

(b) Rick's (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 Rick's.

(c) Big Sky (i) is an entity duly organized 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 Big Sky.

Section 6.2 Authorization. All action on the part of the Purchaser Group 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 each member of the Purchaser Group or will be taken prior to the Closing Date. The Purchaser Group 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 Group, enforceable against the Purchaser Group 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser Group does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser Group is a party.

Section 6.4 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 any member of the Purchaser Group in connection with the execution and delivery by each member of the Purchaser Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser Group 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 Group.

Section 6.6 Valid Issuance of Shares. The Rick's Shares, when issued, sold, and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Lock-Up/Leak-Out Agreement and applicable state and federal securities laws. Assuming the accuracy of the representations of the Seller Group in Sections 5.6 and 5.7, the Rick's Shares will be issued in compliance with all applicable federal and state securities laws.

Section 6.7 Review of Affiliated Club Sellers' Financials. In reviewing the Seller's Financial Statements, and the other similar financial statements of the Affiliated Club Sellers, the Purchaser Group has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser Group to proceed with this Agreement, the Seller Group agree that until the Closing Date or the termination of this Agreement, whichever is earlier, none of the Seller Group or their affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller Group and which the Seller Group believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller Group; or (f) authorize or permit any of the Seller Group's Agents to take any such action or other actions as would adversely affect the Purchaser Group's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller Group set forth in the preceding sentence by any Agent of the Seller Group or its affiliates shall be a breach of this Section 7.1 by the Seller Group. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller Group, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller Group, (iii) license or transfer of all or a portion of the Purchased Assets or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller Group shall file or cause to be filed all tax returns required to be filed by the Seller Group, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller Group shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller Group will, and will cause the Seller to, (a) provide the Purchaser Group and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Seller, and to the books and records of the Seller; (b) permit the Purchaser Group to make inspections thereof; and (c) cause the officers and advisors of the Seller Group to furnish the Purchaser Group with such financial and operating data and other information with respect to Purchased Assets, Premises, and the Business and to discuss such information with the Purchaser Group, as the Purchaser Group may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller Group.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Seller will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Seller will not liquidate or distribute any membership interests or other equity interest or undertake any direct or indirect redemption, purchase or other acquisition of any equity interest;

(b) The Seller 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) Except as described on Schedule 7.4, the Seller 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 and with the consent of the Purchaser Group (not to be unreasonably withheld);

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

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

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

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

(k) The Seller 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;

(l) The Seller will not enter into any non-cancellable contract or agreement longer than one year;

(m) The Seller will not reclassify, split up or otherwise change any of its membership interest or capital structure;

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

(o) The Seller will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller Group shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller Group shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser Group has the right to terminate this Agreement prior to the Closing by written notice to the Seller Group in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser Group in its discretion. In the event that the Purchaser Group does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser Group shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF
THE SELLER GROUP

Each obligation of the Seller Group to be performed on the Closing Date will 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 Seller Group in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser Group contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser Group will provide to the Seller Group certificates, dated the Closing Date and signed by their presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser Group will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser Group will provide corporate resolutions of their 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 8.6 Good Standing Certificate. The Seller Group shall have received a Certificate of Good Standing issued by the state of Illinois for the Purchaser and from the state of Texas for Rick's and Big Sky.

Section 8.7 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 any member of the Purchaser Group.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will 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 nude entertainment on the Premises, including but not limited to an adult use permit, liquor license permit and gaming license, and all such permits and authorizations will 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 nude entertainment, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER GROUP

Each obligation of the Purchaser Group 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 the Purchaser Group in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller Group will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller Group will provide to the Purchaser Group certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller Group, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Purchase Assets. The Seller will 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 9.5 Corporate Resolutions. Each member of the Seller Group will provide to the Purchaser Group resolutions of its board of directors, managers, shareholders, members and general partner, as the case may be, of each of the respective Parties 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the state of Colorado and/or Illinois for each member of the Seller Group.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will 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 nude entertainment on the Premises, including but not limited to a Denver Amusement Permit, an adult use permit, liquor license permit and gaming license, consistent with the current operation of the Business, and all such permits and authorizations will 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 nude entertainment, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Seller and the Business of Diamond Club St. Louis and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Seller and Affiliated Club Sellers will be maintained and exist consistent with past practices and able to be audited by Rick's independent auditors.

Section 9.12 Bank Financing. RCI Holdings, Inc. or its Affiliates shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Properties as contemplated pursuant to Section 4.3(b) of the Related Transactions.

Section 9.13 Adjusted EBITDA. The 2019 adjusted EBITDA for the Affiliated Club Sellers shall total an aggregate of not less than $10,700,000.

Section 9.14 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 any member of the Seller Group or any of the Seller's assets.

Section 9.15 Unaffiliated Clubs. Affiliates of Rick's shall have entered into definitive asset purchase agreements for the purchase of substantially all of the assets of Market Entertainment Inc. and OG1, LLC, which operate the adult entertainment establishment businesses known as PT's Louisville and PT's Denver, respectively (the "**Unaffiliated Clubs**"). For clarity, the Unaffiliated Clubs are operated on real property being sold as part of the Real Estate Transaction.

Section 9.16 Termination or Assignment of Existing Lease. Either (a) the Existing Lease for the Premises will be terminated and a new lease will be entered into between the Purchaser and the owner and lessor of the Premises, on terms and conditions acceptable to the Purchaser, with a commencement date on the Closing Date (a "**New Lease**"), or (b) the Existing Lease will be assigned to the Purchaser and amended, with the consent of the owner and lessor of the Premises, allowing for at least a twenty-year total term from and after the Closing Date, along with such other terms and conditions acceptable to the Purchaser.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Seller will be responsible and liable to the Purchaser for the liabilities of the Seller 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, a *pro rata* portion of prepaid items and other Excluded Assets delivered to Purchaser. If such Excluded Assets exceed such Excluded Liabilities as of the Closing Date, the Purchaser shall promptly pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price among the Purchased Assets and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule. The maximum amount that may be allocated in the final allocation schedule to the Non-Compete Agreement shall not exceed $10,000 ($90,000 in aggregate across all Definitive Agreements).

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller Group. The Seller Group, jointly and severally, hereby agree to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller Group contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller Group under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser Group. The Purchaser Group, jointly and severally, agree to and will indemnify, defend (with legal counsel reasonably acceptable to the HWL) and hold the Seller Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser Group contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser Group under this Agreement; or (c) any Assumed Liability.

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a third-party claim(s), the aggregate amount of all Losses for which the Seller Group shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s);

(b) The aggregate amount of all Losses arising from third party claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller Group on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud; and

(c) Only with respect to Losses arising from a third-party claim(s), notwithstanding Sections 11.4(a) and (b), the total aggregate amount of all Losses which HWL, Family Dog, and the Affiliated Club Sellers shall be liable for under the indemnification provisions in all Definitive Agreements shall not exceed $22,000,000; provided, that the foregoing limitation shall not apply in the case of fraud and/or in the case of direct (or first party) claim(s).

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller Group will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser Group will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser Group is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser Group of any Excluded Liabilities, such amounts shall be paid first by an offset from the then-outstanding principal balance under the Club Notes (defined in Section 4.3(a)(iii)) and, if the aggregate amount of such payments exceeds the then-outstanding principal balance under the Club Notes, directly from any member of the Seller Group. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b), the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser Group or any of their affiliates from bringing a claim against any Person, including any of the Seller Group, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser Group or any of their affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
MISCELLANEOUS

Section 12.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder will 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 Seller:
Illinois Restaurant Concepts, LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(b) If to HWL or Family Dog:
HWL-3, LLLP
Family Dog LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(c) If to the Purchaser or Big Sky:
Big Sky Hospitality Holdings, Inc.
1401 Mississippi, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
email: eric@rcihh.com

(d) If to Rick's:
RCI Hospitality Holdings, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to:
Robert D. Axelrod
Axelrod & Smith
5300 Memorial Drive, Suite 1000
Houston, Texas 77007
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 a 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 12.3 Severability. Whenever possible, each provision of this Agreement will 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 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 12.5 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 will 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 12.6 Entire Agreement. This Agreement 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 12.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 12.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 12.9 Costs and Expenses. Each Party will 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 12.10 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 will not affect its interpretation.

Section 12.11 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 Seller) that is not a Party to this Agreement.

Section 12.12 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 12.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 12.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the First Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 12.15 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 12.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 12.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 12.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Seller Group:

ILLINOIS RESTAURANT CONCEPTS, LLC

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: Manager

HWL-3 LLLP

By: TARGE INC., its general partner

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: President of Targe Inc.

FAMILY DOG, LLC

By: Union Services, Inc., its manager

By: */s/ Troy Houston Lowrie, Jr.*
Name: Troy Houston Lowrie, Jr.
Title: President of Union Services, Inc.

Signature page to Asset Purchase Agreement

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Purchaser Group:

1401 MISSISSIPPI, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

RCI HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

BIG SKY HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item	Quantity	Item	Quantity

EXHIBIT 4.3(a)

Affiliated Club Asset Purchase Agreements

Affiliated Club Sellers	Affiliated Club Name	Address of Affiliated Club	Purchase Price
Glenarm Restaurant Concepts LLC	Diamond Cabaret Denver	1222 Glenarm Place, Denver, CO	$ 11,300,000
Glendale Restaurant Concepts LLC	Mile High Club	4451 E Virginia Ave., Glendale, CO	$ 1,200,000
Illinois Restaurant Concepts, LLC	Diamond Club St. Louis	1401 Mississippi Ave., Bay 18, Sauget, IL	$ 5,800,000
Indy Restaurant Concepts, LLC.	PT's Indy	7916 Pendleton Pike, Indianapolis, IN	$ 6,000,000
Kenkev, Inc.	PT's Portland	200 Riverside St., Portland, ME	$ 7,900,000
MRC, LLC	Country Rock Cabaret	200 Monsanto Ave., Sauget, IL	$ 3,900,000
Raleigh Restaurant Concepts, LLC	Men's Club Raleigh	3210 Yonkers Rd., Raleigh, NC	$ 8,230,000
Stout Restaurant Concepts, LLC	LaBoheme	1443 Stout St., Denver, CO	$ 6,970,000
VCG Restaurants Denver, LLC	PT' Centerfold	3480 S Galena Ave., Denver, CO	$ 5,300,000

EXHIBIT 4.3(b)

Real Estate Property

Real Estate Sellers	Address of Real Properties	Purchase Price*	Club that Occupies Real Property
1601 W Evans LLC	1601 W Evans Ave., Denver CO	$ 3,325,000	PT's Showclub
200 Riverside LLC	200 Riverside St., Portland, ME	$ 3,100,000	PT's Showclub
227 E Market LLC	227 E Market St., Louisville, KY	$ 1,900,000	PT's Showclub
3480 S Galena LLC	3480 S Galena Ave., Denver, CO	$ 4,500,000	PT's Centerfolds
4451 E Virginia LLC	4451 E Virginia Ave., Glendale, CO	$ 3,325,000	Mile High Men's Club
7916 Pendleton Pike LLC	7916 Pendleton Pike, Indianapolis, IN	$ 1,850,000	PT's Showclub

* The purchase price for each real property may change, provided that the aggregate purchase price remains unchanged.

Exhibit 10.4

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among Indy Restaurant Concepts. LLC, an Indiana corporation (the "**Seller**"), HWL-3 LLLP, a Colorado limited liability limited partnership ("**HWL**"), Family Dog LLC, a Colorado limited liability company ("**Family Dog**" and, together with the Seller and HWL, the "**Seller Group**"), 7916 Pendleton, Inc., an Indiana corporation (the "**Purchaser**"), Big Sky Hospitality Holdings, Inc., a Texas corporation ("**Big Sky**") and RCI Hospitality Holdings, Inc., a Texas corporation ("**Rick's**" and, together with the Purchaser and Big Sky, the "**Purchaser Group**"). The Seller, Family Dog, HWL, the Purchaser, Big Sky and Rick's are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**." A reference to the Seller Group or the Purchaser Group is a reference to each Party that comprises such group.

WHEREAS, the Seller owns and operates an adult entertainment establishment known as PT's Indy (the "**Business**") located at 7916 Pendleton Pike, Indianapolis, Indiana (the "**Premises**");

WHEREAS, HWL owns 90% of the issued and outstanding membership of the Seller;

WHEREAS, Family Dog owns 99.99% of the issued and outstanding partnership interests of HWL;

WHEREAS, Big Sky owns 100% of the issued and outstanding capital stock of Purchaser;

WHEREAS, Rick's owns 100% of the issued and outstanding capital stock of Big Sky;

WHEREAS, the Purchaser and the Seller desire that the Purchaser purchase and the Seller sell substantially all of the assets owned by the Seller, which is substantially all of the assets of the Business; and

WHEREAS, the transactions contemplated by this Agreement are part of a series of related transactions by and among HWL, Family Dog, and certain of their affiliated or related parties, on the one hand, and Ricks and certain of its affiliated parties, on the other hand, as further described in Section 4.3.

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 Seller 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 Seller will 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 (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and the Purchaser will acquire from the Seller all of the tangible and intangible assets and personal property of every kind and description and wherever situated used in the Business, except the Excluded Assets, as defined in Section 1.2, including the following personal property of the Seller:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated used in the Business, including inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers 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 Seller (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 Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including all alcoholic beverages sold by the Seller 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;

(d) all of the Seller's right, title, and interest, as lessee, of any and all equipment leased by the Seller and located at the Premises if disclosed by Seller and for which Purchaser agrees to assume payment. The Seller will 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 Seller to the use of the telephone numbers presently being used in 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;

(f) copies of the Seller'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 Seller or any rights thereto, including but not limited to the name "PT's Indy" or any derivative, all trademarks, trade names, service marks, patents, copyrights, and trade secrets;

(h) all licenses, rights or ownership interests held by the Seller 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;

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult nude or semi-nude entertainment business serving alcoholic beverages on the Premises which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and 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 Seller, the Seller'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**").

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, will list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (a) the corporate seals, books, accounting records and records related to corporate governance of the Seller; (b) all the Seller's bank accounts and all Seller monies (including cash) on hand as of the Closing; (c) all credit card receipts and ATM purchases from the operation of the Business as of the close of business on the day of Closing; (d) securities of any type, whether marketable or not; (e) all prepaid expenses, security deposits and tax refunds; (f) accounts or notes receivable of, or held by, the Seller not generated by the business of the Seller; (g) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise; (h) the Seller'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 Seller is a party; (i) all business insurance policies of the Seller; and (j) all employee benefit plans of the Seller (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 Seller which are used in the Business and are not otherwise an Excluded Asset, such assets will nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II
LIABILITIES

Section 2.1 Excluded Liabilities. Except for the Assumed Liabilities (defined in Section 2.2(b)), Purchaser will have no obligation and is not assuming, and the Seller will 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, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 Seller, liabilities to any Governmental Authority (as hereinafter defined) or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**"), including, but not limited to, (a) contractual liabilities arising or accruing from the Seller or the Business or ownership of the Purchased Assets prior to the Closing Date, (b) any existing litigation against the Seller or the Business, (c) any liability with respect to the Seller's or the Business or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by the Seller for taxable periods or portions of taxable periods ending 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 (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Indemnitees (as hereinafter defined in Section 11.1) which arises from or which is based upon or pertaining to the Seller Group's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that the Seller misclassified any entertainers.

Section 2.2 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:

(a) the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing, other than liabilities arising out of a breach of this Agreement by the Seller Group, including (i) contractual liabilities arising from the Seller's ownership of the Purchased Assets on or after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser, subject to subsection (b) below), (ii) any liability resulting from the ownership of any of the Purchased Assets that occurs subsequent to the Closing, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending subsequent to the Closing, 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, and (iv) any litigation, suit, action, proceeding, claim or investigation by any individual or Governmental Authority alleging that, during any period after the Closing, Purchaser, through its operation of the Business after the Closing, misclassified entertainers; and

(b) the liabilities arising on or after the Closing Date under the contracts set forth in Schedule 2.2, which are assumed in writing by Purchaser (the liabilities and obligation set forth in subsections (a) and (b) are collectively, the "**Assumed Liabilities**").

Section 2.3 Taxes.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller Group and 50% by the Purchaser Group.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller Group shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to relating to the Business, the Purchased Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller Group shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed). Any such liability will be an Excluded Liability.

ARTICLE III
PURCHASE PRICE FOR
THE PURCHASED ASSETS

Purchase Price. The Purchaser will pay to the Seller for all of the Purchased Assets a total purchase price of $6,000,000.00 (the "**Purchase Price**"), which will be payable at the Closing as follows:

(a) $2,077,745.72 payable by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing;

(b) A 10 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $1,166,077.74;

(c) A 20 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $848,056.54; and

(d) the issuance and delivery of 31,802 Rick's Shares (defined in Section 4.3(a)(iii)), which may be issued direct to, or transferred after the Closing to, HWL or Family Dog.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur as part of the First Closing (defined in Section 4.3(a)(v)) or the First Closing shall have already occurred. The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) a bill of sale, in a form agreed to by the Parties, executed by the Seller;

(ii) an assignment and assumption agreement, in a form agreed to by the Parties (the "**Assignment and Assumption Agreement**"), executed by the Seller;

(iii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Troy Lowrie ("**Lowrie**");

(iv) a lock-up/leak-out agreement, in a form agreed to by the Parties (a "**Lock-up/Leak-Out Agreement**"), executed by HWL, Family Dog, and each equity owner of Family Dog who will receive 12,000 or more Rick's Shares (each, a "**Shareholder**");

(v) an agreement terminating the Existing Lease (defined in Section 5.16), in a form agreed to by the Parties, executed by the Seller and owner and lessor of the Premises (for clarity, such landlord is a real estate seller selling real property to RCI Holdings, Inc., as described in Section 4.3(b));

(vi) a security agreement, in a form agreed to by the Parties (the "**Security Agreement**"), executed by HWL and Family Dog; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Assignment and Assumption Agreement executed by Purchaser;

(ii) the Non-Compete Agreement executed by Rick's;

(iii) the Lock-up/Leak-Out Agreement executed by Rick's;

(iv) the Purchase Price in accordance with Article III, including the Club Notes and issuance and delivery of the Rick's Shares;

(v) the executed Guaranty Agreement of Rick's of the Club Notes (the "**Rick's Guaranty**");

(vi) the Security Agreement executed by the Purchaser; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. The transactions contemplated by this Agreement are part of series of related transactions by and among certain of the Parties and certain affiliated and related parties (the "**Related Transaction Parties**"). The Related Transaction Parties intend and will use commercially reasonable efforts to cause the transactions described in this Section 4.3 (collectively, the "**Related Transactions**") to close as described in this Section 4.3.

(a) Sale of the Affiliated Clubs.

(i) The Parties intend that each affiliated club seller, as set forth in Exhibit 4.3(a) (an "**Affiliated Club Seller**"), will sell substantially all of its tangible and intangible assets and personal property (each, a "**Club Transaction**") to a subsidiary of Rick's (an "**Affiliated Club Purchaser**") for the purchase price identified on Exhibit 4.3(a) pursuant to a definitive asset purchase agreement with provisions substantially similar to this Agreement (each, a "**Definitive Agreement**").

(ii) For clarity, (1) the Seller under this Agreement is an Affiliated Club Seller, (2) the transactions contemplated by this Agreement constitute a Club Transaction, and (3) this Agreement is a Definitive Agreement.

(iii) The aggregate purchase price to be paid by Rick's and the Affiliated Club Purchasers to the Affiliated Club Sellers from the closing of all the Club Transactions is $56,600,000, payable as follows: (1) $19,600,000 payable by cashier's check, certified funds, or wire transfer; (2) $11,000,000 evidenced by ten-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in one hundred twenty (120) equal monthly payments of principal and interest (each, a "**10 Year Note**"); (3) $8,000,000 evidenced by twenty-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in two hundred forty (240) equal monthly payments of principal and interest (each, a "**20 Year Note**" and, together with the 10 Year Notes, the "**Club Notes**"); and (4) the issuance of 300,000 shares of restricted common stock, par value $0.01 of Rick's, based on a per share price of $60.00 per share (the "**Rick's Shares**"); with each type of consideration under subsections (1), (2), (3) and (4) above to be paid pro-rata based on the purchase price for each Club Transaction.

(iv) Rick's and the Affiliated Club Purchaser shall issue the Rick's Shares and the Club Notes directly to HWL or Family Dog (as directed by the Seller Group), unless otherwise directly by the Seller Group. The Club Notes and the Rick's Guaranty shall be in the form agreed to by the Parties.

(v) The Related Transaction Parties desire to close all the Club Transactions on the same closing date, but recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, the Related Transaction Parties anticipate and intend to close at least six of the nine Club Transactions and the purchase of substantially all of the assets of OG1, LLC, an Unaffiliated Club as referred to and defined in Section 9.15 hereof, on the first such closing (the "**First Closing**") and to close the remaining Club Transactions as soon as practicable thereafter.

(b) Sale of the Real Property. At the First Closing, and pursuant to one or more definitive purchase and sale agreements, the appropriate parties shall close on the purchase and sale of six parcels of real property from certain real estate sellers to RCI Holdings, Inc., a Texas corporation wholly owned by Ricks, all as identified and for the aggregate purchase prices set forth on Exhibit 4.3(b). The real estate sellers will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the real estate properties set forth beside the real estate sellers name on Exhibit 4.3(b), which warranty deeds will convey good and marketable title to the real properties to RCI Holdings, Inc. free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(c) Sale of Intellectual Property. At the First Closing, and pursuant to a definitive asset purchase agreement, the appropriate parties shall close on the sale of substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("**Club Licensing**"), to a wholly owned subsidiary of Rick's for a purchase price of $13,000,000. The assets of Club Licensing include substantially all of the intellectual property used in the adult entertainment establishment businesses owned and operated by the Affiliated Club Sellers (the "**IP Transaction**").

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER GROUP

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller Group, jointly and severally, hereby represents and warrants to the Purchaser Group the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller Group.

(a) The Seller is an Indiana limited liability company duly organized and validly existing and in good standing under the laws of the state of Indiana, 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 Seller.

(b) HWL is a Colorado limited liability limited partnership duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 HWL.

(c) Family Dog is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Family Dog.

Section 5.2 Ownership of the Seller and HWL.

(a) HWL owns 90% and Johan Van Baal owns 10% of the issued and outstanding membership interests of the Seller, which membership interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of stock authorized or issued by the Seller.

(b) Family Dog owns substantially all of the issued and outstanding partnership interests in HWL, which interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances.

Section 5.3 Subsidiaries. The Seller does not own any subsidiaries.

Section 5.4 Ownership of the Purchased Assets. The Seller 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 Seller 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 Encumbrances 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 5.4, attached hereto; and (b) any Encumbrances contemplated under the Club Notes and Security Agreement in favor of the Seller, HWL, and Family Dog.

Section 5.5 Authorization. All action on the part of the Seller Group necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller Group or will be taken prior to the Closing Date. The Seller Group has the requisite power and authority to execute and deliver this Agreement and to perform their 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 Seller Group, enforceable against the Seller Group 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 5.6 Acquisition of Stock for Investment.

(a) The Seller Group understands that the issuance of the Rick's Shares (as referenced in Article III herein) will not have been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and accordingly, are restricted securities, and the Seller Group's present intention is to receive and hold the Rick's Shares for investment only and not with a view to the distribution or resale thereof.

(b) Additionally, the Seller Group understands that any sale of any of the Rick's Shares issued under current law, will require either (i) the registration of the Rick's Shares under the Securities Act and applicable state securities laws; (ii) compliance with Rule 144 under the Securities Act; or (iii) the availability of an exemption from the registration requirements of the Securities Act and applicable state securities laws.

(c) The Seller Group acknowledges and represents that they are Accredited Investors as that term is defined in Rule 5.01(a) of Regulation D promulgated under the Securities Act.

(d) To assist in implementing the above provisions, the Seller Group hereby consents to the placement of the legend set forth below, or a substantially similar legend, on all certificates representing ownership of the Rick's Shares acquired hereby until the Rick's Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT, ARE RESTRICTED AS TO TRANSFERABILITY, AND MAY NOT BE SOLD, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION AND QUALIFICATION PROVISIONS OF APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM.

(e) The Seller Group understands and agrees that Rick's may notify its transfer agent of the Lock-Up/Leak-Out Agreements and the limitation on the number of Rick's Shares that may be sold in any given month in accordance with the terms and conditions of the Lock-Up/Leak-Out Agreement.

Section 5.7 The Seller Group's Access to Information. The Seller Group hereby confirms and represent that they: (a) have received (i) a copy of Rick's Form 10-K filed with the Securities and Exchange Commission (the "**SEC**") for the year ended September 30, 2020, and a copy of Rick's Form 10-Q's for the quarters ended December 31, 2020 and March 31, 2021, as filed with the SEC; (ii) a copy of Rick's Form 14A filed with the SEC on July 31, 2020; (iii) a copy of Rick's Form S-3 filed with the SEC on May 14, 2021, which went Effective on June 3, 2021; (iv) a copy of the Form 8-K's filed with the SEC on October 8, 2020, November 19, 2020, December 16, 2020, January 12, 2021, February 10, 2021, May 10, 2021, May 20, 2021, June 6, 2021, July 2, 2021, July 8, 2021 and July 15, 2021; (b) have been afforded the opportunity to ask questions of and receive answers from representatives of Rick's concerning the business and financial condition, properties, operations and prospects of Rick's; (c) have such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of the transactions contemplated hereby; (d) have had an opportunity to engage and is represented by an attorney of his choice; (e) have had an opportunity to negotiate the terms and conditions of this Agreement; (f) have been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (g) have been provided with and given an opportunity to review all current information about Rick's.

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller Group does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller Group; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets other than as contemplated herein; (c) 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 any member of the Seller Group is a party of by which the Seller Group's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller Group 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller Group in connection with the execution and delivery by the Seller Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller Group before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Purchased Assets, and there is no basis known to the Seller Group for any such action. No litigation is pending or threatened against the Seller Group, 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 Seller Group is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller Group, the Purchased Assets, or the Business.

Section 5.11 Taxes. The Seller Group has timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller Group and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. The Seller Group is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller Group or the Purchased Assets as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Seller. No assessments or notices of deficiency or other communications have been received by the Seller Group with respect to any tax return of the Seller 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 5.11, none of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the knowledge of the Seller Group, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller Group 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser the Seller's year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited Balance Sheets of the Seller as of June 30, 2021, 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 Seller and fairly represent in all material respects the financial position of the Seller and the results of operations and changes in financial position of the Seller as of the dates and for the periods indicated, in each case in conformity with the Seller's historical accounting practices applied on a consistent basis. Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, the Seller, 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 generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Seller has conducted its business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Seller; (b) acquisition or disposition of any material asset by the Seller or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Seller's accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 Seller is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Seller 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 Seller any labor disputes, strikes or work stoppages. The Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Seller is not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Seller. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Seller, or contributions or payments due to any Seller benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Seller personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the knowledge of the Seller Group, the Seller is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller Group has 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 Seller. The Seller 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 5.15 sets forth a list of all licenses and Permits held by the Seller used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, the Seller does not (a) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the Business. The Seller operates its adult entertainment establishment located at the Premises under an existing lease agreement (the "**Existing Lease**"), which Existing Lease will be terminated as of the Closing Date. The Seller will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the Purchased Assets of the Seller to which it is subject or is a party or a beneficiary. 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 Seller 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, the Seller 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: (a) the sale, merger, consolidation or recapitalization of the Seller; (b) the sale of any of the Purchased Assets of the Seller (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Seller; (d) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Seller; or (g) the expenditure of more than $10,000 or the performance by the Seller extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Seller is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Seller or (b) covenants of HWL or the Seller 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 Seller in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. The Seller 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 Seller alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Seller, and no property currently or formerly owned, leased, or operated by the Seller, has been contaminated by the Seller or to the knowledge of the Seller Group by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Seller. The Seller 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Seller Group relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. The Seller Group is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Seller, under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Seller, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller Group.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER GROUP

The Purchaser Group hereby jointly and severally represents and warrants to the Seller Group as follows:

Section 6.1 Organization, Good Standing and Qualification of the Purchaser Group.

(a) The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Indiana, (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.

(b) Rick's (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 Rick's.

(c) Big Sky (i) is an entity duly organized 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 Big Sky.

Section 6.2 Authorization. All action on the part of the Purchaser Group 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 each member of the Purchaser Group or will be taken prior to the Closing Date. The Purchaser Group 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 Group, enforceable against the Purchaser Group 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser Group does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser Group is a party.

Section 6.4 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 any member of the Purchaser Group in connection with the execution and delivery by each member of the Purchaser Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser Group 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 Group.

Section 6.6 Valid Issuance of Shares. The Rick's Shares, when issued, sold, and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Lock-Up/Leak-Out Agreement and applicable state and federal securities laws. Assuming the accuracy of the representations of the Seller Group in Sections 5.6 and 5.7, the Rick's Shares will be issued in compliance with all applicable federal and state securities laws.

Section 6.7 Review of Affiliated Club Sellers' Financials. In reviewing the Seller's Financial Statements, and the other similar financial statements of the Affiliated Club Sellers, the Purchaser Group has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser Group to proceed with this Agreement, the Seller Group agree that until the Closing Date or the termination of this Agreement, whichever is earlier, none of the Seller Group or their affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller Group and which the Seller Group believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller Group; or (f) authorize or permit any of the Seller Group's Agents to take any such action or other actions as would adversely affect the Purchaser Group's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller Group set forth in the preceding sentence by any Agent of the Seller Group or its affiliates shall be a breach of this Section 7.1 by the Seller Group. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller Group, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller Group, (iii) license or transfer of all or a portion of the Purchased Assets or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller Group shall file or cause to be filed all tax returns required to be filed by the Seller Group, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller Group shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller Group will, and will cause the Seller to, (a) provide the Purchaser Group and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Seller, and to the books and records of the Seller; (b) permit the Purchaser Group to make inspections thereof; and (c) cause the officers and advisors of the Seller Group to furnish the Purchaser Group with such financial and operating data and other information with respect to Purchased Assets, Premises, and the Business and to discuss such information with the Purchaser Group, as the Purchaser Group may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller Group.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Seller will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Seller will not liquidate or distribute any membership interest or other equity interest or undertake any direct or indirect redemption, purchase or other acquisition of any equity interest;

(b) The Seller 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) Except as described on Schedule 7.4, the Seller 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 and with the consent of the Purchaser Group (not to be unreasonably withheld);

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

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

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

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

(k) The Seller 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;

(l) The Seller will not enter into any non-cancellable contract or agreement longer than one year;

(m) The Seller will not reclassify, split up or otherwise change any of its membership interest or capital structure;

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

(o) The Seller will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller Group shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller Group shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser Group has the right to terminate this Agreement prior to the Closing by written notice to the Seller Group in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser Group in its discretion. In the event that the Purchaser Group does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser Group shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF
THE SELLER GROUP

Each obligation of the Seller Group to be performed on the Closing Date will 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 Seller Group in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser Group contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser Group will provide to the Seller Group certificates, dated the Closing Date and signed by their presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser Group will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser Group will provide corporate resolutions of their 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 8.6 Good Standing Certificate. The Seller Group shall have received a Certificate of Good Standing issued by the state of Indiana for the Purchaser and from the state of Texas for Rick's and Big Sky.

Section 8.7 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 any member of the Purchaser Group.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will 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, including but not limited to, a sexually oriented business license and a liquor license, and all such permits and authorizations will 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, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER GROUP

Each obligation of the Purchaser Group 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 the Purchaser Group in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller Group will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller Group will provide to the Purchaser Group certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller Group, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Purchase Assets. The Seller will 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 9.5 Corporate Resolutions. Each member of the Seller Group will provide to the Purchaser Group resolutions of its board of directors, managers, shareholders, members and general partner, as the case may be, of each of the respective Parties 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the state of Indiana or Colorado for each member of the Seller Group.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will 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, including but not limited to, a sexually oriented business license and a liquor license consistent with the current operation of the Business, and all such permits and authorizations will be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the serving of liquor and the continued performance of live female adult semi-nude entertainment, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Seller and the Business of PT's Indy and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Seller and Affiliated Club Sellers will be maintained and exist consistent with past practices and able to be audited by Rick's independent auditors.

Section 9.12 Bank Financing. RCI Holdings, Inc. or its Affiliates shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Properties as contemplated pursuant to Section 4.3(b) of the Related Transactions.

Section 9.13 Adjusted EBITDA. The 2019 adjusted EBITDA for the Affiliated Club Sellers shall total an aggregate of not less than $10,700,000.

Section 9.14 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 any member of the Seller Group or any of the Seller's assets.

Section 9.15 Unaffiliated Clubs. Affiliates of Rick's shall have entered into definitive asset purchase agreements for the purchase of substantially all of the assets of Market Entertainment Inc. and OG1, LLC, which operate the adult entertainment establishment businesses known as PT's Louisville and PT's Denver, respectively (the "**Unaffiliated Clubs**"). For clarity, the Unaffiliated Clubs are operated on real property being sold as part of the Real Estate Transaction.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Seller will be responsible and liable to the Purchaser for the liabilities of the Seller 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, a *pro rata* portion of prepaid items, and other Excluded Assets delivered to Purchaser. If such Excluded Assets exceed such Excluded Liabilities as of the Closing Date, the Purchaser shall promptly pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price among the Purchased Assets and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule. The maximum amount that may be allocated in the final allocation schedule to the Non-Compete Agreement shall not exceed $10,000 ($90,000 in aggregate across all Definitive Agreements).

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller Group. The Seller Group, jointly and severally, hereby agree to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller Group contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller Group under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser Group. The Purchaser Group, jointly and severally, agree to and will indemnify, defend (with legal counsel reasonably acceptable to the HWL) and hold the Seller Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser Group contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser Group under this Agreement; or (c) any Assumed Liability.

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a Third-Party Claim(s), the aggregate amount of all Losses for which the Seller Group shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s);

(b) The aggregate amount of all Losses arising from Third Party Claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller Group on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud; and

(c) Only with respect to Losses arising from a Third-Party Claim(s), notwithstanding Sections 11.4(a) and (b), the total aggregate amount of all Losses which HWL, Family Dog, and the Affiliated Club Sellers shall be liable for under the indemnification provisions in all Definitive Agreements shall not exceed $22,000,000; provided, that the foregoing limitation shall not apply in the case of fraud and/or in the case of direct (or first party) claim(s).

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller Group will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser Group will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser Group is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser Group of any Excluded Liabilities, such amounts shall be paid first by an offset from the then-outstanding principal balance under the Club Notes (defined in Section 4.3(a)(iii)) and, if the aggregate amount of such payments exceeds the then-outstanding principal balance under the Club Notes, directly from any member of the Seller Group. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b), the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser Group or any of their affiliates from bringing a claim against any Person, including any of the Seller Group, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser Group or any of their affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
MISCELLANEOUS

Section 12.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder will 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 Seller:
Indy Restaurant Concepts, LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(b) If to HWL or Family Dog:
HWL-3, LLLP
Family Dog LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(c) If to the Purchaser or Big Sky:
Big Sky Hospitality Holdings, Inc.
7916 Pendleton, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
email: eric@rcihh.com

(d) If to Rick's:
RCI Hospitality Holdings, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to:
Robert D. Axelrod
Axelrod & Smith
5300 Memorial Drive, Suite 1000
Houston, Texas 77007
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 a 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 12.3 Severability. Whenever possible, each provision of this Agreement will 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 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 12.5 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 will 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 12.6 Entire Agreement. This Agreement 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 12.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 12.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 12.9 Costs and Expenses. Each Party will 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 12.10 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 will not affect its interpretation.

Section 12.11 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 Seller) that is not a Party to this Agreement.

Section 12.12 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 12.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 12.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the First Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 12.15 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 12.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 12.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 12.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Seller Group:

INDY RESTAURANT CONCEPTS, LLC

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: Manager

HWL-3 LLLP

By: TARGE INC., its general partner

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: President of Targe Inc.

FAMILY DOG, LLC

By: Union Services, Inc., its manager

By: */s/ Troy Houston Lowrie, Jr.*
Name: Troy Houston Lowrie, Jr.
Title: President of Union Services, Inc.

Signature page to Asset Purchase Agreement

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Purchaser Group:

7916 PENDLETON, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

RCI HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

BIG SKY HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item	Quantity	Item	Quantity

EXHIBIT 4.3(a)

Affiliated Club Asset Purchase Agreements

Affiliated Club Sellers	Affiliated Club Name	Address of Affiliated Club	Purchase Price
Glenarm Restaurant Concepts LLC	Diamond Cabaret Denver	1222 Glenarm Place, Denver, CO	$ 11,300,000
Glendale Restaurant Concepts LLC	Mile High Club	4451 E Virginia Ave., Glendale, CO	$ 1,200,000
Illinois Restaurant Concepts, LLC	Diamond Club St. Louis	1401 Mississippi Ave., Bay 18, Sauget, IL	$ 5,800,000
Indy Restaurant Concepts, LLC.	PT's Indy	7916 Pendleton Pike, Indianapolis, IN	$ 6,000,000
Kenkev, Inc.	PT's Portland	200 Riverside St., Portland, ME	$ 7,900,000
MRC, LLC	Country Rock Cabaret	200 Monsanto Ave., Sauget, IL	$ 3,900,000
Raleigh Restaurant Concepts, LLC	Men's Club Raleigh	3210 Yonkers Rd., Raleigh, NC	$ 8,230,000
Stout Restaurant Concepts, LLC	LaBoheme	1443 Stout St., Denver, CO	$ 6,970,000
VCG Restaurants Denver, LLC	PT' Centerfold	3480 S Galena Ave., Denver, CO	$ 5,300,000

EXHIBIT 4.3(b)

Real Estate Property

Real Estate Sellers	Address of Real Properties	Purchase Price*	Club that Occupies Real Property
1601 W Evans LLC	1601 W Evans Ave., Denver CO	$ 3,325,000	PT's Showclub
200 Riverside LLC	200 Riverside St., Portland, ME	$ 3,100,000	PT's Showclub
227 E Market LLC	227 E Market St., Louisville, KY	$ 1,900,000	PT's Showclub
3480 S Galena LLC	3480 S Galena Ave., Denver, CO	$ 4,500,000	PT's Centerfolds
4451 E Virginia LLC	4451 E Virginia Ave., Glendale, CO	$ 3,325,000	Mile High Men's Club
7916 Pendleton Pike LLC	7916 Pendleton Pike, Indianapolis, IN	$ 1,850,000	PT's Showclub

* The purchase price for each real property may change, provided that the aggregate purchase price remains unchanged.

Exhibit 10.5

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among MRC, LLC, an Illinois limited liability company (the "**Seller**"), HWL-3 LLLP, a Colorado limited liability limited partnership ("**HWL**"), Family Dog LLC, a Colorado limited liability company ("**Family Dog**" and, together with the Seller and HWL, the "**Seller Group**"), 200 Monsanto, Inc., an Illinois corporation (the "**Purchaser**") Big Sky Hospitality Holdings, Inc., a Texas corporation ("**Big Sky**") and RCI Hospitality Holdings, Inc., a Texas corporation ("**Rick's**" and, together with the Purchaser and Big Sky, the "**Purchaser Group**"). The Seller, Family Dog, HWL, the Purchaser, Big Sky and Rick's are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**." A reference to the Seller Group or the Purchaser Group is a reference to each Party that comprises such group.

WHEREAS, the Seller owns and operates an adult entertainment establishment known as Country Rock Cabaret (the "**Business**") located at 200 Monsanto Ave., Sauget, Illinois (the "**Premises**");

WHEREAS, HWL owns 90% of the issued and outstanding membership of the Seller;

WHEREAS, Family Dog owns 99.99% of the issued and outstanding partnership interests of HWL;

WHEREAS, Big Sky owns 100% of the issued and outstanding capital stock of Purchaser;

WHEREAS, Rick's owns 100% of the issued and outstanding capital stock of Big Sky;

WHEREAS, the Purchaser and the Seller desire that the Purchaser purchase and the Seller sell substantially all of the assets owned by the Seller, which is substantially all of the assets of the Business; and

WHEREAS, the transactions contemplated by this Agreement are part of a series of related transactions by and among HWL, Family Dog, and certain of their affiliated or related parties, on the one hand, and Ricks and certain of its affiliated parties, on the other hand, as further described in Section 4.3.

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 Seller 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 Seller will 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 (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and the Purchaser will acquire from the Seller all of the tangible and intangible assets and personal property of every kind and description and wherever situated used in the Business, except the Excluded Assets, as defined in Section 1.2, including the following personal property of the Seller:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated used in the Business, including inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers 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 Seller (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 Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including all alcoholic beverages sold by the Seller 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;

(d) all of the Seller's right, title, and interest, as lessee, of any and all equipment leased by the Seller and located at the Premises if disclosed by Seller and for which Purchaser agrees to assume payment. The Seller will 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 Seller to the use of the telephone numbers presently being used in 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;

(f) copies of the Seller'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 Seller or any rights thereto, including but not limited to the name "Country Rock Cabaret" or any derivative, all trademarks, trade names, service marks, patents, copyrights, and trade secrets;

(h) all licenses, rights or ownership interests held by the Seller 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;

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult nude or semi-nude entertainment business serving alcoholic beverages on the Premises which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and 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 Seller, the Seller'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**").

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, will list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (a) the corporate seals, books, accounting records and records related to corporate governance of the Seller; (b) all the Seller's bank accounts and all Seller monies (including cash) on hand as of the Closing; (c) all credit card receipts and ATM purchases from the operation of the Business as of the close of business on the day of Closing; (d) securities of any type, whether marketable or not; (e) all prepaid expenses, security deposits and tax refunds; (f) accounts or notes receivable of, or held by, the Seller not generated by the business of the Seller; (g) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise; (h) the Seller'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 Seller is a party; (i) all business insurance policies of the Seller; and (j) all employee benefit plans of the Seller (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 Seller which are used in the Business and are not otherwise an Excluded Asset, such assets will nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II
LIABILITIES

Section 2.1 Excluded Liabilities. Except for the Assumed Liabilities (defined in Section 2.2(b)), Purchaser will have no obligation and is not assuming, and the Seller will 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, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 Seller, liabilities to any Governmental Authority (as hereinafter defined) or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**"), including, but not limited to, (a) contractual liabilities arising or accruing from the Seller or the Business or ownership of the Purchased Assets prior to the Closing Date, (b) any existing litigation against the Seller or the Business, (c) any liability with respect to the Seller's or the Business or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by the Seller for taxable periods or portions of taxable periods ending 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 (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Indemnitees (as hereinafter defined in Section 11.1) which arises from or which is based upon or pertaining to the Seller Group's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that the Seller misclassified any entertainers.

Section 2.2 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:

(a) the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing, other than liabilities arising out of a breach of this Agreement by the Seller Group, including (i) contractual liabilities arising from the Seller's ownership of the Purchased Assets on or after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser, subject to subsection (b) below), (ii) any liability resulting from the ownership of any of the Purchased Assets that occurs subsequent to the Closing, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending subsequent to the Closing, 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, and (iv) any litigation, suit, action, proceeding, claim or investigation by any individual or Governmental Authority alleging that, during any period after the Closing, Purchaser, through its operation of the Business after the Closing, misclassified entertainers; and

(b) the liabilities arising on or after the Closing Date under the contracts set forth in Schedule 2.2, which are assumed in writing by Purchaser (the liabilities and obligation set forth in subsections (a) and (b) are collectively, the "**Assumed Liabilities**").

Section 2.3 Taxes.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller Group and 50% by the Purchaser Group.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller Group shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to relating to the Business, the Purchased Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller Group shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed). Any such liability will be an Excluded Liability.

ARTICLE III
PURCHASE PRICE FOR
THE PURCHASED ASSETS

Purchase Price. The Purchaser will pay to the Seller for all of the Purchased Assets a total purchase price of $3,900,000.00 (the "**Purchase Price**"), which will be payable at the Closing as follows:

(a) $1,350,552.72 payable by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing;

(b) A 10 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $757,950.53;

(c) A 20 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $551,236.75; and

(d) the issuance and delivery of 20,671 Rick's Shares (defined in Section 4.3(a)(iii)), which may be issued direct to, or transferred after the Closing to, HWL or Family Dog.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur as part of the First Closing (defined in Section 4.3(a)(v)) or the First Closing shall have already occurred. The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) a bill of sale, in a form agreed to by the Parties, executed by the Seller;

(ii) an assignment and assumption agreement, in a form agreed to by the Parties (the "**Assignment and Assumption Agreement**"), executed by the Seller;

(iii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Troy Lowrie ("**Lowrie**");

(iv) a lock-up/leak-out agreement, in a form agreed to by the Parties (a "**Lock-up/Leak-Out Agreement**"), executed by HWL, Family Dog, and each equity owner of Family Dog who will receive 12,000 or more Rick's Shares (each, a "**Shareholder**");

(v) either:

(1) an executed assignment of the Existing Lease (defined in Section 5.16) consistent with Section 9.16, with the consent of the owner and lessor of the Premises, in a form agreed to by the Parties; or

(2) in the event of a New Lease (defined in Section 9.16), an agreement terminating the Existing Lease, in a form agreed to by the Parties, executed by the Seller and owner and lessor of the Premises;

(vi) a security agreement, in a form agreed to by the Parties (the "**Security Agreement**"), executed by HWL and Family Dog; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Assignment and Assumption Agreement executed by Purchaser;

(ii) the Non-Compete Agreement executed by Rick's;

(iii) the Lock-up/Leak-Out Agreement executed by Rick's;

(iv) the Purchase Price in accordance with Article III, including the Club Notes and issuance and delivery of the Rick's Shares;

(v) the executed Guaranty Agreement of Rick's of the Club Notes (the "**Rick's Guaranty**");

(vi) the Security Agreement executed by the Purchaser; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. The transactions contemplated by this Agreement are part of series of related transactions by and among certain of the Parties and certain affiliated and related parties (the "**Related Transaction Parties**"). The Related Transaction Parties intend and will use commercially reasonable efforts to cause the transactions described in this Section 4.3 (collectively, the "**Related Transactions**") to close as described in this Section 4.3.

(a) Sale of the Affiliated Clubs.

(i) The Parties intend that each affiliated club seller, as set forth in Exhibit 4.3(a) (an "**Affiliated Club Seller**"), will sell substantially all of its tangible and intangible assets and personal property (each, a "**Club Transaction**") to a subsidiary of Rick's (an "**Affiliated Club Purchaser**") for the purchase price identified on Exhibit 4.3(a) pursuant to a definitive asset purchase agreement with provisions substantially similar to this Agreement (each, a "**Definitive Agreement**").

(ii) For clarity, (1) the Seller under this Agreement is an Affiliated Club Seller, (2) the transactions contemplated by this Agreement constitute a Club Transaction, and (3) this Agreement is a Definitive Agreement.

(iii) The aggregate purchase price to be paid by Rick's and the Affiliated Club Purchasers to the Affiliated Club Sellers from the closing of all the Club Transactions is $56,600,000, payable as follows: (1) $19,600,000 payable by cashier's check, certified funds, or wire transfer; (2) $11,000,000 evidenced by ten-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in one hundred twenty (120) equal monthly payments of principal and interest (each, a "**10 Year Note**"); (3) $8,000,000 evidenced by twenty-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in two hundred forty (240) equal monthly payments of principal and interest (each, a "**20 Year Note**" and, together with the 10 Year Notes, the "**Club Notes**"); and (4) the issuance of 300,000 shares of restricted common stock, par value $0.01 of Rick's, based on a per share price of $60.00 per share (the "**Rick's Shares**"); with each type of consideration under subsections (1), (2), (3) and (4) above to be paid pro-rata based on the purchase price for each Club Transaction.

(iv) Rick's and the Affiliated Club Purchaser shall issue the Rick's Shares and the Club Notes directly to HWL or Family Dog (as directed by the Seller Group), unless otherwise directly by the Seller Group. The Club Notes and the Rick's Guaranty shall be in the form agreed to by the Parties.

(v) The Related Transaction Parties desire to close all the Club Transactions on the same closing date, but recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, the Related Transaction Parties anticipate and intend to close at least six of the nine Club Transactions and the purchase of substantially all of the assets of OG1, LLC, an Unaffiliated Club as referred to and defined in Section 9.15 hereof, on the first such closing (the "**First Closing**") and to close the remaining Club Transactions as soon as practicable thereafter.

(b) Sale of the Real Property. At the First Closing, and pursuant to one or more definitive purchase and sale agreements, the appropriate parties shall close on the purchase and sale of six parcels of real property from certain real estate sellers to RCI Holdings, Inc., a Texas corporation wholly owned by Ricks, all as identified and for the aggregate purchase prices set forth on Exhibit 4.3(b). The real estate sellers will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the real estate properties set forth beside the real estate sellers name on Exhibit 4.3(b), which warranty deeds will convey good and marketable title to the real properties to RCI Holdings, Inc. free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(c) Sale of Intellectual Property. At the First Closing, and pursuant to a definitive asset purchase agreement, the appropriate parties shall close on the sale of substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("**Club Licensing**"), to a wholly owned subsidiary of Rick's for a purchase price of $13,000,000. The assets of Club Licensing include substantially all of the intellectual property used in the adult entertainment establishment businesses owned and operated by the Affiliated Club Sellers (the "**IP Transaction**").

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER GROUP

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller Group, jointly and severally, hereby represents and warrants to the Purchaser Group the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller Group.

(a) The Seller is an Illinois limited liability company duly organized and validly existing and in good standing under the laws of the state of Illinois, 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 Seller.

(b) HWL is a Colorado limited liability limited partnership duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 HWL.

(c) Family Dog is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Family Dog.

Section 5.2 Ownership of the Seller and HWL.

(a) HWL owns 90% and Johan Van Baal owns 10% of the issued and outstanding membership interests of the Seller, which membership interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of stock authorized or issued by the Seller.

(b) Family Dog owns substantially all of the issued and outstanding partnership interests in HWL, which interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances.

Section 5.3 Subsidiaries. The Seller does not own any subsidiaries.

Section 5.4 Ownership of the Purchased Assets. The Seller 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 Seller 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 Encumbrances 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 5.4, attached hereto; and (b) any Encumbrances contemplated under the Club Notes and Security Agreement in favor of the Seller, HWL, and Family Dog.

Section 5.5 Authorization. All action on the part of the Seller Group necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller Group or will be taken prior to the Closing Date. The Seller Group has the requisite power and authority to execute and deliver this Agreement and to perform their 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 Seller Group, enforceable against the Seller Group 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 5.6 Acquisition of Stock for Investment.

(a) The Seller Group understands that the issuance of the Rick's Shares (as referenced in Article III herein) will not have been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and accordingly, are restricted securities, and the Seller Group's present intention is to receive and hold the Rick's Shares for investment only and not with a view to the distribution or resale thereof.

(b) Additionally, the Seller Group understands that any sale of any of the Rick's Shares issued under current law, will require either (i) the registration of the Rick's Shares under the Securities Act and applicable state securities laws; (ii) compliance with Rule 144 under the Securities Act; or (iii) the availability of an exemption from the registration requirements of the Securities Act and applicable state securities laws.

(c) The Seller Group acknowledges and represents that they are Accredited Investors as that term is defined in Rule 5.01(a) of Regulation D promulgated under the Securities Act.

(d) To assist in implementing the above provisions, the Seller Group hereby consents to the placement of the legend set forth below, or a substantially similar legend, on all certificates representing ownership of the Rick's Shares acquired hereby until the Rick's Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT, ARE RESTRICTED AS TO TRANSFERABILITY, AND MAY NOT BE SOLD, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION AND QUALIFICATION PROVISIONS OF APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM.

(e) The Seller Group understands and agrees that Rick's may notify its transfer agent of the Lock-Up/Leak-Out Agreements and the limitation on the number of Rick's Shares that may be sold in any given month in accordance with the terms and conditions of the Lock-Up/Leak-Out Agreement.

Section 5.7 The Seller Group's Access to Information. The Seller Group hereby confirms and represent that they: (a) have received (i) a copy of Rick's Form 10-K filed with the Securities and Exchange Commission (the "**SEC**") for the year ended September 30, 2020, and a copy of Rick's Form 10-Q's for the quarters ended December 31, 2020 and March 31, 2021, as filed with the SEC; (ii) a copy of Rick's Form 14A filed with the SEC on July 31, 2020; (iii) a copy of Rick's Form S-3 filed with the SEC on May 14, 2021, which went Effective on June 3, 2021; (iv) a copy of the Form 8-K's filed with the SEC on October 8, 2020, November 19, 2020, December 16, 2020, January 12, 2021, February 10, 2021, May 10, 2021, May 20, 2021, June 6, 2021, July 2, 2021, July 8, 2021 and July 15, 2021; (b) have been afforded the opportunity to ask questions of and receive answers from representatives of Rick's concerning the business and financial condition, properties, operations and prospects of Rick's; (c) have such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of the transactions contemplated hereby; (d) have had an opportunity to engage and is represented by an attorney of his choice; (e) have had an opportunity to negotiate the terms and conditions of this Agreement; (f) have been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (g) have been provided with and given an opportunity to review all current information about Rick's.

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller Group does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller Group; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets other than as contemplated herein; (c) 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 any member of the Seller Group is a party of by which the Seller Group's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller Group 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller Group in connection with the execution and delivery by the Seller Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller Group before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Purchased Assets, and there is no basis known to the Seller Group for any such action. No litigation is pending or threatened against the Seller Group, 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 Seller Group is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller Group, the Purchased Assets, or the Business.

Section 5.11 Taxes. The Seller Group has timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller Group and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. The Seller Group is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller Group or the Purchased Assets as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Seller. No assessments or notices of deficiency or other communications have been received by the Seller Group with respect to any tax return of the Seller 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 5.11, none of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the knowledge of the Seller Group, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller Group 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser the Seller's year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited Balance Sheets of the Seller as of June 30, 2021, 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 Seller and fairly represent in all material respects the financial position of the Seller and the results of operations and changes in financial position of the Seller as of the dates and for the periods indicated, in each case in conformity with the Seller's historical accounting practices applied on a consistent basis. Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, the Seller, 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 generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Seller has conducted its business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Seller; (b) acquisition or disposition of any material asset by the Seller or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Seller's accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 Seller is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Seller 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 Seller any labor disputes, strikes or work stoppages. The Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Seller is not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Seller. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Seller, or contributions or payments due to any Seller benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Seller personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the knowledge of the Seller Group, the Seller is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller Group has 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 Seller. The Seller 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 5.15 sets forth a list of all licenses and Permits held by the Seller used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, the Seller does not (a) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the Business. The Seller operates its adult entertainment establishment located at the Premises under an existing lease agreement ("**Existing Lease**"), which Existing Lease will either be (i) assigned to the Purchaser with the consent of the landlord and the Purchaser or (ii) terminated if a New Lease (defined in Section 9.16) is entered into between the landlord and the Purchaser as of the Closing Date. The Seller will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the Purchased Assets of the Seller to which it is subject or is a party or a beneficiary. 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 Seller 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, the Seller 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: (a) the sale, merger, consolidation or recapitalization of the Seller; (b) the sale of any of the Purchased Assets of the Seller (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Seller; (d) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Seller; or (g) the expenditure of more than $10,000 or the performance by the Seller extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Seller is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Seller or (b) covenants of HWL or the Seller 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 Seller in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. The Seller 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 Seller alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Seller, and no property currently or formerly owned, leased, or operated by the Seller, has been contaminated by the Seller or to the knowledge of the Seller Group by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Seller. The Seller 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Seller Group relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. The Seller Group is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Seller, under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Seller, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller Group.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER GROUP

The Purchaser Group hereby jointly and severally represents and warrants to the Seller Group as follows:

Section 6.1 Organization, Good Standing and Qualification of the Purchaser Group.

(a) The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Illinois, (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.

(b) Rick's (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 Rick's.

(c) Big Sky (i) is an entity duly organized 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 Big Sky.

Section 6.2 Authorization. All action on the part of the Purchaser Group 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 each member of the Purchaser Group or will be taken prior to the Closing Date. The Purchaser Group 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 Group, enforceable against the Purchaser Group 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser Group does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser Group is a party.

Section 6.4 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 any member of the Purchaser Group in connection with the execution and delivery by each member of the Purchaser Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser Group 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 Group.

Section 6.6 Valid Issuance of Shares. The Rick's Shares, when issued, sold, and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Lock-Up/Leak-Out Agreement and applicable state and federal securities laws. Assuming the accuracy of the representations of the Seller Group in Sections 5.6 and 5.7, the Rick's Shares will be issued in compliance with all applicable federal and state securities laws.

Section 6.7 Review of Affiliated Club Sellers' Financials. In reviewing the Seller's Financial Statements, and the other similar financial statements of the Affiliated Club Sellers, the Purchaser Group has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser Group to proceed with this Agreement, the Seller Group agree that until the Closing Date or the termination of this Agreement, whichever is earlier, none of the Seller Group or their affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller Group and which the Seller Group believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller Group; or (f) authorize or permit any of the Seller Group's Agents to take any such action or other actions as would adversely affect the Purchaser Group's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller Group set forth in the preceding sentence by any Agent of the Seller Group or its affiliates shall be a breach of this Section 7.1 by the Seller Group. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller Group, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller Group, (iii) license or transfer of all or a portion of the Purchased Assets or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller Group shall file or cause to be filed all tax returns required to be filed by the Seller Group, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller Group shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller Group will, and will cause the Seller to, (a) provide the Purchaser Group and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Seller, and to the books and records of the Seller; (b) permit the Purchaser Group to make inspections thereof; and (c) cause the officers and advisors of the Seller Group to furnish the Purchaser Group with such financial and operating data and other information with respect to Purchased Assets, Premises, and the Business and to discuss such information with the Purchaser Group, as the Purchaser Group may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller Group.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Seller will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Seller will not liquidate or distribute any membership interests or other equity interest or undertake any direct or indirect redemption, purchase or other acquisition of any equity interest;

(b) The Seller 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) Except as described on Schedule 7.4, the Seller 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 and with the consent of the Purchaser Group (not to be unreasonably withheld);

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

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

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

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

(k) The Seller 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;

(l) The Seller will not enter into any non-cancellable contract or agreement longer than one year;

(m) The Seller will not reclassify, split up or otherwise change any of its membership interest or capital structure;

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

(o) The Seller will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller Group shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller Group shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser Group has the right to terminate this Agreement prior to the Closing by written notice to the Seller Group in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser Group in its discretion. In the event that the Purchaser Group does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser Group shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF
THE SELLER GROUP

Each obligation of the Seller Group to be performed on the Closing Date will 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 Seller Group in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser Group contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser Group will provide to the Seller Group certificates, dated the Closing Date and signed by their presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser Group will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser Group will provide corporate resolutions of their 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 8.6 Good Standing Certificate. The Seller Group shall have received a Certificate of Good Standing issued by the state of Illinois for the Purchaser and from the state of Texas for Rick's and Big Sky.

Section 8.7 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 any member of the Purchaser Group.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will 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 nude entertainment on the Premises, including but not limited to an adult use permit, liquor license permit and gaming license , and all such permits and authorizations will 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 nude entertainment, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER GROUP

Each obligation of the Purchaser Group 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 the Purchaser Group in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller Group will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller Group will provide to the Purchaser Group certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller Group, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Purchase Assets. The Seller will 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 9.5 Corporate Resolutions. Each member of the Seller Group will provide to the Purchaser Group resolutions of its board of directors, managers, shareholders, members and general partner, as the case may be, of each of the respective Parties 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the state of Colorado and/or Illinois for each member of the Seller Group.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will 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 nude entertainment on the Premises, including but not limited to an adult use permit, liquor license permit and gaming license , consistent with the current operation of the Business, and all such permits and authorizations will 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 nude entertainment, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Seller and the Business of Country Rock Cabaret and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Seller and Affiliated Club Sellers will be maintained and exist consistent with past practices and able to be audited by Rick's independent auditors.

Section 9.12 Bank Financing. RCI Holdings, Inc. or its Affiliates shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Properties as contemplated pursuant to Section 4.3(b) of the Related Transactions.

Section 9.13 Adjusted EBITDA. The 2019 adjusted EBITDA for the Affiliated Club Sellers shall total an aggregate of not less than $10,700,000.

Section 9.14 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 any member of the Seller Group or any of the Seller's assets.

Section 9.15 Unaffiliated Clubs. Affiliates of Rick's shall have entered into definitive asset purchase agreements for the purchase of substantially all of the assets of Market Entertainment Inc. and OG1, LLC, which operate the adult entertainment establishment businesses known as PT's Louisville and PT's Denver, respectively (the "**Unaffiliated Clubs**"). For clarity, the Unaffiliated Clubs are operated on real property being sold as part of the Real Estate Transaction.

Section 9.16 Termination or Assignment of Existing Lease. Either (a) the Existing Lease for the Premises will be terminated and a new lease will be entered into between the Purchaser and the owner and lessor of the Premises, on terms and conditions acceptable to the Purchaser, with a commencement date on the Closing Date (a "**New Lease**"), or (b) the Existing Lease will be assigned to the Purchaser and amended, with the consent of the owner and lessor of the Premises, allowing for at least a twenty-year total term from and after the Closing Date, along with such other terms and conditions acceptable to the Purchaser.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Seller will be responsible and liable to the Purchaser for the liabilities of the Seller 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, a *pro rata* portion of prepaid items, and other Excluded Assets delivered to Purchaser. If such Excluded Assets exceed such Excluded Liabilities as of the Closing Date, the Purchaser shall promptly pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price among the Purchased Assets and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule. The maximum amount that may be allocated in the final allocation schedule to the Non-Compete Agreement shall not exceed $10,000 ($90,000 in aggregate across all Definitive Agreements).

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller Group. The Seller Group, jointly and severally, hereby agree to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller Group contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller Group under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser Group. The Purchaser Group, jointly and severally, agree to and will indemnify, defend (with legal counsel reasonably acceptable to the HWL) and hold the Seller Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser Group contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser Group under this Agreement; or (c) any Assumed Liability.

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a third-party claim(s), the aggregate amount of all Losses for which the Seller Group shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s);

(b) The aggregate amount of all Losses arising from third party claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller Group on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud; and

(c) Only with respect to Losses arising from a third-party claim(s), notwithstanding Sections 11.4(a) and (b), the total aggregate amount of all Losses which HWL, Family Dog, and the Affiliated Club Sellers shall be liable for under the indemnification provisions in all Definitive Agreements shall not exceed $22,000,000; provided, that the foregoing limitation shall not apply in the case of fraud and/or in the case of direct (or first party) claim(s).

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller Group will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser Group will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser Group is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser Group of any Excluded Liabilities, such amounts shall be paid first by an offset from the then-outstanding principal balance under the Club Notes (defined in Section 4.3(a)(iii)) and, if the aggregate amount of such payments exceeds the then-outstanding principal balance under the Club Notes, directly from any member of the Seller Group. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b), the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser Group or any of their affiliates from bringing a claim against any Person, including any of the Seller Group, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser Group or any of their affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
MISCELLANEOUS

Section 12.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder will 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 Seller:
MRC, LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(b) If to HWL or Family Dog:
HWL-3, LLLP
Family Dog LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(c) If to the Purchaser or Big Sky:
Big Sky Hospitality Holdings, Inc.
200 Monsanto, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
email: eric@rcihh.com

(d) If to Rick's:
RCI Hospitality Holdings, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to:
Robert D. Axelrod
Axelrod & Smith
5300 Memorial Drive, Suite 1000
Houston, Texas 77007
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 a 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 12.3 Severability. Whenever possible, each provision of this Agreement will 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 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 12.5 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 will 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 12.6 Entire Agreement. This Agreement 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 12.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 12.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 12.9 Costs and Expenses. Each Party will 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 12.10 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 will not affect its interpretation.

Section 12.11 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 Seller) that is not a Party to this Agreement.

Section 12.12 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 12.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 12.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the First Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 12.15 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 12.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 12.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 12.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Seller Group:

MRC, LLC

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: Manager

HWL-3 LLLP

By: TARGE INC., its general partner

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: President of Targe Inc.

FAMILY DOG, LLC

By: Union Services, Inc., its manager

By: */s/ Troy Houston Lowrie, Jr.*
Name: Troy Houston Lowrie, Jr.
Title: President of Union Services, Inc.

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Purchaser Group:

200 MONSANTO, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

RCI HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

BIG SKY HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item	Quantity	Item	Quantity

EXHIBIT 4.3(a)

Affiliated Club Asset Purchase Agreements

Affiliated Club Sellers	Affiliated Club Name	Address of Affiliated Club	Purchase Price
Glenarm Restaurant Concepts LLC	Diamond Cabaret Denver	1222 Glenarm Place, Denver, CO	$ 11,300,000
Glendale Restaurant Concepts LLC	Mile High Club	4451 E Virginia Ave., Glendale, CO	$ 1,200,000
Illinois Restaurant Concepts, LLC	Diamond Club St. Louis	1401 Mississippi Ave., Bay 18, Sauget, IL	$ 5,800,000
Indy Restaurant Concepts, LLC.	PT's Indy	7916 Pendleton Pike, Indianapolis, IN	$ 6,000,000
Kenkev, Inc.	PT's Portland	200 Riverside St., Portland, ME	$ 7,900,000
MRC, LLC	Country Rock Cabaret	200 Monsanto Ave., Sauget, IL	$ 3,900,000
Raleigh Restaurant Concepts, LLC	Men's Club Raleigh	3210 Yonkers Rd., Raleigh, NC	$ 8,230,000
Stout Restaurant Concepts, LLC	LaBoheme	1443 Stout St., Denver, CO	$ 6,970,000
VCG Restaurants Denver, LLC	PT' Centerfold	3480 S Galena Ave., Denver, CO	$ 5,300,000

EXHIBIT 4.3(b)

Real Estate Property

Real Estate Sellers	Address of Real Properties	Purchase Price*	Club that Occupies Real Property
1601 W Evans LLC	1601 W Evans Ave., Denver CO	$ 3,325,000	PT's Showclub
200 Riverside LLC	200 Riverside St., Portland, ME	$ 3,100,000	PT's Showclub
227 E Market LLC	227 E Market St., Louisville, KY	$ 1,900,000	PT's Showclub
3480 S Galena LLC	3480 S Galena Ave., Denver, CO	$ 4,500,000	PT's Centerfolds
4451 E Virginia LLC	4451 E Virginia Ave., Glendale, CO	$ 3,325,000	Mile High Men's Club
7916 Pendleton Pike LLC	7916 Pendleton Pike, Indianapolis, IN	$ 1,850,000	PT's Showclub

* The purchase price for each real property may change, provided that the aggregate purchase price remains unchanged.

Exhibit 10.6

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among Raleigh Restaurant Concepts, LLC, a North Carolina limited liability company (the "**Seller**"), HWL-3 LLLP, a Colorado limited liability limited partnership ("**HWL**"), Family Dog LLC, a Colorado limited liability company ("**Family Dog**" and, together with the Seller and HWL, the "**Seller Group**"), 3210 Yonkers, Inc., a North Carolina corporation (the "**Purchaser**") Big Sky Hospitality Holdings, Inc., a Texas corporation ("**Big Sky**") and RCI Hospitality Holdings, Inc., a Texas corporation ("**Rick's**" and, together with the Purchaser and Big Sky, the "**Purchaser Group**"). The Seller, Family Dog, HWL, the Purchaser, Big Sky and Rick's are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**." A reference to the Seller Group or the Purchaser Group is a reference to each Party that comprises such group.

WHEREAS, the Seller owns and operates an adult entertainment establishment known as Men's Club Raleigh (the "**Business**") located at 3210 Yonkers Rd., Raleigh, North Carolina (the "**Premises**");

WHEREAS, HWL owns 90% of the issued and outstanding membership of the Seller;

WHEREAS, Family Dog owns 99.99% of the issued and outstanding partnership interests of HWL;

WHEREAS, Big Sky owns 100% of the issued and outstanding capital stock of Purchaser;

WHEREAS, Rick's owns 100% of the issued and outstanding capital stock of Big Sky;

WHEREAS, the Purchaser and the Seller desire that the Purchaser purchase and the Seller sell substantially all of the assets owned by the Seller, which is substantially all of the assets of the Business; and

WHEREAS, the transactions contemplated by this Agreement are part of a series of related transactions by and among HWL, Family Dog, and certain of their affiliated or related parties, on the one hand, and Ricks and certain of its affiliated parties, on the other hand, as further described in Section 4.3.

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 Seller 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 Seller will 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 (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and the Purchaser will acquire from the Seller all of the tangible and intangible assets and personal property of every kind and description and wherever situated used in the Business, except the Excluded Assets, as defined in Section 1.2, including the following personal property of the Seller:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated used in the Business, including inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers 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 Seller (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 Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including all alcoholic beverages sold by the Seller 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;

(d) all of the Seller's right, title, and interest, as lessee, of any and all equipment leased by the Seller and located at the Premises if disclosed by Seller and for which Purchaser agrees to assume payment. The Seller will 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 Seller to the use of the telephone numbers presently being used in 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;

(f) copies of the Seller'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 Seller or any rights thereto, including but not limited to the name "Men's Club Raleigh" or any derivative, all trademarks, trade names, service marks, patents, copyrights, and trade secrets;

(h) all licenses, rights or ownership interests held by the Seller 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;

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult nude or semi-nude entertainment business serving alcoholic beverages on the Premises which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and 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 Seller, the Seller'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**").

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, will list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (a) the corporate seals, books, accounting records and records related to corporate governance of the Seller; (b) all the Seller's bank accounts and all Seller monies (including cash) on hand as of the Closing; (c) all credit card receipts and ATM purchases from the operation of the Business as of the close of business on the day of Closing; (d) securities of any type, whether marketable or not; (e) all prepaid expenses, security deposits and tax refunds; (f) accounts or notes receivable of, or held by, the Seller not generated by the business of the Seller; (g) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise; (h) the Seller'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 Seller is a party; (i) all business insurance policies of the Seller; and (j) all employee benefit plans of the Seller (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 Seller which are used in the Business and are not otherwise an Excluded Asset, such assets will nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II
LIABILITIES

Section 2.1 Excluded Liabilities. Except for the Assumed Liabilities (defined in Section 2.2(b)), Purchaser will have no obligation and is not assuming, and the Seller will 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, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 Seller, liabilities to any Governmental Authority (as hereinafter defined) or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**"), including, but not limited to, (a) contractual liabilities arising or accruing from the Seller or the Business or ownership of the Purchased Assets prior to the Closing Date, (b) any existing litigation against the Seller or the Business, (c) any liability with respect to the Seller's or the Business or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by the Seller for taxable periods or portions of taxable periods ending 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 (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Indemnitees (as hereinafter defined in Section 11.1) which arises from or which is based upon or pertaining to the Seller Group's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that the Seller misclassified any entertainers.

Section 2.2 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:

(a) the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing, other than liabilities arising out of a breach of this Agreement by the Seller Group, including (i) contractual liabilities arising from the Seller's ownership of the Purchased Assets on or after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser, subject to subsection (b) below), (ii) any liability resulting from the ownership of any of the Purchased Assets that occurs subsequent to the Closing, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending subsequent to the Closing, 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, and (iv) any litigation, suit, action, proceeding, claim or investigation by any individual or Governmental Authority alleging that, during any period after the Closing, Purchaser, through its operation of the Business after the Closing, misclassified entertainers; and

(b) the liabilities arising on or after the Closing Date under the contracts set forth in Schedule 2.2, which are assumed in writing by Purchaser (the liabilities and obligation set forth in subsections (a) and (b) are collectively, the "**Assumed Liabilities**").

Section 2.3 Taxes.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller Group and 50% by the Purchaser Group.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller Group shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to relating to the Business, the Purchased Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller Group shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed). Any such liability will be an Excluded Liability.

ARTICLE III
PURCHASE PRICE FOR
THE PURCHASED ASSETS

Purchase Price. The Purchaser will pay to the Seller for all of the Purchased Assets a total purchase price of $8,230,000.00 (the "**Purchase Price**"), which will be payable at the Closing as follows:

(a) $2,849,959.16 payable by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing;

(b) A 10 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $1,599,469.96;

(c) A 20 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $1,163,250.88; and

(d) the issuance and delivery of 43,622 Rick's Shares (defined in Section 4.3(a)(iii)), which may be issued direct to, or transferred after the Closing to, HWL or Family Dog.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur as part of the First Closing (defined in Section 4.3(a)(v)) or the First Closing shall have already occurred. The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) a bill of sale, in a form agreed to by the Parties, executed by the Seller;

(ii) an assignment and assumption agreement, in a form agreed to by the Parties (the "**Assignment and Assumption Agreement**"), executed by the Seller;

(iii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Troy Lowrie ("**Lowrie**");

(iv) a lock-up/leak-out agreement, in a form agreed to by the Parties (a "**Lock-up/Leak-Out Agreement**"), executed by HWL, Family Dog, and each equity owner of Family Dog who will receive 12,000 or more Rick's Shares (each, a "**Shareholder**");

(v) either:

(1) an executed assignment of the Existing Lease (defined in Section 5.16) consistent with Section 9.16, with the consent of the owner and lessor of the Premises, in a form agreed to by the Parties; or

(2) in the event of a New Lease (defined in Section 9.16), an agreement terminating the Existing Lease, in a form agreed to by the Parties, executed by the Seller and owner and lessor of the Premises;

(vi) a security agreement, in a form agreed to by the Parties (the "**Security Agreement**"), executed by HWL and Family Dog; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Assignment and Assumption Agreement executed by Purchaser;

(ii) the Non-Compete Agreement executed by Rick's;

(iii) the Lock-up/Leak-Out Agreement executed by Rick's;

(iv) the Purchase Price in accordance with Article III, including the Club Notes and issuance and delivery of the Rick's Shares;

(v) the executed Guaranty Agreement of Rick's of the Club Notes (the "Rick's Guaranty");

(vi) the Security Agreement executed by the Purchaser; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. The transactions contemplated by this Agreement are part of series of related transactions by and among certain of the Parties and certain affiliated and related parties (the "**Related Transaction Parties**"). The Related Transaction Parties intend and will use commercially reasonable efforts to cause the transactions described in this Section 4.3 (collectively, the "**Related Transactions**") to close as described in this Section 4.3.

(a) Sale of the Affiliated Clubs.

(i) The Parties intend that each affiliated club seller, as set forth in Exhibit 4.3(a) (an "**Affiliated Club Seller**"), will sell substantially all of its tangible and intangible assets and personal property (each, a "**Club Transaction**") to a subsidiary of Rick's (an "**Affiliated Club Purchaser**") for the purchase price identified on Exhibit 4.3(a) pursuant to a definitive asset purchase agreement with provisions substantially similar to this Agreement (each, a "**Definitive Agreement**").

(ii) For clarity, (1) the Seller under this Agreement is an Affiliated Club Seller, (2) the transactions contemplated by this Agreement constitute a Club Transaction, and (3) this Agreement is a Definitive Agreement.

(iii) The aggregate purchase price to be paid by Rick's and the Affiliated Club Purchasers to the Affiliated Club Sellers from the closing of all the Club Transactions is $56,600,000, payable as follows: (1) $19,600,000 payable by cashier's check, certified funds, or wire transfer; (2) $11,000,000 evidenced by ten-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in one hundred twenty (120) equal monthly payments of principal and interest (each, a "**10 Year Note**"); (3) $8,000,000 evidenced by twenty-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in two hundred forty (240) equal monthly payments of principal and interest (each, a "**20 Year Note**" and, together with the 10 Year Notes, the "**Club Notes**"); and (4) the issuance of 300,000 shares of restricted common stock, par value $0.01 of Rick's, based on a per share price of $60.00 per share (the "**Rick's Shares**"); with each type of consideration under subsections (1), (2), (3) and (4) above to be paid pro-rata based on the purchase price for each Club Transaction.

(iv) Rick's and the Affiliated Club Purchaser shall issue the Rick's Shares and the Club Notes directly to HWL or Family Dog (as directed by the Seller Group), unless otherwise directly by the Seller Group. The Club Notes and the Rick's Guaranty shall be in the form agreed to by the Parties.

(v) The Related Transaction Parties desire to close all the Club Transactions on the same closing date, but recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, the Related Transaction Parties anticipate and intend to close at least six of the nine Club Transactions and the purchase of substantially all of the assets of OG1, LLC, an Unaffiliated Club as referred to and defined in Section 9.15 hereof, on the first such closing (the "**First Closing**") and to close the remaining Club Transactions as soon as practicable thereafter.

(b) Sale of the Real Property. At the First Closing, and pursuant to one or more definitive purchase and sale agreements, the appropriate parties shall close on the purchase and sale of six parcels of real property from certain real estate sellers to RCI Holdings, Inc., a Texas corporation wholly owned by Ricks, all as identified and for the aggregate purchase prices set forth on Exhibit 4.3(b). The real estate sellers will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the real estate properties set forth beside the real estate sellers name on Exhibit 4.3(b), which warranty deeds will convey good and marketable title to the real properties to RCI Holdings, Inc. free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(c) Sale of Intellectual Property. At the First Closing, and pursuant to a definitive asset purchase agreement, the appropriate parties shall close on the sale of substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("**Club Licensing**"), to a wholly owned subsidiary of Rick's for a purchase price of $13,000,000. The assets of Club Licensing include substantially all of the intellectual property used in the adult entertainment establishment businesses owned and operated by the Affiliated Club Sellers (the "**IP Transaction**").

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER GROUP

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller Group, jointly and severally, hereby represents and warrants to the Purchaser Group the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller Group.

(a) The Seller is a North Carolina limited liability company duly organized and validly existing and in good standing under the laws of the state of Illinois, 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 Seller.

(b) HWL is a Colorado limited liability limited partnership duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 HWL.

(c) Family Dog is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Family Dog.

Section 5.2 Ownership of the Seller and HWL.

(a) HWL owns 90% and Johan Van Baal owns 10% of the issued and outstanding membership interests of the Seller, which membership interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of stock authorized or issued by the Seller.

(b) Family Dog owns substantially all of the issued and outstanding partnership interests in HWL, which interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances.

Section 5.3 Subsidiaries. The Seller does not own any subsidiaries.

Section 5.4 Ownership of the Purchased Assets. The Seller 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 Seller 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 Encumbrances 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 5.4, attached hereto; and (b) any Encumbrances contemplated under the Club Notes and Security Agreement in favor of the Seller, HWL, and Family Dog.

Section 5.5 Authorization. All action on the part of the Seller Group necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller Group or will be taken prior to the Closing Date. The Seller Group has the requisite power and authority to execute and deliver this Agreement and to perform their 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 Seller Group, enforceable against the Seller Group 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 5.6 Acquisition of Stock for Investment.

(a) The Seller Group understands that the issuance of the Rick's Shares (as referenced in Article III herein) will not have been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and accordingly, are restricted securities, and the Seller Group's present intention is to receive and hold the Rick's Shares for investment only and not with a view to the distribution or resale thereof.

(b) Additionally, the Seller Group understands that any sale of any of the Rick's Shares issued under current law, will require either (i) the registration of the Rick's Shares under the Securities Act and applicable state securities laws; (ii) compliance with Rule 144 under the Securities Act; or (iii) the availability of an exemption from the registration requirements of the Securities Act and applicable state securities laws.

(c) The Seller Group acknowledges and represents that they are Accredited Investors as that term is defined in Rule 5.01(a) of Regulation D promulgated under the Securities Act.

(d) To assist in implementing the above provisions, the Seller Group hereby consents to the placement of the legend set forth below, or a substantially similar legend, on all certificates representing ownership of the Rick's Shares acquired hereby until the Rick's Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT, ARE RESTRICTED AS TO TRANSFERABILITY, AND MAY NOT BE SOLD, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION AND QUALIFICATION PROVISIONS OF APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM.

(e) The Seller Group understands and agrees that Rick's may notify its transfer agent of the Lock-Up/Leak-Out Agreements and the limitation on the number of Rick's Shares that may be sold in any given month in accordance with the terms and conditions of the Lock-Up/Leak-Out Agreement.

Section 5.7 The Seller Group's Access to Information. The Seller Group hereby confirms and represent that they: (a) have received (i) a copy of Rick's Form 10-K filed with the Securities and Exchange Commission (the "**SEC**") for the year ended September 30, 2020, and a copy of Rick's Form 10-Q's for the quarters ended December 31, 2020 and March 31, 2021, as filed with the SEC; (ii) a copy of Rick's Form 14A filed with the SEC on July 31, 2020; (iii) a copy of Rick's Form S-3 filed with the SEC on May 14, 2021, which went Effective on June 3, 2021; (iv) a copy of the Form 8-K's filed with the SEC on October 8, 2020, November 19, 2020, December 16, 2020, January 12, 2021, February 10, 2021, May 10, 2021, May 20, 2021, June 6, 2021, July 2, 2021, July 8, 2021 and July 15, 2021; (b) have been afforded the opportunity to ask questions of and receive answers from representatives of Rick's concerning the business and financial condition, properties, operations and prospects of Rick's; (c) have such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of the transactions contemplated hereby; (d) have had an opportunity to engage and is represented by an attorney of his choice; (e) have had an opportunity to negotiate the terms and conditions of this Agreement; (f) have been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (g) have been provided with and given an opportunity to review all current information about Rick's.

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller Group does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller Group; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets other than as contemplated herein; (c) 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 any member of the Seller Group is a party of by which the Seller Group's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller Group 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller Group in connection with the execution and delivery by the Seller Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller Group before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Purchased Assets, and there is no basis known to the Seller Group for any such action. No litigation is pending or threatened against the Seller Group, 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 Seller Group is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller Group, the Purchased Assets, or the Business.

Section 5.11 Taxes. The Seller Group has timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller Group and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. The Seller Group is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller Group or the Purchased Assets as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Seller. No assessments or notices of deficiency or other communications have been received by the Seller Group with respect to any tax return of the Seller 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 5.11, none of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the knowledge of the Seller Group, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller Group 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser the Seller's year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited Balance Sheets of the Seller as of June 30, 2021, 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 Seller and fairly represent in all material respects the financial position of the Seller and the results of operations and changes in financial position of the Seller as of the dates and for the periods indicated, in each case in conformity with the Seller's historical accounting practices applied on a consistent basis. Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, the Seller, 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 generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Seller has conducted its business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Seller; (b) acquisition or disposition of any material asset by the Seller or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Seller's accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 Seller is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Seller 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 Seller any labor disputes, strikes or work stoppages. The Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Seller is not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Seller. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Seller, or contributions or payments due to any Seller benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Seller personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the knowledge of the Seller Group, the Seller is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller Group has 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 Seller. The Seller 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 5.15 sets forth a list of all licenses and Permits held by the Seller used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, the Seller does not (a) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the Business. The Seller operates its adult entertainment establishment located at the Premises under an existing lease agreement ("**Existing Lease**"), which Existing Lease will either be (i) assigned to the Purchaser with the consent of the landlord and the Purchaser or (ii) terminated if a New Lease (defined in Section 9.16) is entered into between the landlord and the Purchaser as of the Closing Date. The Seller will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the Purchased Assets of the Seller to which it is subject or is a party or a beneficiary. 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 Seller 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, the Seller 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: (a) the sale, merger, consolidation or recapitalization of the Seller; (b) the sale of any of the Purchased Assets of the Seller (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Seller; (d) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Seller; or (g) the expenditure of more than $10,000 or the performance by the Seller extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Seller is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Seller or (b) covenants of HWL or the Seller 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 Seller in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. The Seller 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 Seller alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Seller, and no property currently or formerly owned, leased, or operated by the Seller, has been contaminated by the Seller or to the knowledge of the Seller Group by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Seller. The Seller 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Seller Group relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. The Seller Group is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Seller, under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Seller, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller Group.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER GROUP

The Purchaser Group hereby jointly and severally represents and warrants to the Seller Group as follows:

Section 6.1 Organization, Good Standing and Qualification of the Purchaser Group.

(a) The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of North Carolina, (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.

(b) Rick's (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 Rick's.

(c) Big Sky (i) is an entity duly organized 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 Big Sky.

Section 6.2 Authorization. All action on the part of the Purchaser Group 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 each member of the Purchaser Group or will be taken prior to the Closing Date. The Purchaser Group 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 Group, enforceable against the Purchaser Group 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser Group does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser Group is a party.

Section 6.4 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 any member of the Purchaser Group in connection with the execution and delivery by each member of the Purchaser Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser Group 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 Group.

Section 6.6 Valid Issuance of Shares. The Rick's Shares, when issued, sold, and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Lock-Up/Leak-Out Agreement and applicable state and federal securities laws. Assuming the accuracy of the representations of the Seller Group in Sections 5.6 and 5.7, the Rick's Shares will be issued in compliance with all applicable federal and state securities laws.

Section 6.7 Review of Affiliated Club Sellers' Financials. In reviewing the Seller's Financial Statements, and the other similar financial statements of the Affiliated Club Sellers, the Purchaser Group has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser Group to proceed with this Agreement, the Seller Group agree that until the Closing Date or the termination of this Agreement, whichever is earlier, none of the Seller Group or their affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller Group and which the Seller Group believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller Group; or (f) authorize or permit any of the Seller Group's Agents to take any such action or other actions as would adversely affect the Purchaser Group's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller Group set forth in the preceding sentence by any Agent of the Seller Group or its affiliates shall be a breach of this Section 7.1 by the Seller Group. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller Group, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller Group, (iii) license or transfer of all or a portion of the Purchased Assets or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller Group shall file or cause to be filed all tax returns required to be filed by the Seller Group, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller Group shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller Group will, and will cause the Seller to, (a) provide the Purchaser Group and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Seller, and to the books and records of the Seller; (b) permit the Purchaser Group to make inspections thereof; and (c) cause the officers and advisors of the Seller Group to furnish the Purchaser Group with such financial and operating data and other information with respect to Purchased Assets, Premises, and the Business and to discuss such information with the Purchaser Group, as the Purchaser Group may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller Group.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Seller will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Seller will not liquidate or distribute any membership interests or other equity interest or undertake any direct or indirect redemption, purchase or other acquisition of any equity interest;

(b) The Seller 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) Except as described on Schedule 7.4, the Seller 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 and with the consent of the Purchaser Group (not to be unreasonably withheld);

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

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

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

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

(k) The Seller 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;

(l) The Seller will not enter into any non-cancellable contract or agreement longer than one year;

(m) The Seller will not reclassify, split up or otherwise change any of its membership interest or capital structure;

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

(o) The Seller will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller Group shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller Group shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser Group has the right to terminate this Agreement prior to the Closing by written notice to the Seller Group in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser Group in its discretion. In the event that the Purchaser Group does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser Group shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF
THE SELLER GROUP

Each obligation of the Seller Group to be performed on the Closing Date will 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 Seller Group in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser Group contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser Group will provide to the Seller Group certificates, dated the Closing Date and signed by their presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser Group will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser Group will provide corporate resolutions of their 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 8.6 Good Standing Certificate. The Seller Group shall have received a Certificate of Good Standing issued by the state of North Carolina for the Purchaser and from the state of Texas for Rick's and Big Sky.

Section 8.7 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 any member of the Purchaser Group.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will 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, including but not limited to a private club liquor license and a sexually oriented business license, and all such permits and authorizations will 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, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER GROUP

Each obligation of the Purchaser Group 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 the Purchaser Group in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller Group will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller Group will provide to the Purchaser Group certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller Group, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Purchase Assets. The Seller will 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 9.5 Corporate Resolutions. Each member of the Seller Group will provide to the Purchaser Group resolutions of its board of directors, managers, shareholders, members and general partner, as the case may be, of each of the respective Parties 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the state of Colorado and/or North Carolina for each member of the Seller Group.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will 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, including but not limited to a private club liquor license and a sexually oriented business license , consistent with the current operation of the Business, and all such permits and authorizations will 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, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Seller and the Business of Men's Club Raleigh and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Seller and Affiliated Club Sellers will be maintained and exist consistent with past practices and able to be audited by Rick's independent auditors.

Section 9.12 Bank Financing. RCI Holdings, Inc. or its Affiliates shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Properties as contemplated pursuant to Section 4.3(b) of the Related Transactions.

Section 9.13 Adjusted EBITDA. The 2019 adjusted EBITDA for the Affiliated Club Sellers shall total an aggregate of not less than $10,700,000.

Section 9.14 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 any member of the Seller Group or any of the Seller's assets.

Section 9.15 Unaffiliated Clubs. Affiliates of Rick's shall have entered into definitive asset purchase agreements for the purchase of substantially all of the assets of Market Entertainment Inc. and OG1, LLC, which operate the adult entertainment establishment businesses known as PT's Louisville and PT's Denver, respectively (the "**Unaffiliated Clubs**"). For clarity, the Unaffiliated Clubs are operated on real property being sold as part of the Real Estate Transaction.

Section 9.16 Termination or Assignment of Existing Lease. Either (a) the Existing Lease for the Premises will be terminated and a new lease will be entered into between the Purchaser and the owner and lessor of the Premises, on terms and conditions acceptable to the Purchaser, with a commencement date on the Closing Date (a "**New Lease**"), or (b) the Existing Lease will be assigned to the Purchaser and amended, with the consent of the owner and lessor of the Premises, allowing for at least a twenty-year total term from and after the Closing Date, along with such other terms and conditions acceptable to the Purchaser.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Seller will be responsible and liable to the Purchaser for the liabilities of the Seller 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, a *pro rata* portion of prepaid items, and other Excluded Assets delivered to Purchaser. If such Excluded Assets exceed such Excluded Liabilities as of the Closing Date, the Purchaser shall promptly pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price among the Purchased Assets and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule. The maximum amount that may be allocated in the final allocation schedule to the Non-Compete Agreement shall not exceed $10,000 ($90,000 in aggregate across all Definitive Agreements).

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller Group. The Seller Group, jointly and severally, hereby agree to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller Group contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller Group under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser Group. The Purchaser Group, jointly and severally, agree to and will indemnify, defend (with legal counsel reasonably acceptable to the HWL) and hold the Seller Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser Group contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser Group under this Agreement; or (c) any Assumed Liability.

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a third-party claim(s), the aggregate amount of all Losses for which the Seller Group shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s);

(b) The aggregate amount of all Losses arising from third party claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller Group on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud; and

(c) Only with respect to Losses arising from a third-party claim(s), notwithstanding Sections 11.4(a) and (b), the total aggregate amount of all Losses which HWL, Family Dog, and the Affiliated Club Sellers shall be liable for under the indemnification provisions in all Definitive Agreements shall not exceed $22,000,000; provided, that the foregoing limitation shall not apply in the case of fraud and/or in the case of direct (or first party) claim(s).

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller Group will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser Group will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date (**"Survival Date"**). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser Group is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser Group of any Excluded Liabilities, such amounts shall be paid first by an offset from the then-outstanding principal balance under the Club Notes (defined in Section 4.3(a)(iii)) and, if the aggregate amount of such payments exceeds the then-outstanding principal balance under the Club Notes, directly from any member of the Seller Group. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b), the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser Group or any of their affiliates from bringing a claim against any Person, including any of the Seller Group, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser Group or any of their affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
MISCELLANEOUS

Section 12.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder will 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 Seller:

Raleigh Restaurant Concepts, LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:

Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(b) If to HWL or Family Dog:

HWL-3, LLLP
Family Dog LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:

Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(c) If to the Purchaser or Big Sky:

Big Sky Hospitality Holdings, Inc.
3210 Yonkers, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
email: eric@rcihh.com

(d) If to Rick's:

RCI Hospitality Holdings, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to:

Robert D. Axelrod
Axelrod & Smith
5300 Memorial Drive, Suite 1000
Houston, Texas 77007
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 a 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 12.3 Severability. Whenever possible, each provision of this Agreement will 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 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 12.5 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 will 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 12.6 Entire Agreement. This Agreement 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 12.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 12.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 12.9 Costs and Expenses. Each Party will 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 12.10 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 will not affect its interpretation.

Section 12.11 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 Seller) that is not a Party to this Agreement.

Section 12.12 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 12.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 12.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the First Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 12.15 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 12.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 12.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 12.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Seller Group:

RALEIGH RESTAURANT CONCEPTS, LLC

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: Manager

HWL-3 LLLP

By: TARGE INC., its general partner

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: President of Targe Inc.

FAMILY DOG, LLC

By: Union Services, Inc., its manager

By: */s/ Troy Houston Lowrie, Jr.*
Name: Troy Houston Lowrie, Jr.
Title: President of Union Services, Inc.

Signature page to Asset Purchase Agreement

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Purchaser Group:

3210 YONKERS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

RCI HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

BIG SKY HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item	Quantity	Item	Quantity

EXHIBIT 4.3(a)

Affiliated Club Asset Purchase Agreements

Affiliated Club Sellers	Affiliated Club Name	Address of Affiliated Club	Purchase Price
Glenarm Restaurant Concepts LLC	Diamond Cabaret Denver	1222 Glenarm Place, Denver, CO	$ 11,300,000
Glendale Restaurant Concepts LLC	Mile High Club	4451 E Virginia Ave., Glendale, CO	$ 1,200,000
Illinois Restaurant Concepts, LLC	Diamond Club St. Louis	1401 Mississippi Ave., Bay 18, Sauget, IL	$ 5,800,000
Indy Restaurant Concepts, LLC.	PT's Indy	7916 Pendleton Pike, Indianapolis, IN	$ 6,000,000
Kenkev, Inc.	PT's Portland	200 Riverside St., Portland, ME	$ 7,900,000
MRC, LLC	Country Rock Cabaret	200 Monsanto Ave., Sauget, IL	$ 3,900,000
Raleigh Restaurant Concepts, LLC	Men's Club Raleigh	3210 Yonkers Rd., Raleigh, NC	$ 8,230,000
Stout Restaurant Concepts, LLC	LaBoheme	1443 Stout St., Denver, CO	$ 6,970,000
VCG Restaurants Denver, LLC	PT' Centerfold	3480 S Galena Ave., Denver, CO	$ 5,300,000

EXHIBIT 4.3(b)

Real Estate Property

Real Estate Sellers	Address of Real Properties	Purchase Price*	Club that Occupies Real Property
1601 W Evans LLC	1601 W Evans Ave., Denver CO	$ 3,325,000	PT's Showclub
200 Riverside LLC	200 Riverside St., Portland, ME	$ 3,100,000	PT's Showclub
227 E Market LLC	227 E Market St., Louisville, KY	$ 1,900,000	PT's Showclub
3480 S Galena LLC	3480 S Galena Ave., Denver, CO	$ 4,500,000	PT's Centerfolds
4451 E Virginia LLC	4451 E Virginia Ave., Glendale, CO	$ 3,325,000	Mile High Men's Club
7916 Pendleton Pike LLC	7916 Pendleton Pike, Indianapolis, IN	$ 1,850,000	PT's Showclub

* The purchase price for each real property may change, provided that the aggregate purchase price remains unchanged.

Exhibit 10.7

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among Stout Restaurant Concepts, LLC, a Colorado limited liability company (the "**Seller**"), HWL-3 LLLP, a Colorado limited liability limited partnership ("**HWL**"), Family Dog LLC, a Colorado limited liability company ("**Family Dog**" and, together with the Seller and HWL, the "**Seller Group**"), 1443 Stout, Inc., a Colorado corporation (the "**Purchaser**") Big Sky Hospitality Holdings, Inc., a Texas corporation ("**Big Sky**") and RCI Hospitality Holdings, Inc., a Texas corporation ("**Rick's**" and, together with the Purchaser and Big Sky, the "**Purchaser Group**"). The Seller, Family Dog, HWL, the Purchaser, Big Sky and Rick's are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**." A reference to the Seller Group or the Purchaser Group is a reference to each Party that comprises such group.

WHEREAS, the Seller owns and operates an adult entertainment establishment known as La Boheme (the "**Business**") located at 1443 Stout St., Denver, Colorado (the "**Premises**");

WHEREAS, HWL owns 90% of the issued and outstanding membership of the Seller;

WHEREAS, Family Dog owns 99.99% of the issued and outstanding partnership interests of HWL;

WHEREAS, Big Sky owns 100% of the issued and outstanding capital stock of Purchaser;

WHEREAS, Rick's owns 100% of the issued and outstanding capital stock of Big Sky;

WHEREAS, the Purchaser and the Seller desire that the Purchaser purchase and the Seller sell substantially all of the assets owned by the Seller, which is substantially all of the assets of the Business; and

WHEREAS, the transactions contemplated by this Agreement are part of a series of related transactions by and among HWL, Family Dog, and certain of their affiliated or related parties, on the one hand, and Ricks and certain of its affiliated parties, on the other hand, as further described in Section 4.3.

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 Seller 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 Seller will 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 (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and the Purchaser will acquire from the Seller all of the tangible and intangible assets and personal property of every kind and description and wherever situated used in the Business, except the Excluded Assets, as defined in Section 1.2, including the following personal property of the Seller:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated used in the Business, including inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers 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 Seller (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 Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including all alcoholic beverages sold by the Seller 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;

(d) all of the Seller's right, title, and interest, as lessee, of any and all equipment leased by the Seller and located at the Premises if disclosed by Seller and for which Purchaser agrees to assume payment. The Seller will 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 Seller to the use of the telephone numbers presently being used in 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;

(f) copies of the Seller'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 Seller or any rights thereto, including but not limited to the name "La Boheme" or any derivative, all trademarks, trade names, service marks, patents, copyrights, and trade secrets;

(h) all licenses, rights or ownership interests held by the Seller 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;

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult nude or semi-nude entertainment business serving alcoholic beverages on the Premises which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and 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 Seller, the Seller'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**").

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, will list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (a) the corporate seals, books, accounting records and records related to corporate governance of the Seller; (b) all the Seller's bank accounts and all Seller monies (including cash) on hand as of the Closing; (c) all credit card receipts and ATM purchases from the operation of the Business as of the close of business on the day of Closing; (d) securities of any type, whether marketable or not; (e) all prepaid expenses, security deposits and tax refunds; (f) accounts or notes receivable of, or held by, the Seller not generated by the business of the Seller; (g) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise; (h) the Seller'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 Seller is a party; (i) all business insurance policies of the Seller; and (j) all employee benefit plans of the Seller (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 Seller which are used in the Business and are not otherwise an Excluded Asset, such assets will nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II
LIABILITIES

Section 2.1 Excluded Liabilities. Except for the Assumed Liabilities (defined in Section 2.2(b)), Purchaser will have no obligation and is not assuming, and the Seller will 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, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 Seller, liabilities to any Governmental Authority (as hereinafter defined) or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**"), including, but not limited to, (a) contractual liabilities arising or accruing from the Seller or the Business or ownership of the Purchased Assets prior to the Closing Date, (b) any existing litigation against the Seller or the Business, (c) any liability with respect to the Seller's or the Business or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by the Seller for taxable periods or portions of taxable periods ending 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 (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Indemnitees (as hereinafter defined in Section 11.1) which arises from or which is based upon or pertaining to the Seller Group's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that the Seller misclassified any entertainers.

Section 2.2 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:

(a) the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing, other than liabilities arising out of a breach of this Agreement by the Seller Group, including (i) contractual liabilities arising from the Seller's ownership of the Purchased Assets on or after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser, subject to subsection (b) below), (ii) any liability resulting from the ownership of any of the Purchased Assets that occurs subsequent to the Closing, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending subsequent to the Closing, 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, and (iv) any litigation, suit, action, proceeding, claim or investigation by any individual or Governmental Authority alleging that, during any period after the Closing, Purchaser, through its operation of the Business after the Closing, misclassified entertainers; and

(b) the liabilities arising on or after the Closing Date under the contracts set forth in Schedule 2.2, which are assumed in writing by Purchaser (the liabilities and obligation set forth in subsections (a) and (b) are collectively, the "**Assumed Liabilities**").

Section 2.3 Taxes.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller Group and 50% by the Purchaser Group.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller Group shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to relating to the Business, the Purchased Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller Group shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed). Any such liability will be an Excluded Liability.

ARTICLE III
PURCHASE PRICE FOR
THE PURCHASED ASSETS

Purchase Price. The Purchaser will pay to the Seller for all of the Purchased Assets a total purchase price of $6,970,000.00 (the "**Purchase Price**"), which will be payable at the Closing as follows:

(a) $2,413,667.35 payable by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing;

(b) A 10 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $1,354,593.64;

(c) A 20 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $985,159.01; and

(d) the issuance and delivery of 36,943 Rick's Shares (defined in Section 4.3(a)(iii)), which may be issued direct to, or transferred after the Closing to, HWL or Family Dog.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur as part of the First Closing (defined in Section 4.3(a)(v)) or the First Closing shall have already occurred. The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) a bill of sale, in a form agreed to by the Parties, executed by the Seller;

(ii) an assignment and assumption agreement, in a form agreed to by the Parties (the "**Assignment and Assumption Agreement**"), executed by the Seller;

(iii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Troy Lowrie ("**Lowrie**");

(iv) a lock-up/leak-out agreement, in a form agreed to by the Parties (a "**Lock-up/Leak-Out Agreement**"), executed by HWL, Family Dog, and each equity owner of Family Dog who will receive 12,000 or more Rick's Shares (each, a "**Shareholder**");

(v) either:

(1) an executed assignment of the Existing Lease (defined in Section 5.16) consistent with Section 9.16, with the consent of the owner and lessor of the Premises, in a form agreed to by the Parties; or

(2) in the event of a New Lease (defined in Section 9.16), an agreement terminating the Existing Lease, in a form agreed to by the Parties, executed by the Seller and owner and lessor of the Premises;

(vi) a security agreement, in a form agreed to by the Parties (the "**Security Agreement**"), executed by HWL and Family Dog; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Assignment and Assumption Agreement executed by Purchaser;

(ii) the Non-Compete Agreement executed by Rick's;

(iii) the Lock-up/Leak-Out Agreement executed by Rick's;

(iv) the Purchase Price in accordance with Article III, including the Club Notes and issuance and delivery of the Rick's Shares;

(v) the executed Guaranty Agreement of Rick's of the Club Notes (the "**Rick's Guaranty**");

(vi) the Security Agreement executed by the Purchaser; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. The transactions contemplated by this Agreement are part of series of related transactions by and among certain of the Parties and certain affiliated and related parties (the "**Related Transaction Parties**"). The Related Transaction Parties intend and will use commercially reasonable efforts to cause the transactions described in this Section 4.3 (collectively, the "**Related Transactions**") to close as described in this Section 4.3.

(a) Sale of the Affiliated Clubs.

(i) The Parties intend that each affiliated club seller, as set forth in Exhibit 4.3(a) (an "**Affiliated Club Seller**"), will sell substantially all of its tangible and intangible assets and personal property (each, a "**Club Transaction**") to a subsidiary of Rick's (an "**Affiliated Club Purchaser**") for the purchase price identified on Exhibit 4.3(a) pursuant to a definitive asset purchase agreement with provisions substantially similar to this Agreement (each, a "**Definitive Agreement**").

(ii) For clarity, (1) the Seller under this Agreement is an Affiliated Club Seller, (2) the transactions contemplated by this Agreement constitute a Club Transaction, and (3) this Agreement is a Definitive Agreement.

(iii) The aggregate purchase price to be paid by Rick's and the Affiliated Club Purchasers to the Affiliated Club Sellers from the closing of all the Club Transactions is $56,600,000, payable as follows: (1) $19,600,000 payable by cashier's check, certified funds, or wire transfer; (2) $11,000,000 evidenced by ten-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in one hundred twenty (120) equal monthly payments of principal and interest (each, a "**10 Year Note**"); (3) $8,000,000 evidenced by twenty-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in two hundred forty (240) equal monthly payments of principal and interest (each, a "**20 Year Note**" and, together with the 10 Year Notes, the "**Club Notes**"); and (4) the issuance of 300,000 shares of restricted common stock, par value $0.01 of Rick's, based on a per share price of $60.00 per share (the "**Rick's Shares**"); with each type of consideration under subsections (1), (2), (3) and (4) above to be paid pro-rata based on the purchase price for each Club Transaction.

(iv) Rick's and the Affiliated Club Purchaser shall issue the Rick's Shares and the Club Notes directly to HWL or Family Dog (as directed by the Seller Group), unless otherwise directly by the Seller Group. The Club Notes and the Rick's Guaranty shall be in the form agreed to by the Parties.

(v) The Related Transaction Parties desire to close all the Club Transactions on the same closing date, but recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, the Related Transaction Parties anticipate and intend to close at least six of the nine Club Transactions and the purchase of substantially all of the assets of OG1, LLC, an Unaffiliated Club as referred to and defined in Section 9.15 hereof, on the first such closing (the "**First Closing**") and to close the remaining Club Transactions as soon as practicable thereafter.

(b) Sale of the Real Property. At the First Closing, and pursuant to one or more definitive purchase and sale agreements, the appropriate parties shall close on the purchase and sale of six parcels of real property from certain real estate sellers to RCI Holdings, Inc., a Texas corporation wholly owned by Ricks, all as identified and for the aggregate purchase prices set forth on Exhibit 4.3(b). The real estate sellers will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the real estate properties set forth beside the real estate sellers name on Exhibit 4.3(b), which warranty deeds will convey good and marketable title to the real properties to RCI Holdings, Inc. free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(c) Sale of Intellectual Property. At the First Closing, and pursuant to a definitive asset purchase agreement, the appropriate parties shall close on the sale of substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("**Club Licensing**"), to a wholly owned subsidiary of Rick's for a purchase price of $13,000,000. The assets of Club Licensing include substantially all of the intellectual property used in the adult entertainment establishment businesses owned and operated by the Affiliated Club Sellers (the "**IP Transaction**").

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER GROUP

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller Group, jointly and severally, hereby represents and warrants to the Purchaser Group the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller Group.

(a) The Seller is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Seller.

(b) HWL is a Colorado limited liability limited partnership duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 HWL.

(c) Family Dog is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Family Dog.

Section 5.2 Ownership of the Seller and HWL.

(a) HWL owns 90% and Johan Van Baal owns 10% of the issued and outstanding membership interests of the Seller, which membership interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of stock authorized or issued by the Seller.

(b) Family Dog owns substantially all of the issued and outstanding partnership interests in HWL, which interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances.

Section 5.3 Subsidiaries. The Seller does not own any subsidiaries.

Section 5.4 Ownership of the Purchased Assets. The Seller 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 Seller 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 Encumbrances 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 5.4, attached hereto; and (b) any Encumbrances contemplated under the Club Notes and Security Agreement in favor of the Seller, HWL, and Family Dog.

Section 5.5 Authorization. All action on the part of the Seller Group necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller Group or will be taken prior to the Closing Date. The Seller Group has the requisite power and authority to execute and deliver this Agreement and to perform their 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 Seller Group, enforceable against the Seller Group 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 5.6 Acquisition of Stock for Investment.

(a) The Seller Group understands that the issuance of the Rick's Shares (as referenced in Article III herein) will not have been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and accordingly, are restricted securities, and the Seller Group's present intention is to receive and hold the Rick's Shares for investment only and not with a view to the distribution or resale thereof.

(b) Additionally, the Seller Group understands that any sale of any of the Rick's Shares issued under current law, will require either (i) the registration of the Rick's Shares under the Securities Act and applicable state securities laws; (ii) compliance with Rule 144 under the Securities Act; or (iii) the availability of an exemption from the registration requirements of the Securities Act and applicable state securities laws.

(c) The Seller Group acknowledges and represents that they are Accredited Investors as that term is defined in Rule 5.01(a) of Regulation D promulgated under the Securities Act.

(d) To assist in implementing the above provisions, the Seller Group hereby consents to the placement of the legend set forth below, or a substantially similar legend, on all certificates representing ownership of the Rick's Shares acquired hereby until the Rick's Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT, ARE RESTRICTED AS TO TRANSFERABILITY, AND MAY NOT BE SOLD, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION AND QUALIFICATION PROVISIONS OF APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM.

(e) The Seller Group understands and agrees that Rick's may notify its transfer agent of the Lock-Up/Leak-Out Agreements and the limitation on the number of Rick's Shares that may be sold in any given month in accordance with the terms and conditions of the Lock-Up/Leak-Out Agreement.

Section 5.7 The Seller Group's Access to Information. The Seller Group hereby confirms and represent that they: (a) have received (i) a copy of Rick's Form 10-K filed with the Securities and Exchange Commission (the "**SEC**") for the year ended September 30, 2020, and a copy of Rick's Form 10-Q's for the quarters ended December 31, 2020 and March 31, 2021, as filed with the SEC; (ii) a copy of Rick's Form 14A filed with the SEC on July 31, 2020; (iii) a copy of Rick's Form S-3 filed with the SEC on May 14, 2021, which went Effective on June 3, 2021; (iv) a copy of the Form 8-K's filed with the SEC on October 8, 2020, November 19, 2020, December 16, 2020, January 12, 2021, February 10, 2021, May 10, 2021, May 20, 2021, June 6, 2021, July 2, 2021, July 8, 2021 and July 15, 2021; (b) have been afforded the opportunity to ask questions of and receive answers from representatives of Rick's concerning the business and financial condition, properties, operations and prospects of Rick's; (c) have such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of the transactions contemplated hereby; (d) have had an opportunity to engage and is represented by an attorney of his choice; (e) have had an opportunity to negotiate the terms and conditions of this Agreement; (f) have been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (g) have been provided with and given an opportunity to review all current information about Rick's.

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller Group does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller Group; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets other than as contemplated herein; (c) 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 any member of the Seller Group is a party of by which the Seller Group's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller Group 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller Group in connection with the execution and delivery by the Seller Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller Group before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Purchased Assets, and there is no basis known to the Seller Group for any such action. No litigation is pending or threatened against the Seller Group, 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 Seller Group is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller Group, the Purchased Assets, or the Business.

Section 5.11 Taxes. The Seller Group has timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller Group and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. The Seller Group is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller Group or the Purchased Assets as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Seller. No assessments or notices of deficiency or other communications have been received by the Seller Group with respect to any tax return of the Seller 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 5.11, none of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the knowledge of the Seller Group, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller Group 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser the Seller's year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited Balance Sheets of the Seller as of June 30, 2021, 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 Seller and fairly represent in all material respects the financial position of the Seller and the results of operations and changes in financial position of the Seller as of the dates and for the periods indicated, in each case in conformity with the Seller's historical accounting practices applied on a consistent basis. Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, the Seller, 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 generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Seller has conducted its business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Seller; (b) acquisition or disposition of any material asset by the Seller or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Seller's accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 Seller is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Seller 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 Seller any labor disputes, strikes or work stoppages. The Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Seller is not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Seller. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Seller, or contributions or payments due to any Seller benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Seller personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the knowledge of the Seller Group, the Seller is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller Group has 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 Seller. The Seller 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 5.15 sets forth a list of all licenses and Permits held by the Seller used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, the Seller does not (a) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the Business. The Seller operates its adult entertainment establishment located at the Premises under an existing lease agreement ("**Existing Lease**"), which Existing Lease will either be (i) assigned to the Purchaser with the consent of the landlord and the Purchaser or (ii) terminated if a New Lease (defined in Section 9.16) is entered into between the landlord and the Purchaser as of the Closing Date. The Seller will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the Purchased Assets of the Seller to which it is subject or is a party or a beneficiary. 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 Seller 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, the Seller 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: (a) the sale, merger, consolidation or recapitalization of the Seller; (b) the sale of any of the Purchased Assets of the Seller (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Seller; (d) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Seller; or (g) the expenditure of more than $10,000 or the performance by the Seller extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Seller is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Seller or (b) covenants of HWL or the Seller 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 Seller in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. The Seller 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 Seller alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Seller, and no property currently or formerly owned, leased, or operated by the Seller, has been contaminated by the Seller or to the knowledge of the Seller Group by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Seller. The Seller 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Seller Group relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. The Seller Group is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Seller, under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Seller, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller Group.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER GROUP

The Purchaser Group hereby jointly and severally represents and warrants to the Seller Group as follows:

Section 6.1 Organization, Good Standing and Qualification of the Purchaser Group.

(a) The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Colorado, (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.

(b) Rick's (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 Rick's.

(c) Big Sky (i) is an entity duly organized 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 Big Sky.

Section 6.2 Authorization. All action on the part of the Purchaser Group 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 each member of the Purchaser Group or will be taken prior to the Closing Date. The Purchaser Group 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 Group, enforceable against the Purchaser Group 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser Group does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser Group is a party.

Section 6.4 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 any member of the Purchaser Group in connection with the execution and delivery by each member of the Purchaser Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser Group 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 Group.

Section 6.6 Valid Issuance of Shares. The Rick's Shares, when issued, sold, and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Lock-Up/Leak-Out Agreement and applicable state and federal securities laws. Assuming the accuracy of the representations of the Seller Group in Sections 5.6 and 5.7, the Rick's Shares will be issued in compliance with all applicable federal and state securities laws.

Section 6.7 Review of Affiliated Club Sellers' Financials. In reviewing the Seller's Financial Statements, and the other similar financial statements of the Affiliated Club Sellers, the Purchaser Group has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser Group to proceed with this Agreement, the Seller Group agree that until the Closing Date or the termination of this Agreement, whichever is earlier, none of the Seller Group or their affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller Group and which the Seller Group believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller Group; or (f) authorize or permit any of the Seller Group's Agents to take any such action or other actions as would adversely affect the Purchaser Group's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller Group set forth in the preceding sentence by any Agent of the Seller Group or its affiliates shall be a breach of this Section 7.1 by the Seller Group. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller Group, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller Group, (iii) license or transfer of all or a portion of the Purchased Assets or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller Group shall file or cause to be filed all tax returns required to be filed by the Seller Group, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller Group shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller Group will, and will cause the Seller to, (a) provide the Purchaser Group and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Seller, and to the books and records of the Seller; (b) permit the Purchaser Group to make inspections thereof; and (c) cause the officers and advisors of the Seller Group to furnish the Purchaser Group with such financial and operating data and other information with respect to Purchased Assets, Premises, and the Business and to discuss such information with the Purchaser Group, as the Purchaser Group may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller Group.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Seller will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Seller will not liquidate or distribute any membership interests or other equity interest or undertake any direct or indirect redemption, purchase or other acquisition of any equity interest;

(b) The Seller 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) Except as described on Schedule 7.4, the Seller 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 and with the consent of the Purchaser Group (not to be unreasonably withheld);

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

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

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

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

(k) The Seller 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;

(l) The Seller will not enter into any non-cancellable contract or agreement longer than one year;

(m) The Seller will not reclassify, split up or otherwise change any of its membership interest or capital structure;

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

(o) The Seller will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller Group shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller Group shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser Group has the right to terminate this Agreement prior to the Closing by written notice to the Seller Group in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser Group in its discretion. In the event that the Purchaser Group does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser Group shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF
THE SELLER GROUP

Each obligation of the Seller Group to be performed on the Closing Date will 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 Seller Group in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser Group contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser Group will provide to the Seller Group certificates, dated the Closing Date and signed by their presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser Group will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser Group will provide corporate resolutions of their 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 8.6 Good Standing Certificate. The Seller Group shall have received a Certificate of Good Standing issued by the state of Colorado for the Purchaser and from the state of Texas for Rick's and Big Sky.

Section 8.7 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 any member of the Purchaser Group.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will 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 nude and semi-nude entertainment on the Premises, including but not limited to a Denver Amusement Permit, a sexually oriented business license and a cabaret license for dancing, and all such permits and authorizations will 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 nude and semi-nude entertainment, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER GROUP

Each obligation of the Purchaser Group 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 the Purchaser Group in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller Group will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller Group will provide to the Purchaser Group certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller Group, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Purchase Assets. The Seller will 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 9.5 Corporate Resolutions. Each member of the Seller Group will provide to the Purchaser Group resolutions of its board of directors, managers, shareholders, members and general partner, as the case may be, of each of the respective Parties 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the state of Colorado for each member of the Seller Group.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will 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 nude and semi-nude entertainment on the Premises, including but not limited to a Denver Amusement Permit, a sexually oriented business license and a cabaret license for dancing, consistent with the current operation of the Business, and all such permits and authorizations will 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 nude and semi-nude entertainment, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Seller and the Business of La Boheme and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Seller and Affiliated Club Sellers will be maintained and exist consistent with past practices and able to be audited by Rick's independent auditors.

Section 9.12 Bank Financing. RCI Holdings, Inc. or its Affiliates shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Properties as contemplated pursuant to Section 4.3(b) of the Related Transactions.

Section 9.13 Adjusted EBITDA. The 2019 adjusted EBITDA for the Affiliated Club Sellers shall total an aggregate of not less than $10,700,000.

Section 9.14 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 any member of the Seller Group or any of the Seller's assets.

Section 9.15 Unaffiliated Clubs. Affiliates of Rick's shall have entered into definitive asset purchase agreements for the purchase of substantially all of the assets of Market Entertainment Inc. and OG1, LLC, which operate the adult entertainment establishment businesses known as PT's Louisville and PT's Denver, respectively (the "**Unaffiliated Clubs**"). For clarity, the Unaffiliated Clubs are operated on real property being sold as part of the Real Estate Transaction.

Section 9.16 Termination or Assignment of Existing Lease. Either (a) the Existing Lease for the Premises will be terminated and a new lease will be entered into between the Purchaser and the owner and lessor of the Premises, on terms and conditions acceptable to the Purchaser, with a commencement date on the Closing Date (a "**New Lease**"), or (b) the Existing Lease will be assigned to the Purchaser and amended, with the consent of the owner and lessor of the Premises, allowing for at least a ten-year total term from and after the Closing Date, along with such other terms and conditions acceptable to the Purchaser.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Seller will be responsible and liable to the Purchaser for the liabilities of the Seller 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, a *pro rata* portion of prepaid items, and other Excluded Assets delivered to Purchaser. If such Excluded Assets exceed such Excluded Liabilities, as of the Closing Date, the Purchaser shall promptly pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price among the Purchased Assets and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule. The maximum amount that may be allocated in the final allocation schedule to the Non-Compete Agreement shall not exceed $10,000 ($90,000 in aggregate across all Definitive Agreements).

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller Group. The Seller Group, jointly and severally, hereby agree to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller Group contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller Group under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser Group. The Purchaser Group, jointly and severally, agree to and will indemnify, defend (with legal counsel reasonably acceptable to the HWL) and hold the Seller Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser Group contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser Group under this Agreement; or (c) any Assumed Liability.

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a third-party claim(s), the aggregate amount of all Losses for which the Seller Group shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s);

(b) The aggregate amount of all Losses arising from third party claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller Group on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud; and

(c) Only with respect to Losses arising from a third-party claim(s), notwithstanding Sections 11.4(a) and (b), the total aggregate amount of all Losses which HWL, Family Dog, and the Affiliated Club Sellers shall be liable for under the indemnification provisions in all Definitive Agreements shall not exceed $22,000,000; provided, that the foregoing limitation shall not apply in the case of fraud and/or in the case of direct (or first party) claim(s).

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller Group will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser Group will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser Group is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser Group of any Excluded Liabilities, such amounts shall be paid first by an offset from the then-outstanding principal balance under the Club Notes (defined in Section 4.3(a)(iii)) and, if the aggregate amount of such payments exceeds the then-outstanding principal balance under the Club Notes, directly from any member of the Seller Group. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b), the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser Group or any of their affiliates from bringing a claim against any Person, including any of the Seller Group, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser Group or any of their affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
MISCELLANEOUS

Section 12.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder will 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 Seller:
Stout Restaurant Concepts, LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(b) If to HWL or Family Dog:
HWL-3, LLLP
Family Dog LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(c) If to the Purchaser or Big Sky:
Big Sky Hospitality Holdings, Inc.
1443 Stout, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
email: eric@rcihh.com

(d) If to Rick's:
RCI Hospitality Holdings, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to:
Robert D. Axelrod
Axelrod & Smith
5300 Memorial Drive, Suite 1000
Houston, Texas 77007
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 a 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 12.3 Severability. Whenever possible, each provision of this Agreement will 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 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 12.5 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 will 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 12.6 Entire Agreement. This Agreement 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 12.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 12.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 12.9 Costs and Expenses. Each Party will 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 12.10 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 will not affect its interpretation.

Section 12.11 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 Seller) that is not a Party to this Agreement.

Section 12.12 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 12.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 12.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the First Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 12.15 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 12.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 12.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 12.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Seller Group:

STOUT RESTAURANT CONCEPTS, LLC

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: Manager

HWL-3 LLLP

By: TARGE INC., its general partner

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: President of Targe Inc.

FAMILY DOG, LLC

By: Union Services, Inc., its manager

By: */s/ Troy Houston Lowrie, Jr.*
Name: Troy Houston Lowrie, Jr.
Title: President of Union Services, Inc.

Signature page to Asset Purchase Agreement

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Purchaser Group:

1443 STOUT, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

RCI HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

BIG SKY HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item	Quantity	Item	Quantity

EXHIBIT 4.3(a)

Affiliated Club Asset Purchase Agreements

Affiliated Club Sellers	Affiliated Club Name	Address of Affiliated Club	Purchase Price
Glenarm Restaurant Concepts LLC	Diamond Cabaret Denver	1222 Glenarm Place, Denver, CO	$ 11,300,000
Glendale Restaurant Concepts LLC	Mile High Club	4451 E Virginia Ave., Glendale, CO	$ 1,200,000
Illinois Restaurant Concepts, LLC	Diamond Club St. Louis	1401 Mississippi Ave., Bay 18, Sauget, IL	$ 5,800,000
Indy Restaurant Concepts, LLC.	PT's Indy	7916 Pendleton Pike, Indianapolis, IN	$ 6,000,000
Kenkev, Inc.	PT's Portland	200 Riverside St., Portland, ME	$ 7,900,000
MRC, LLC	Country Rock Cabaret	200 Monsanto Ave., Sauget, IL	$ 3,900,000
Raleigh Restaurant Concepts, LLC	Men's Club Raleigh	3210 Yonkers Rd., Raleigh, NC	$ 8,230,000
Stout Restaurant Concepts, LLC	LaBoheme	1443 Stout St., Denver, CO	$ 6,970,000
VCG Restaurants Denver, LLC	PT' Centerfold	3480 S Galena Ave., Denver, CO	$ 5,300,000

EXHIBIT 4.3(b)

Real Estate Property

Real Estate Sellers	Address of Real Properties	Purchase Price*	Club that Occupies Real Property
1601 W Evans LLC	1601 W Evans Ave., Denver CO	$ 3,325,000	PT's Showclub
200 Riverside LLC	200 Riverside St., Portland, ME	$ 3,100,000	PT's Showclub
227 E Market LLC	227 E Market St., Louisville, KY	$ 1,900,000	PT's Showclub
3480 S Galena LLC	3480 S Galena Ave., Denver, CO	$ 4,500,000	PT's Centerfolds
4451 E Virginia LLC	4451 E Virginia Ave., Glendale, CO	$ 3,325,000	Mile High Men's Club
7916 Pendleton Pike LLC	7916 Pendleton Pike, Indianapolis, IN	$ 1,850,000	PT's Showclub

* The purchase price for each real property may change, provided that the aggregate purchase price remains unchanged.

Exhibit 10.8

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among VCG Restaurants Denver, LLC, a Colorado limited liability company (the "**Seller**"), HWL-3 LLLP, a Colorado limited liability limited partnership ("**HWL**"), Family Dog LLC, a Colorado limited liability company ("**Family Dog**" and, together with the Seller and HWL, the "**Seller Group**"), 3480 South Galena, Inc., a Colorado corporation (the "**Purchaser**"), Big Sky Hospitality Holdings, Inc., a Texas corporation ("**Big Sky**") and RCI Hospitality Holdings, Inc., a Texas corporation ("**Rick's**" and, together with the Purchaser and Big Sky, the "**Purchaser Group**"). The Seller, Family Dog, HWL, the Purchaser, Big Sky and Rick's are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**." A reference to the Seller Group or the Purchaser Group is a reference to each Party that comprises such group.

WHEREAS, the Seller owns and operates an adult entertainment establishment known as PT's Centerfold (the "**Business**") located at 3480 S. Galena Ave., Denver, Colorado (the "**Premises**");

WHEREAS, HWL owns 90% of the issued and outstanding membership of the Seller;

WHEREAS, Family Dog owns 99.99% of the issued and outstanding partnership interests of HWL;

WHEREAS, Big Sky owns 100% of the issued and outstanding capital stock of Purchaser;

WHEREAS, Rick's owns 100% of the issued and outstanding capital stock of Big Sky;

WHEREAS, the Purchaser and the Seller desire that the Purchaser purchase and the Seller sell substantially all of the assets owned by the Seller, which is substantially all of the assets of the Business; and

WHEREAS, the transactions contemplated by this Agreement are part of a series of related transactions by and among HWL, Family Dog, and certain of their affiliated or related parties, on the one hand, and Ricks and certain of its affiliated parties, on the other hand, as further described in Section 4.3.

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 Seller 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 Seller will 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 (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and the Purchaser will acquire from the Seller all of the tangible and intangible assets and personal property of every kind and description and wherever situated used in the Business, except the Excluded Assets, as defined in Section 1.2, including the following personal property of the Seller:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated used in the Business, including inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers 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 Seller (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 Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including all alcoholic beverages sold by the Seller 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;

(d) all of the Seller's right, title, and interest, as lessee, of any and all equipment leased by the Seller and located at the Premises if disclosed by Seller and for which Purchaser agrees to assume payment. The Seller will 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 Seller to the use of the telephone numbers presently being used in 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;

(f) copies of the Seller'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 Seller or any rights thereto, including but not limited to the name "PT's Centerfold" or any derivative, all trademarks, trade names, service marks, patents, copyrights, and trade secrets;

(h) all licenses, rights or ownership interests held by the Seller 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;

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult nude or semi-nude entertainment business serving alcoholic beverages on the Premises which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and 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 Seller, the Seller'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**").

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, will list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (a) the corporate seals, books, accounting records and records related to corporate governance of the Seller; (b) all the Seller's bank accounts and all Seller monies (including cash) on hand as of the Closing; (c) all credit card receipts and ATM purchases from the operation of the Business as of the close of business on the day of Closing; (d) securities of any type, whether marketable or not; (e) all prepaid expenses, security deposits and tax refunds; (f) accounts or notes receivable of, or held by, the Seller not generated by the business of the Seller; (g) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise; (h) the Seller'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 Seller is a party; (i) all business insurance policies of the Seller; and (j) all employee benefit plans of the Seller (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 Seller which are used in the Business and are not otherwise an Excluded Asset, such assets will nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II
LIABILITIES

Section 2.1 Excluded Liabilities. Except for the Assumed Liabilities (defined in Section 2.2(b)), Purchaser will have no obligation and is not assuming, and the Seller will 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, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 Seller, liabilities to any Governmental Authority (as hereinafter defined) or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**"), including, but not limited to, (a) contractual liabilities arising or accruing from the Seller or the Business or ownership of the Purchased Assets prior to the Closing Date, (b) any existing litigation against the Seller or the Business, (c) any liability with respect to the Seller's or the Business or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by the Seller for taxable periods or portions of taxable periods ending 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 (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Indemnitees (as hereinafter defined in Section 11.1) which arises from or which is based upon or pertaining to the Seller Group's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that the Seller misclassified any entertainers.

Section 2.2 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:

(a) the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing, other than liabilities arising out of a breach of this Agreement by the Seller Group, including (i) contractual liabilities arising from the Seller's ownership of the Purchased Assets on or after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser, subject to subsection (b) below), (ii) any liability resulting from the ownership of any of the Purchased Assets that occurs subsequent to the Closing, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending subsequent to the Closing, 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, and (iv) any litigation, suit, action, proceeding, claim or investigation by any individual or Governmental Authority alleging that, during any period after the Closing, Purchaser, through its operation of the Business after the Closing, misclassified entertainers; and

(b) the liabilities arising on or after the Closing Date under the contracts set forth in Schedule 2.2, which are assumed in writing by Purchaser (the liabilities and obligation set forth in subsections (a) and (b) are collectively, the "**Assumed Liabilities**").

Section 2.3 Taxes.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller Group and 50% by the Purchaser Group.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller Group shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to relating to the Business, the Purchased Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller Group shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed). Any such liability will be an Excluded Liability.

ARTICLE III
PURCHASE PRICE FOR
THE PURCHASED ASSETS

Purchase Price. The Purchaser will pay to the Seller for all of the Purchased Assets a total purchase price of $5,300,000.00 (the "**Purchase Price**"), which will be payable at the Closing as follows:

(a) $1,835,328.05 payable by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing;

(b) A 10 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $1,030,035.34;

(c) A 20 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $749,116.61; and

(d) the issuance and delivery of 28,092 Rick's Shares (defined in Section 4.3(a)(iii)), which may be issued direct to, or transferred after the Closing to, HWL or Family Dog.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur as part of the First Closing (defined in Section 4.3(a)(v)) or the First Closing shall have already occurred. The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) a bill of sale, in a form agreed to by the Parties, executed by the Seller;

(ii) an assignment and assumption agreement, in a form agreed to by the Parties (the "**Assignment and Assumption Agreement**"), executed by the Seller;

(iii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Troy Lowrie ("**Lowrie**");

(iv) a lock-up/leak-out agreement, in a form agreed to by the Parties (a "**Lock-up/Leak-Out Agreement**"), executed by HWL, Family Dog, and each equity owner of Family Dog who will receive 12,000 or more Rick's Shares (each, a "**Shareholder**");

(v) an agreement terminating the Existing Lease (defined in Section 5.16), in a form agreed to by the Parties, executed by the Seller and owner and lessor of the Premises (for clarity, such landlord is a real estate seller selling real property to RCI Holdings, Inc., as described in Section 4.3(b));

(vi) a security agreement, in a form agreed to by the Parties (the "**Security Agreement**"), executed by HWL and Family Dog; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Assignment and Assumption Agreement executed by Purchaser;

(ii) the Non-Compete Agreement executed by Rick's;

(iii) the Lock-up/Leak-Out Agreement executed by Rick's;

(iv) the Purchase Price in accordance with Article III, including the Club Notes and issuance and delivery of the Rick's Shares;

(v) the executed Guaranty Agreement of Rick's of the Club Notes (the "**Rick's Guaranty**");

(vi) the Security Agreement executed by the Purchaser; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. The transactions contemplated by this Agreement are part of series of related transactions by and among certain of the Parties and certain affiliated and related parties (the "**Related Transaction Parties**"). The Related Transaction Parties intend and will use commercially reasonable efforts to cause the transactions described in this Section 4.3 (collectively, the "**Related Transactions**") to close as described in this Section 4.3.

(a) Sale of the Affiliated Clubs.

(i) The Parties intend that each affiliated club seller, as set forth in Exhibit 4.3(a) (an "**Affiliated Club Seller**"), will sell substantially all of its tangible and intangible assets and personal property (each, a "**Club Transaction**") to a subsidiary of Rick's (an "**Affiliated Club Purchaser**") for the purchase price identified on Exhibit 4.3(a) pursuant to a definitive asset purchase agreement with provisions substantially similar to this Agreement (each, a "**Definitive Agreement**").

(ii) For clarity, (1) the Seller under this Agreement is an Affiliated Club Seller, (2) the transactions contemplated by this Agreement constitute a Club Transaction, and (3) this Agreement is a Definitive Agreement.

(iii) The aggregate purchase price to be paid by Rick's and the Affiliated Club Purchasers to the Affiliated Club Sellers from the closing of all the Club Transactions is $56,600,000, payable as follows: (1) $19,600,000 payable by cashier's check, certified funds, or wire transfer; (2) $11,000,000 evidenced by ten-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in one hundred twenty (120) equal monthly payments of principal and interest (each, a "**10 Year Note**"); (3) $8,000,000 evidenced by twenty-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in two hundred forty (240) equal monthly payments of principal and interest (each, a "**20 Year Note**" and, together with the 10 Year Notes, the "**Club Notes**"); and (4) the issuance of 300,000 shares of restricted common stock, par value $0.01 of Rick's, based on a per share price of $60.00 per share (the "**Rick's Shares**"); with each type of consideration under subsections (1), (2), (3) and (4) above to be paid pro-rata based on the purchase price for each Club Transaction.

(iv) Rick's and the Affiliated Club Purchaser shall issue the Rick's Shares and the Club Notes directly to HWL or Family Dog (as directed by the Seller Group), unless otherwise directly by the Seller Group. The Club Notes and the Rick's Guaranty shall be in the form agreed to by the Parties.

(v) The Related Transaction Parties desire to close all the Club Transactions on the same closing date, but recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, the Related Transaction Parties anticipate and intend to close at least six of the nine Club Transactions and the purchase of substantially all of the assets of OG1, LLC, an Unaffiliated Club as referred to and defined in Section 9.15 hereof, on the first such closing (the "**First Closing**") and to close the remaining Club Transactions as soon as practicable thereafter.

(b) Sale of the Real Property. At the First Closing, and pursuant to one or more definitive purchase and sale agreements, the appropriate parties shall close on the purchase and sale of six parcels of real property from certain real estate sellers to RCI Holdings, Inc., a Texas corporation wholly owned by Ricks, all as identified and for the aggregate purchase prices set forth on Exhibit 4.3(b). The real estate sellers will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the real estate properties set forth beside the real estate sellers name on Exhibit 4.3(b), which warranty deeds will convey good and marketable title to the real properties to RCI Holdings, Inc. free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(c) Sale of Intellectual Property. At the First Closing, and pursuant to a definitive asset purchase agreement, the appropriate parties shall close on the sale of substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("**Club Licensing**"), to a wholly owned subsidiary of Rick's for a purchase price of $13,000,000. The assets of Club Licensing include substantially all of the intellectual property used in the adult entertainment establishment businesses owned and operated by the Affiliated Club Sellers (the "**IP Transaction**").

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER GROUP

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller Group, jointly and severally, hereby represents and warrants to the Purchaser Group the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller Group.

(a) The Seller is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Seller.

(b) HWL is a Colorado limited liability limited partnership duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 HWL.

(c) Family Dog is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Family Dog.

Section 5.2 Ownership of the Seller and HWL.

(a) HWL owns 90% and Johan Van Baal owns 10% of the issued and outstanding membership interests of the Seller, which membership interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of stock authorized or issued by the Seller.

(b) Family Dog owns substantially all of the issued and outstanding partnership interests in HWL, which interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances.

Section 5.3 Subsidiaries. The Seller does not own any subsidiaries.

Section 5.4 Ownership of the Purchased Assets. The Seller 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 Seller 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 Encumbrances 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 5.4, attached hereto; and (b) any Encumbrances contemplated under the Club Notes and Security Agreement in favor of the Seller, HWL, and Family Dog.

Section 5.5 Authorization. All action on the part of the Seller Group necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller Group or will be taken prior to the Closing Date. The Seller Group has the requisite power and authority to execute and deliver this Agreement and to perform their 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 Seller Group, enforceable against the Seller Group 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 5.6 Acquisition of Stock for Investment.

(a) The Seller Group understands that the issuance of the Rick's Shares (as referenced in Article III herein) will not have been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and accordingly, are restricted securities, and the Seller Group's present intention is to receive and hold the Rick's Shares for investment only and not with a view to the distribution or resale thereof.

(b) Additionally, the Seller Group understands that any sale of any of the Rick's Shares issued under current law, will require either (i) the registration of the Rick's Shares under the Securities Act and applicable state securities laws; (ii) compliance with Rule 144 under the Securities Act; or (iii) the availability of an exemption from the registration requirements of the Securities Act and applicable state securities laws.

(c) The Seller Group acknowledges and represents that they are Accredited Investors as that term is defined in Rule 5.01(a) of Regulation D promulgated under the Securities Act.

(d) To assist in implementing the above provisions, the Seller Group hereby consents to the placement of the legend set forth below, or a substantially similar legend, on all certificates representing ownership of the Rick's Shares acquired hereby until the Rick's Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT, ARE RESTRICTED AS TO TRANSFERABILITY, AND MAY NOT BE SOLD, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION AND QUALIFICATION PROVISIONS OF APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM.

(e) The Seller Group understands and agrees that Rick's may notify its transfer agent of the Lock-Up/Leak-Out Agreements and the limitation on the number of Rick's Shares that may be sold in any given month in accordance with the terms and conditions of the Lock-Up/Leak-Out Agreement.

Section 5.7 The Seller Group's Access to Information. The Seller Group hereby confirms and represent that they: (a) have received (i) a copy of Rick's Form 10-K filed with the Securities and Exchange Commission (the "**SEC**") for the year ended September 30, 2020, and a copy of Rick's Form 10-Q's for the quarters ended December 31, 2020 and March 31, 2021, as filed with the SEC; (ii) a copy of Rick's Form 14A filed with the SEC on July 31, 2020; (iii) a copy of Rick's Form S-3 filed with the SEC on May 14, 2021, which went Effective on June 3, 2021; (iv) a copy of the Form 8-K's filed with the SEC on October 8, 2020, November 19, 2020, December 16, 2020, January 12, 2021, February 10, 2021, May 10, 2021, May 20, 2021, June 6, 2021, July 2, 2021, July 8, 2021 and July 15, 2021; (b) have been afforded the opportunity to ask questions of and receive answers from representatives of Rick's concerning the business and financial condition, properties, operations and prospects of Rick's; (c) have such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of the transactions contemplated hereby; (d) have had an opportunity to engage and is represented by an attorney of his choice; (e) have had an opportunity to negotiate the terms and conditions of this Agreement; (f) have been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (g) have been provided with and given an opportunity to review all current information about Rick's.

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller Group does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller Group; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets other than as contemplated herein; (c) 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 any member of the Seller Group is a party of by which the Seller Group's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller Group 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller Group in connection with the execution and delivery by the Seller Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller Group before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Purchased Assets, and there is no basis known to the Seller Group for any such action. No litigation is pending or threatened against the Seller Group, 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 Seller Group is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller Group, the Purchased Assets, or the Business.

Section 5.11 Taxes. The Seller Group has timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller Group and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. The Seller Group is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller Group or the Purchased Assets as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Seller. No assessments or notices of deficiency or other communications have been received by the Seller Group with respect to any tax return of the Seller 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 5.11, none of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the knowledge of the Seller Group, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller Group 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser the Seller's year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited Balance Sheets of the Seller as of June 30, 2021, 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 Seller and fairly represent in all material respects the financial position of the Seller and the results of operations and changes in financial position of the Seller as of the dates and for the periods indicated, in each case in conformity with the Seller's historical accounting practices applied on a consistent basis. Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, the Seller, 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 generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Seller has conducted its business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Seller; (b) acquisition or disposition of any material asset by the Seller or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Seller's accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 Seller is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Seller 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 Seller any labor disputes, strikes or work stoppages. The Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Seller is not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Seller. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Seller, or contributions or payments due to any Seller benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Seller personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the knowledge of the Seller Group, the Seller is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller Group has 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 Seller. The Seller 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 5.15 sets forth a list of all licenses and Permits held by the Seller used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, the Seller does not (a) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the Business. The Seller operates its adult entertainment establishment located at the Premises under an existing lease agreement (the "**Existing Lease**"), which Existing Lease will be terminated as of the Closing Date. The Seller will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the Purchased Assets of the Seller to which it is subject or is a party or a beneficiary. 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 Seller 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, the Seller 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: (a) the sale, merger, consolidation or recapitalization of the Seller; (b) the sale of any of the Purchased Assets of the Seller (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Seller; (d) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Seller; or (g) the expenditure of more than $10,000 or the performance by the Seller extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Seller is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Seller or (b) covenants of HWL or the Seller 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 Seller in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. The Seller 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 Seller alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Seller, and no property currently or formerly owned, leased, or operated by the Seller, has been contaminated by the Seller or to the knowledge of the Seller Group by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Seller. The Seller 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Seller Group relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. The Seller Group is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Seller, under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Seller, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller Group.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER GROUP

The Purchaser Group hereby jointly and severally represents and warrants to the Seller Group as follows:

Section 6.1 Organization, Good Standing and Qualification of the Purchaser Group.

(a) The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Colorado, (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.

(b) Rick's (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 Rick's.

(c) Big Sky (i) is an entity duly organized 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 Big Sky.

Section 6.2 Authorization. All action on the part of the Purchaser Group 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 each member of the Purchaser Group or will be taken prior to the Closing Date. The Purchaser Group 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 Group, enforceable against the Purchaser Group 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser Group does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser Group is a party.

Section 6.4 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 any member of the Purchaser Group in connection with the execution and delivery by each member of the Purchaser Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser Group 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 Group.

Section 6.6 Valid Issuance of Shares. The Rick's Shares, when issued, sold, and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Lock-Up/Leak-Out Agreement and applicable state and federal securities laws. Assuming the accuracy of the representations of the Seller Group in Sections 5.6 and 5.7, the Rick's Shares will be issued in compliance with all applicable federal and state securities laws.

Section 6.7 Review of Affiliated Club Sellers' Financials. In reviewing the Seller's Financial Statements, and the other similar financial statements of the Affiliated Club Sellers, the Purchaser Group has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser Group to proceed with this Agreement, the Seller Group agree that until the Closing Date or the termination of this Agreement, whichever is earlier, none of the Seller Group or their affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller Group and which the Seller Group believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller Group; or (f) authorize or permit any of the Seller Group's Agents to take any such action or other actions as would adversely affect the Purchaser Group's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller Group set forth in the preceding sentence by any Agent of the Seller Group or its affiliates shall be a breach of this Section 7.1 by the Seller Group. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller Group, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller Group, (iii) license or transfer of all or a portion of the Purchased Assets or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller Group shall file or cause to be filed all tax returns required to be filed by the Seller Group, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller Group shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller Group will, and will cause the Seller to, (a) provide the Purchaser Group and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Seller, and to the books and records of the Seller; (b) permit the Purchaser Group to make inspections thereof; and (c) cause the officers and advisors of the Seller Group to furnish the Purchaser Group with such financial and operating data and other information with respect to Purchased Assets, Premises, and the Business and to discuss such information with the Purchaser Group, as the Purchaser Group may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller Group.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Seller will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Seller will not liquidate or distribute any membership interest or other equity interest or undertake any direct or indirect redemption, purchase or other acquisition of any equity interest;

(b) The Seller 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) Except as described on Schedule 7.4, the Seller 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 and with the consent of the Purchaser Group (not to be unreasonably withheld);

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

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

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

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

(k) The Seller 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;

(l) The Seller will not enter into any non-cancellable contract or agreement longer than one year;

(m) The Seller will not reclassify, split up or otherwise change any of its membership interest or capital structure;

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

(o) The Seller will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller Group shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller Group shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser Group has the right to terminate this Agreement prior to the Closing by written notice to the Seller Group in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser Group in its discretion. In the event that the Purchaser Group does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser Group shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF
THE SELLER GROUP

Each obligation of the Seller Group to be performed on the Closing Date will 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 Seller Group in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser Group contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser Group will provide to the Seller Group certificates, dated the Closing Date and signed by their presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser Group will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser Group will provide corporate resolutions of their 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 8.6 Good Standing Certificate. The Seller Group shall have received a Certificate of Good Standing issued by the state of Colorado for the Purchaser and from the state of Texas for Rick's and Big Sky.

Section 8.7 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 any member of the Purchaser Group.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will have obtained all necessary permits and other authorizations, whether city, county, state or federal, including but not limited to a Denver Amusement Permit, which may be needed to operate an establishment providing live female adult nude entertainment on the Premises, and all such permits and authorizations will be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the continued performance of live female adult nude entertainment, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER GROUP

Each obligation of the Purchaser Group 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 the Purchaser Group in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller Group will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller Group will provide to the Purchaser Group certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller Group, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Purchase Assets. The Seller will 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 9.5 Corporate Resolutions. Each member of the Seller Group will provide to the Purchaser Group resolutions of its board of directors, managers, shareholders, members and general partner, as the case may be, of each of the respective Parties 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the state of Colorado for each member of the Seller Group.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will possess all necessary permits and other authorizations, whether city, county, state or federal, including but not limited to a Denver Amusement Permit, which may be needed to operate an establishment providing live female adult nude entertainment on the Premises consistent with the current operation of the Business, and all such permits and authorizations will be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the continued performance of live female adult nude entertainment, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Seller and the Business of PT's Centerfold and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Seller and Affiliated Club Sellers will be maintained and exist consistent with past practices and able to be audited by Rick's independent auditors.

Section 9.12 Bank Financing. RCI Holdings, Inc. or its Affiliates shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Properties as contemplated pursuant to Section 4.3(b) of the Related Transactions.

Section 9.13 Adjusted EBITDA. The 2019 adjusted EBITDA for the Affiliated Club Sellers shall total an aggregate of not less than $10,700,000.

Section 9.14 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 any member of the Seller Group or any of the Seller's assets.

Section 9.15 Unaffiliated Clubs. Affiliates of Rick's shall have entered into definitive asset purchase agreements for the purchase of substantially all of the assets of Market Entertainment Inc. and OG1, LLC, which operate the adult entertainment establishment businesses known as PT's Louisville and PT's Denver, respectively (the "**Unaffiliated Clubs**"). For clarity, the Unaffiliated Clubs are operated on real property being sold as part of the Real Estate Transaction.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Seller will be responsible and liable to the Purchaser for the liabilities of the Seller 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, a *pro rata* portion of prepaid items, and other Excluded Assets delivered to Purchaser. If such Excluded Assets exceed such Excluded Liabilities as of the Closing Date, the Purchaser shall promptly pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price among the Purchased Assets and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule. The maximum amount that may be allocated in the final allocation schedule to the Non-Compete Agreement shall not exceed $10,000 ($90,000 in aggregate across all Definitive Agreements).

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller Group. The Seller Group, jointly and severally, hereby agree to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller Group contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller Group under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser Group. The Purchaser Group, jointly and severally, agree to and will indemnify, defend (with legal counsel reasonably acceptable to the HWL) and hold the Seller Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser Group contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser Group under this Agreement; or (c) any Assumed Liability.

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a Third-Party Claim(s), the aggregate amount of all Losses for which the Seller Group shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s);

(b) The aggregate amount of all Losses arising from Third-Party Claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller Group on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud; and

(c) Only with respect to Losses arising from a Third-Party Claim(s), notwithstanding Sections 11.4(a) and (b), the total aggregate amount of all Losses which HWL, Family Dog, and the Affiliated Club Sellers shall be liable for under the indemnification provisions in all Definitive Agreements shall not exceed $22,000,000; provided, that the foregoing limitation shall not apply in the case of fraud and/or in the case of direct (or first party) claim(s).

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller Group will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser Group will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser Group is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser Group of any Excluded Liabilities, such amounts shall be paid first by an offset from the then-outstanding principal balance under the Club Notes (defined in Section 4.3(a)(iii)) and, if the aggregate amount of such payments exceeds the then-outstanding principal balance under the Club Notes, directly from any member of the Seller Group. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b), the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser Group or any of their affiliates from bringing a claim against any Person, including any of the Seller Group, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser Group or any of their affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
MISCELLANEOUS

Section 12.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder will 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 Seller:
VCG Restaurants Denver, LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(b) If to HWL or Family Dog:
HWL-3, LLLP
Family Dog LLC
Attn: Troy Lowrie
735 S Xenon Ct.
Lakewood, CO 80228
email: troy@hwl-3.com

with a copy to:
Ryan Tharp
Fairfield and Woods, P.C.
1801 California Street, Suite 2600
Denver, Colorado 80202-2645
email: rtharp@fwlaw.com

(c) If to the Purchaser or Big Sky:
Big Sky Hospitality Holdings, Inc.
3480 South Galena, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
email: eric@rcihh.com

(d) If to Rick's:
RCI Hospitality Holdings, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
Email: eric@rcihh.com

with a copy to:
Robert D. Axelrod
Axelrod & Smith
5300 Memorial Drive, Suite 1000
Houston, Texas 77007
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 a 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 12.3 Severability. Whenever possible, each provision of this Agreement will 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 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 12.5 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 will 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 12.6 Entire Agreement. This Agreement 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 12.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 12.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 12.9 Costs and Expenses. Each Party will 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 12.10 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 will not affect its interpretation.

Section 12.11 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 Seller) that is not a Party to this Agreement.

Section 12.12 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 12.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 12.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the First Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 12.15 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 12.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 12.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 12.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Seller Group:

VCG RESTAURANTS DENVER, LLC

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: Manager

HWL-3 LLLP

By: TARGE INC., its general partner

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: President of Targe Inc.

FAMILY DOG, LLC

By: Union Services, Inc., its manager

By: */s/ Troy Houston Lowrie, Jr.*
Name: Troy Houston Lowrie, Jr.
Title: President of Union Services, Inc.

Signature page to Asset Purchase Agreement

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Purchaser Group:

3480 SOUTH GALENA, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

BIG SKY HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

RCI HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

EXHIBIT 1.1

Purchased Assets

Item	Quantity	Item	Quantity

EXHIBIT 4.3(a)

Affiliated Club Asset Purchase Agreements

Affiliated Club Sellers	Affiliated Club Name	Address of Affiliated Club	Purchase Price
Glenarm Restaurant Concepts LLC	Diamond Cabaret Denver	1222 Glenarm Place, Denver, CO	$ 11,300,000
Glendale Restaurant Concepts LLC	Mile High Club	4451 E Virginia Ave., Glendale, CO	$ 1,200,000
Illinois Restaurant Concepts, LLC	Diamond Club St. Louis	1401 Mississippi Ave., Bay 18, Sauget, IL	$ 5,800,000
Indy Restaurant Concepts, LLC.	PT's Indy	7916 Pendleton Pike, Indianapolis, IN	$ 6,000,000
Kenkev, Inc.	PT's Portland	200 Riverside St., Portland, ME	$ 7,900,000
MRC, LLC	Country Rock Cabaret	200 Monsanto Ave., Sauget, IL	$ 3,900,000
Raleigh Restaurant Concepts, LLC	Men's Club Raleigh	3210 Yonkers Rd., Raleigh, NC	$ 8,230,000
Stout Restaurant Concepts, LLC	LaBoheme	1443 Stout St., Denver, CO	$ 6,970,000
VCG Restaurants Denver, LLC	PT' Centerfold	3480 S Galena Ave., Denver, CO	$ 5,300,000

EXHIBIT 4.3(b)

Real Estate Property

Real Estate Sellers	Address of Real Properties	Purchase Price*	Club that Occupies Real Property
1601 W Evans LLC	1601 W Evans Ave., Denver CO	$ 3,325,000	PT's Showclub
200 Riverside LLC	200 Riverside St., Portland, ME	$ 3,100,000	PT's Showclub
227 E Market LLC	227 E Market St., Louisville, KY	$ 1,900,000	PT's Showclub
3480 S Galena LLC	3480 S Galena Ave., Denver, CO	$ 4,500,000	PT's Centerfolds
4451 E Virginia LLC	4451 E Virginia Ave., Glendale, CO	$ 3,325,000	Mile High Men's Club
7916 Pendleton Pike LLC	7916 Pendleton Pike, Indianapolis, IN	$ 1,850,000	PT's Showclub

* The purchase price for each real property may change, provided that the aggregate purchase price remains unchanged.

Exhibit 10.9

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among Market Entertainment Inc., a Kentucky corporation (the "**Seller**"), and 227 East Market, Inc., a Kentucky corporation (the "**Purchaser**"). The Seller and the Purchaser are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**."

WHEREAS, the Seller owns and operates an adult entertainment establishment known as PT's Louisville (the "**Business**") located at 227 E Market St., Louisville, Kentucky (the "**Premises**");

WHEREAS, the Purchaser and the Seller desire that the Purchaser purchase and the Seller sell substantially all of the assets owned by the Seller, which is substantially all of the assets of the Business; 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 Seller 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 Seller will 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 (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and the Purchaser will acquire from the Seller all of the tangible and intangible assets and personal property of every kind and description and wherever situated used in the Business, except the Excluded Assets, as defined in Section 1.2, including the following personal property of the Seller:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated used in the Business, including inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers 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 Seller (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 Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including all alcoholic beverages sold by the Seller 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;

(d) all of the Seller's right, title, and interest, as lessee, of any and all equipment leased by the Seller and located at the Premises if disclosed by Seller and for which Purchaser agrees to assume payment. The Seller will 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 Seller to the use of the telephone numbers presently being used in 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;

(f) copies of the Seller'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 Seller or any rights thereto, including but not limited to the name "PT's Louisville" or any derivative, all trademarks, trade names, service marks, patents, copyrights, and trade secrets;

(h) all licenses, rights or ownership interests held by the Seller 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;

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult nude or semi-nude entertainment business serving alcoholic beverages on the Premises which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and 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 Seller, the Seller'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**").

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, will list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (a) the corporate seals, books, accounting records and records related to corporate governance of the Seller; (b) all the Seller's bank accounts and all Seller monies (including cash) on hand as of the Closing; (b) all credit card receipts and ATM purchases from the operation of the Business as of the close of business on the day of Closing; (d) securities of any type, whether marketable or not; (e) all prepaid expenses, security deposits and tax refunds; (f) accounts or notes receivable of, or held by, the Seller not generated by the business of the Seller; (g) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise; (h) the Seller'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 Seller is a party; (i) all business insurance policies of the Seller; and (j) all employee benefit plans of the Seller (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 Seller which are used in the Business and are not otherwise an Excluded Asset, such assets will nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II
LIABILITIES

Section 2.1 Excluded Liabilities. Except for the Assumed Liabilities (defined in Section 2.2(b)), Purchaser will have no obligation and is not assuming, and the Seller will 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, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 Seller, liabilities to any Governmental Authority (as hereinafter defined) or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**"), including, but not limited to, (a) contractual liabilities arising or accruing from the Seller or the Business or ownership of the Purchased Assets prior to the Closing Date, (b) any existing litigation against the Seller or the Business, (c) any liability with respect to the Seller's or the Business or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by the Seller for taxable periods or portions of taxable periods ending 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 (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Indemnitees (as hereinafter defined in Section 11.1) which arises from or which is based upon or pertaining to the Seller's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that the Seller misclassified any entertainers.

Section 2.2 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:

(a) the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing, other than liabilities arising out of a breach of this Agreement by the Seller, including (i) contractual liabilities arising from the Seller's ownership of the Purchased Assets on or after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser, subject to subsection (b) below), (ii) any liability resulting from the ownership of any of the Purchased Assets that occurs subsequent to the Closing, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending subsequent to the Closing, 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, and (iv) any litigation, suit, action, proceeding, claim or investigation by any individual or Governmental Authority alleging that, during any period after the Closing, Purchaser, through its operation of the Business after the Closing, misclassified entertainers; and

(b) the liabilities arising on or after the Closing Date under the contracts set forth in Schedule 2.2, which are assumed in writing by Purchaser (the liabilities and obligation set forth in subsections (a) and (b) are collectively, the "**Assumed Liabilities**").

Section 2.3 Taxes.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller and 50% by the Purchaser.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to relating to the Business, the Purchased Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed). Any such liability will be an Excluded Liability.

ARTICLE III
PURCHASE PRICE FOR
THE PURCHASED ASSETS

Purchase Price. The Purchaser will pay to the Seller for all of the Purchased Assets a total purchase price of $100,000 (the "**Purchase Price**"), which will be payable at the Closing by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur concurrently with the closing of the Real Estate Transaction described in Section 4.3(a). The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) a bill of sale, in a form agreed to by the Parties, executed by the Seller;

(ii) an assignment and assumption agreement, in a form agreed to by the Parties (the "**Assignment and Assumption Agreement**"), executed by the Seller;

(iii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Paul Valdez ("Valdez");

(iv) a lease termination agreement, in a form agreed to by the Parties, executed by the Seller and the Real Estate Seller (as defined in Section 4.3(a));

(v) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Assignment and Assumption Agreement executed by Purchaser;

(ii) the Purchase Price in accordance with Article III; and

(iii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. In addition to the purchase and sale of the Purchased Assets, the following actions will take place contemporaneously at the Closing (collectively, the "**Related Transactions**"):

(a) Sale of the Real Property. At the Closing, and pursuant to a definitive purchase and sale agreement, the purchase and sale of the real property located at 227 E Market St., Louisville, Kentucky (the "**Real Property**") from 227 E Market LLC, a Kentucky limited liability company (the "**Real Estate Seller**"), to RCI Holdings, Inc., a Texas corporation affiliated with the Purchaser ("**RCI**"), will close. The Real Estate Seller will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the Real Property, which warranty deed will convey good and marketable title to the Real property to RCI free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(b) Indemnification Guaranty Agreement. At the Closing, HWL-3 LLLP, a Colorado limited liability limited partnership ("**HWL**"), and Family Dog LLC, a Colorado limited liability company ("**Family Dog**") will enter into an Indemnification Guaranty Agreement in a form agreed to by the Parties (the "**Indemnification Guaranty Agreement**"), under which HWL and Family Dog will guaranty the financial obligations of the Seller under Article 11 of this Agreement.

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller hereby represents and warrants to the Purchaser the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller. The Seller is a Kentucky corporation duly organized and validly existing and in good standing under the laws of the state of Kentucky, 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 Seller.

Section 5.2 Ownership of the Seller. Valdez owns 100% of the issued and outstanding common stock of the Seller, which common stock is owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of stock authorized or issued by the Seller.

Section 5.3 Subsidiaries. The Seller does not own any subsidiaries.

Section 5.4 Ownership of the Purchased Assets. The Seller 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 Seller 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 Encumbrances other than Permitted Encumbrances. For purposes of this Agreement, "**Permitted Encumbrances**" means 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 5.4, attached hereto.

Section 5.5 Authorization. All action on the part of the Seller necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller or will be taken prior to the Closing Date. The Seller 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 Seller, enforceable against the Seller 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 5.6 [Omitted].

Section 5.7 [Omitted].

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets other than as contemplated herein; (c) 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 any member of the Seller is a party of by which the Seller's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller in connection with the execution and delivery by the Seller of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Purchased Assets, and there is no basis known to the Seller for any such action. No litigation is pending or threatened against the Seller, 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 Seller is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller, the Purchased Assets, or the Business.

Section 5.11 Taxes. The Seller has timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. The Seller is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller or the Purchased Assets as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Seller. No assessments or notices of deficiency or other communications have been received by the Seller with respect to any tax return of the Seller 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 5.11, none of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the knowledge of the Seller, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser the Seller's year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited Balance Sheets of the Seller as of June 30, 2021, 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 Seller and fairly represent in all material respects the financial position of the Seller and the results of operations and changes in financial position of the Seller as of the dates and for the periods indicated, in each case in conformity with the Seller's historical accounting practices applied on a consistent basis. Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, the Seller, 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 generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Seller has conducted its business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Seller; (b) acquisition or disposition of any material asset by the Seller or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Seller's accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 Seller is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Seller 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 Seller any labor disputes, strikes or work stoppages. The Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Seller is not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Seller. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Seller, or contributions or payments due to any Seller benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Seller personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the knowledge of the Seller, the Seller is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller has 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 Seller. The Seller 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 5.15 sets forth a list of all licenses and Permits held by the Seller used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, the Seller does not (a) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the Business. The Seller operates its adult entertainment establishment located at the Premises under the Existing Lease Agreement, which lease agreement will be terminated as of the Closing Date. The Seller will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the Purchased Assets of the Seller to which it is subject or is a party or a beneficiary. 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 Seller 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, the Seller 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: (a) the sale, merger, consolidation or recapitalization of the Seller; (b) the sale of any of the Purchased Assets of the Seller (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Seller; (d) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Seller; or (g) the expenditure of more than $10,000 or the performance by the Seller extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Seller is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Seller or (b) covenants of the Seller 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 Seller in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. The Seller 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 Seller alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Seller, and no property currently or formerly owned, leased, or operated by the Seller, has been contaminated by the Seller or to the knowledge of the Seller by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Seller. The Seller 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Seller relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. The Seller is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Seller, under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Seller, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER

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

Section 6.1 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 Kentucky, (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 6.2 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 each member of 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser is a party.

Section 6.4 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 any member of the Purchaser in connection with the execution and delivery by each member of the Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 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 6.6 [Omitted].

Section 6.7 Review of Sellers' Financials. In reviewing the Seller's Financial Statements, the Purchaser has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Seller agrees that until the Closing Date or the termination of this Agreement, whichever is earlier, neither the Seller nor its affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller and which the Seller believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller; or (f) authorize or permit the Seller's Agents to take any such action or other actions as would adversely affect the Purchaser's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller set forth in the preceding sentence by any Agent of the Seller or its affiliates shall be a breach of this Section 7.1 by the Seller. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller, (iii) license or transfer of all or a portion of the Purchased Assets or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller shall file or cause to be filed all tax returns required to be filed by the Seller, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller will (a) provide the Purchaser and its authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Seller, and to the books and records of the Seller; (b) permit the Purchaser to make inspections thereof; and (c) cause the officers and advisors of the Seller to furnish the Purchaser with such financial and operating data and other information with respect to Purchased Assets, Premises, and the Business and to discuss such information with the Purchaser, as the Purchaser may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Seller will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Seller will not 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 Seller 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) Except as described on Schedule 7.4, the Seller 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 and with the consent of the Purchaser (not to be unreasonably withheld);

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

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

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

(h) The Seller 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 its employees and to preserve its goodwill and relationships with suppliers, creditors, customers, and others having business relationships with them;

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

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

(k) The Seller 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;

(l) The Seller will not enter into any non-cancellable contract or agreement longer than one year;

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

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

(o) The Seller will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser has the right to terminate this Agreement prior to the Closing by written notice to the Seller in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser in its discretion. In the event that the Purchaser does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF THE SELLER

Each obligation of the Seller to be performed on the Closing Date will 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 Seller in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 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, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser will provide to the Seller certificates, dated the Closing Date and signed by its presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser will provide corporate resolutions of its 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 8.6 Good Standing Certificate. The Seller shall have received a Certificate of Good Standing issued by the state of Kentucky for the Purchaser.

Section 8.7 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 any member of the Purchaser.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will 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 topless, with skin color pasties, entertainment on the Premises, and all such permits and authorizations will 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 topless, with skin color pasties, entertainment, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the Related Transactions.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER

Each obligation of the 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 the Purchaser in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller will provide to the Purchaser certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Purchase Assets. The Seller will 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 9.5 Corporate Resolutions. The Seller will provide to the Purchaser resolutions of its board of directors, managers, shareholders, members and general partner, as the case may be, of each of the respective Parties 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the state of Kentucky for the Seller.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will 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 topless, with skin color pasties, entertainment on the Premises consistent with the current operation of the Business, and all such permits and authorizations will 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 topless, with skin color pasties, entertainment, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the Related Transactions.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Seller and the Business of PT's Louisville and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Seller will be maintained and exist consistent with past practices and able to be audited by the Purchaser or its affiliate.

Section 9.12 Bank Financing. RCI shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Property and certain unaffiliated real properties.

Section 9.13 [Omitted].

Section 9.14 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 Seller or the Seller's assets.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Seller will be responsible and liable to the Purchaser for the liabilities of the Seller 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, a *pro rata* portion of prepaid items and other Excluded Assets delivered to Purchaser. If such Excluded Assets exceed such Excluded Liabilities as of the Closing Date, the Purchaser shall promptly pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price among the Purchased Assets and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule.

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller. The Seller hereby agrees to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser and its affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser. The Purchaser agrees to and will indemnify, defend (with legal counsel reasonably acceptable to the Seller) and hold the Seller and its affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser under this Agreement; or (c) any Assumed Liability.

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a third-party claim(s), the aggregate amount of all Losses for which the Seller shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s); and

(b) The aggregate amount of all Losses arising from third party claims for which the Seller shall be liable under Section 11.1 shall not exceed an amount equal to $4,200,000 plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller shall be liable under Section 11.1 shall not exceed an amount equal to the $4,200,000 plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud.

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date (**"Survival Date"**). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser of any Excluded Liabilities, such amounts shall be paid directly from the Seller or from HWL or Family Dog in accordance with the Indemnification Guaranty Agreement. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b), the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser or any of its affiliates from bringing a claim against any Person, including any of the Seller, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser or any of its affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
MISCELLANEOUS

Section 12.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder will 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 Seller: Market Entertainment Inc.
Attn: Paul Valdez
President
_____
email: _____

with a copy to: Rand E. Kruger
Kruger & Schwartz
3339 Taylorsville Road
Louisville Kentucky 40205
email: rand@kslaws.com

(c) If to the Purchaser: 227 East Market, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
email: eric@rcihh.com

with a copy to: Robert D. Axelrod
Axelrod & Smith
5300 Memorial Drive, Suite 1000
Houston, Texas 77007
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 a 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 12.3 Severability. Whenever possible, each provision of this Agreement will 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 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 12.5 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 will 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 12.6 Entire Agreement. This Agreement 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 12.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 12.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 12.9 Costs and Expenses. Each Party will 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 12.10 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 will not affect its interpretation.

Section 12.11 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 Seller) that is not a Party to this Agreement.

Section 12.12 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 12.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 12.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser, on the one hand, or the Seller, on the other hand, if the Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser, on the one hand, or the Seller, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser, on the one hand, or the Seller, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 12.15 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 12.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 12.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 12.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Seller: **MARKET ENTERTAINMENT INC.**

By: */s/ Paul Valdez*
Name: Paul Valdez
Title: President

Purchaser: **227 EAST MARKET, INC.**

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

EXHIBIT 1.1

Purchased Assets

Item	Quantity	Item	Quantity

Exhibit 10.10

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among OG1, LLC, a Colorado limited liability company (the "**Seller**"), and 1601West Evans, Inc. (the "**Purchaser**"). The Seller and the Purchaser are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**."

WHEREAS, the Seller owns and operates an adult entertainment establishment known as PT's Showclub (the "**Business**") located at 1601 West Evans Avenue, Denver, Colorado (the "**Premises**");

WHEREAS, Kurt Smith owns 100% of the membership interests in the Seller;

WHEREAS, the Purchaser and the Seller desire that the Purchaser purchase and the Seller sell substantially all of the assets owned by the Seller, which is substantially all of the assets of the Business; 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 Seller 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 Seller will 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 (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and the Purchaser will acquire from the Seller all of the tangible and intangible assets and personal property of every kind and description and wherever situated used in the Business, except the Excluded Assets, as defined in Section 1.2, including the following personal property of the Seller:

(a) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated used in the Business, including inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers 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 Seller (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 Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including all alcoholic beverages sold by the Seller 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;

(d) all of the Seller's right, title, and interest, as lessee, of any and all equipment leased by the Seller and located at the Premises if disclosed by Seller and for which Purchaser agrees to assume payment. The Seller will 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 Seller to the use of the telephone numbers presently being used in 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;

(f) copies of the Seller'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 Seller or any rights thereto, including but not limited to the name "PT's Showclub" or any derivative, all trademarks, trade names, service marks, patents, copyrights, and trade secrets;

(h) all licenses, rights or ownership interests held by the Seller 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;

(i) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult nude or semi-nude entertainment business serving alcoholic beverages on the Premises which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and 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 Seller, the Seller'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**").

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, will list all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (a) the corporate seals, books, accounting records and records related to corporate governance of the Seller; (b) all the Seller's bank accounts and all Seller monies (including cash) on hand as of the Closing; (c) all credit card receipts and ATM purchases from the operation of the Business as of the close of business on the day of Closing; (d) securities of any type, whether marketable or not; (e) all prepaid expenses, security deposits and tax refunds; (f) accounts or notes receivable of, or held by, the Seller not generated by the business of the Seller; (g) rights to recovery, offset or refund of any kind or character, whether with respect to monies owing, insurance policies, taxes paid or otherwise; (h) the Seller'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 Seller is a party; (i) all business insurance policies of the Seller; and (j) all employee benefit plans of the Seller (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 Seller which are used in the Business and are not otherwise an Excluded Asset, such assets will nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II
LIABILITIES

Section 2.1 Excluded Liabilities. Except for the Assumed Liabilities (defined in Section 2.2(b)), Purchaser will have no obligation and is not assuming, and the Seller will 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, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 Seller, liabilities to any Governmental Authority (as hereinafter defined) or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**"), including, but not limited to, (a) contractual liabilities arising or accruing from the Seller or the Business or ownership of the Purchased Assets prior to the Closing Date, (b) any existing litigation against the Seller or the Business, (c) any liability with respect to the Seller's or the Business or ownership of any of the Purchased Assets, which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by the Seller for taxable periods or portions of taxable periods ending 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 (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Indemnitees (as hereinafter defined in Section 11.1) which arises from or which is based upon or pertaining to the Seller's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that the Seller misclassified any entertainers.

Section 2.2 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:

(a) the liabilities and obligations related or connected to the Purchased Assets arising or accruing after the Closing, other than liabilities arising out of a breach of this Agreement by the Seller, including (i) contractual liabilities arising from the Seller's ownership of the Purchased Assets on or after the Closing Date (provided each such contractual liability is created or assumed by the Purchaser, subject to subsection (b) below), (ii) any liability resulting from the ownership of any of the Purchased Assets that occurs subsequent to the Closing, (iii) any taxes for any portion of any taxable periods or portions of taxable periods ending subsequent to the Closing, 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, and (iv) any litigation, suit, action, proceeding, claim or investigation by any individual or Governmental Authority alleging that, during any period after the Closing, Purchaser, through its operation of the Business after the Closing, misclassified entertainers; and

(b) the liabilities arising on or after the Closing Date under the contracts set forth in Schedule 2.2, which are assumed in writing by Purchaser (the liabilities and obligation set forth in subsections (a) and (b) are collectively, the "**Assumed Liabilities**").

Section 2.3 Taxes.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller and 50% by the Purchaser.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to relating to the Business, the Purchased Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed). Any such liability will be an Excluded Liability.

ARTICLE III
PURCHASE PRICE FOR
THE PURCHASED ASSETS

Purchase Price. The Purchaser will pay to the Seller for all of the Purchased Assets a total purchase price of $300,000 (the "**Purchase Price**"), which will be payable at the Closing by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur concurrently with the closing of the Real Estate Transaction described in Section 4.3(a). The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) a bill of sale, in a form agreed to by the Parties, executed by the Seller;

(ii) an assignment and assumption agreement, in a form agreed to by the Parties (the "**Assignment and Assumption Agreement**"), executed by the Seller;

(iii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Kurt Smith ("Smith");

(iv) a lease termination agreement, in a form agreed to by the Parties, executed by the Seller and the Real Estate Seller (as defined in Section 4.3(a));

(v) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Assignment and Assumption Agreement executed by Purchaser;

(ii) the Purchase Price in accordance with Article III; and

(iii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. In addition to the purchase and sale of the Purchased Assets, the following actions will take place contemporaneously at the Closing (collectively, the "**Related Transactions**"):

(a) Sale of the Real Property. At the Closing, and pursuant to a definitive purchase and sale agreement, the purchase and sale of the real property located at 1601 West Evans Avenue, Denver, Colorado (the "**Real Property**") from 1601 W Evans LLC, a Colorado limited liability company (the "**Real Estate Seller**"), to RCI Holdings, Inc., a Texas corporation affiliated with the Purchaser ("**RCI**"), will close. The Real Estate Seller will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the Real Property, which warranty deed will convey good and marketable title to the Real property to RCI free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(b) Indemnification Guaranty Agreement. At the Closing, HWL-3 LLLP, a Colorado limited liability limited partnership ("**HWL**"), and Family Dog LLC, a Colorado limited liability company ("**Family Dog**") will enter into an Indemnification Guaranty Agreement in a form agreed to by the Parties (the "**Indemnification Guaranty Agreement**"), under which HWL and Family Dog will guaranty the financial obligations of the Seller under Article 11 of this Agreement.

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller hereby represents and warrants to the Purchaser the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller. The Seller is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Seller.

Section 5.2 Ownership of the Seller. Smith owns 100% of the issued and outstanding membership interests of the Seller, which common stock is owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of equity securities authorized or issued by the Seller.

Section 5.3 Subsidiaries. The Seller does not own any subsidiaries.

Section 5.4 Ownership of the Purchased Assets. The Seller 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 Seller 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 Encumbrances other than Permitted Encumbrances. For purposes of this Agreement, "**Permitted Encumbrances**" means 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 5.4, attached hereto.

Section 5.5 Authorization. All action on the part of the Seller necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller or will be taken prior to the Closing Date. The Seller 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 Seller, enforceable against the Seller 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 5.6 [Omitted].

Section 5.7 [Omitted].

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets other than as contemplated herein; (c) 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 any member of the Seller is a party of by which the Seller's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller in connection with the execution and delivery by the Seller of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Purchased Assets, and there is no basis known to the Seller for any such action. No litigation is pending or threatened against the Seller, 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 Seller is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller, the Purchased Assets, or the Business.

Section 5.11 Taxes. The Seller has timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. The Seller is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller or the Purchased Assets as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Seller. No assessments or notices of deficiency or other communications have been received by the Seller with respect to any tax return of the Seller 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 5.11, none of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the knowledge of the Seller, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser the Seller's year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited Balance Sheets of the Seller as of June 30, 2021, 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 Seller and fairly represent in all material respects the financial position of the Seller and the results of operations and changes in financial position of the Seller as of the dates and for the periods indicated, in each case in conformity with the Seller's historical accounting practices applied on a consistent basis. Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, the Seller, 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 generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Seller has conducted its business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Seller; (b) acquisition or disposition of any material asset by the Seller or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Seller's accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 Seller is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Seller 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 Seller any labor disputes, strikes or work stoppages. The Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Seller is not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Seller. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Seller, or contributions or payments due to any Seller benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Seller personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the knowledge of the Seller, the Seller is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller has 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 Seller. The Seller 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 5.15 sets forth a list of all licenses and Permits held by the Seller used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, the Seller does not (a) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the Business. The Seller operates its adult entertainment establishment located at the Premises under the Existing Lease Agreement, which lease agreement will be terminated as of the Closing Date. The Seller will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the Purchased Assets of the Seller to which it is subject or is a party or a beneficiary. 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 Seller 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, the Seller 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: (a) the sale, merger, consolidation or recapitalization of the Seller; (b) the sale of any of the Purchased Assets of the Seller (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Seller; (d) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Seller; or (g) the expenditure of more than $10,000 or the performance by the Seller extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Seller is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Seller or (b) covenants of the Seller 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 Seller in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. The Seller 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 Seller alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by the Seller, and no property currently or formerly owned, leased, or operated by the Seller, has been contaminated by the Seller or to the knowledge of the Seller by any third-party, with any Hazardous Materials and no third-party site has been contaminated by the Seller. The Seller 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Seller relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. The Seller is not in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Seller, under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Seller, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER

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

Section 6.1 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 Colorado, (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 6.2 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 each member of 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser is a party.

Section 6.4 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 any member of the Purchaser in connection with the execution and delivery by each member of the Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 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 6.6 [Omitted].

Section 6.7 Review of Sellers' Financials. In reviewing the Seller's Financial Statements, the Purchaser has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Seller agrees that until the Closing Date or the termination of this Agreement, whichever is earlier, neither the Seller nor its affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller and which the Seller believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller; or (f) authorize or permit the Seller's Agents to take any such action or other actions as would adversely affect the Purchaser's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller set forth in the preceding sentence by any Agent of the Seller or its affiliates shall be a breach of this Section 7.1 by the Seller. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller, (iii) license or transfer of all or a portion of the Purchased Assets or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller shall file or cause to be filed all tax returns required to be filed by the Seller, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller will (a) provide the Purchaser and its authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Seller, and to the books and records of the Seller; (b) permit the Purchaser to make inspections thereof; and (c) cause the officers and advisors of the Seller to furnish the Purchaser with such financial and operating data and other information with respect to Purchased Assets, Premises, and the Business and to discuss such information with the Purchaser, as the Purchaser may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Seller will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Seller will not 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 Seller 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) Except as described on Schedule 7.4, the Seller 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 and with the consent of the Purchaser (not to be unreasonably withheld);

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

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

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

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

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

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

(k) The Seller 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;

(l) The Seller will not enter into any non-cancellable contract or agreement longer than one year;

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

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

(o) The Seller will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser has the right to terminate this Agreement prior to the Closing by written notice to the Seller in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser in its discretion. In the event that the Purchaser does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF THE SELLER

Each obligation of the Seller to be performed on the Closing Date will 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 Seller in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 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, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser will provide to the Seller certificates, dated the Closing Date and signed by its presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser will provide corporate resolutions of its 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 8.6 Good Standing Certificate. The Seller shall have received a Certificate of Good Standing issued by the state of Colorado for the Purchaser.

Section 8.7 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 any member of the Purchaser.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will 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 nude and semi-nude topless entertainment on the Premises, including a Denver Amusement Permit, a Denver sexually oriented business license and Cabaret license for dancing, and all such permits and authorizations will 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 nude and semi-nude topless, entertainment, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the Related Transactions.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER

Each obligation of the 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 the Purchaser in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller will provide to the Purchaser certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Purchase Assets. The Seller will 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 9.5 Corporate Resolutions. The Seller will provide to the Purchaser resolutions of its member and manager 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the state of Colorado for the Seller.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will 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 nude and semi-nude topless entertainment on the Premises, including a Denver Amusement Permit, a Denver sexually oriented business license and Cabaret license for dancing, consistent with the current operation of the Business, and all such permits and authorizations will 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 nude and semi-nude topless entertainment, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the Related Transactions.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Seller and the Business of PT's Showclub and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Seller will be maintained and exist consistent with past practices and able to be audited by the Purchaser or its affiliate.

Section 9.12 Bank Financing. RCI shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Property and certain unaffiliated real properties.

Section 9.13 [Omitted].

Section 9.14 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 Seller or the Seller's assets.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Seller will be responsible and liable to the Purchaser for the liabilities of the Seller 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, a *pro rata* portion of prepaid items, and other Excluded Assets delivered to Purchaser. If such Excluded Assets exceed such Excluded Liabilities as of the Closing Date, the Purchaser shall promptly pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price among the Purchased Assets and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule.

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller. The Seller hereby agrees to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser and its affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser. The Purchaser agrees to and will indemnify, defend (with legal counsel reasonably acceptable to the Seller) and hold the Seller and its affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser under this Agreement; or (c) any Assumed Liability.

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a third-party claim(s), the aggregate amount of all Losses for which the Seller shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s); and

(b) The aggregate amount of all Losses arising from third party claims for which the Seller shall be liable under Section 11.1 shall not exceed an amount equal to $6,500,000 plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller shall be liable under Section 11.1 shall not exceed an amount equal to the $6,500,000 plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud.

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date (**"Survival Date"**). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser of any Excluded Liabilities, such amounts shall be paid directly from the Seller or from HWL or Family Dog in accordance with the Indemnification Guaranty Agreement. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b), the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser or any of its affiliates from bringing a claim against any Person, including any of the Seller, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser or any of its affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
MISCELLANEOUS

Section 12.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder will 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 Seller:

OG1, LLC
Attn: Kurt Smith
Member and Manager

_____
email: _____

(b) If to the Purchaser:

1601 West Evans, Inc.
Attn: Eric Langan, President
10737 Cutten Road
Houston, Texas 77066
email: eric@rcihh.com

with a copy to:

Robert D. Axelrod
Axelrod & Smith
5300 Memorial Drive, Suite 1000
Houston, Texas 77007
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 a 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 12.3 Severability. Whenever possible, each provision of this Agreement will 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 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 12.5 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 will 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 12.6 Entire Agreement. This Agreement 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 12.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 12.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 12.9 Costs and Expenses. Each Party will 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 12.10 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 will not affect its interpretation.

Section 12.11 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 Seller) that is not a Party to this Agreement.

Section 12.12 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 12.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 12.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser, on the one hand, or the Seller, on the other hand, if the Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser, on the one hand, or the Seller, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser, on the one hand, or the Seller, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 12.15 **Notice of Termination**. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 12.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 12.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 12.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Asset Purchase Agreement as of the Effective Date.

Seller: **OG 1, LLC**

By: */s/ Kurt Smith*
Name: Kurt Smith
Title: Member and Manager

Purchaser: **1601 WEST EVANS, INC.**

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

Signature page to Asset Purchase Agreement

EXHIBIT 1.1

Purchased Assets

Item	Quantity	Item	Quantity

Exhibit 10.11

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (the "**Agreement**") is made and entered into this 23rd day of July, 2021 (the "**Effective Date**"), by and among: HWL-3 LLLP, a Colorado limited liability limited partnership (the "**Seller**"); Family Dog LLC, a Colorado limited liability company ("**Family Dog**" and, together with HWL, the "**Seller Group**"); 200 Riverside, Inc., a Maine corporation (the "**Purchaser**"); Big Sky Hospitality Holdings, Inc., a Texas corporation ("**Big Sky**"); and RCI Hospitality Holdings, Inc., a Texas corporation ("**Rick's**" and, together with the Purchaser, the "**Purchaser Group**"). The Seller, Family Dog, the Purchaser, Big Sky, and Rick's are sometimes hereinafter collectively referred to as the "**Parties**" or individually as a "**Party**." A reference to the Seller Group or the Purchaser Group is a reference to each Party that comprises such group.

WHEREAS, the Seller owns all of the issued and outstanding shares of capital stock (the "**Target Shares**") of Kenkev, Inc., a South Carolina corporation (the "**Target Corporation**");

WHEREAS, the Target Corporation owns all of the issued and outstanding shares of capital stock of Kenkev II, Inc., a Maine corporation (the "**Operating Corporation**" and, together with the Target Corporation, the "**Acquired Corporations**");

WHEREAS, the Operating Corporation owns and operates an adult entertainment establishment known as PT's Portland (the "**Business**") located at 200 Riverside Street, Portland, Maine (the "**Premises**");

WHEREAS, Family Dog owns 99.99% of the issued and outstanding partnership interests of the Seller;

WHEREAS, Big Sky owns 100% of the issued and outstanding capital stock of Purchaser;

WHEREAS, Rick's owns 100% of the issued and outstanding capital stock of Big Sky;

WHEREAS, the Purchaser desires to purchase all of the Target Shares and the Seller desires to sell all of the Target Shares to the Purchaser; and

WHEREAS, the transactions contemplated by this Agreement are part of a series of related transactions by and among HWL, Family Dog, and certain of their affiliated or related parties, on the one hand, and Ricks and certain of its affiliated parties, on the other hand, as further described in Section 4.3.

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 TARGET SHARES

Sale of the Target Shares. On the Closing Date (as defined in Section 4.1 hereof), and subject to the terms and conditions set forth in this Agreement, the Seller will sell, convey, transfer and deliver, or cause to be sold, conveyed, transferred and delivered, to Purchaser all of the Target Shares, which represents 100% of the issued and outstanding capital stock of the Target Corporation, free and clear of all liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions (collectively, the "**Encumbrances**"), other than Permitted Encumbrances (as defined in Section 5.4), and shall deliver to Purchaser stock certificates representing the Target Shares, and a duly endorsed stock power separate from the stock certificates for the shares to Purchaser.

ARTICLE II
INTENTIONALLY OMITTED

ARTICLE III
PURCHASE PRICE FOR
THE TARGET SHARES

Purchase Price. The Purchaser will pay to the Seller for all of the Target Shares a total purchase price of $7,900,000.00 (the "**Purchase Price**"), which will be payable at the Closing as follows:

(a) $2,735,676.54 payable by cashier's check, certified funds, or wire transfer of immediately available funds at the Closing;

(b) A 10 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $1,535,335.69;

(c) A 20 Year Note (defined in Section 4.3(a)(iii)) in the initial principal amount of $1,116,607.77; and

(d) the issuance and delivery of 41,873 Rick's Shares (defined in Section 4.3(a)(iii)), which may be issued directly to, or transferred after the Closing to, Family Dog.

ARTICLE IV
CLOSING

Section 4.1 The Closing. The closing (the "**Closing**") of the transactions contemplated by this Agreement will take place as soon as practicable, but in no event later than five business days after the satisfaction or waiver of the conditions set forth in Articles VIII and 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**"); notwithstanding the foregoing, the Closing must occur as part of the First Closing (defined in Section 4.3(a)(v)) or the First Closing shall have already occurred. The Closing will take place at the office of Fairfield and Woods, P.C., 1801 California Street, Suite 2600, Denver, Colorado 80202, or at such other place as agreed upon among the Parties, or by electronic communications, including e-mail, portable document format, or facsimile, as the Parties may agree, on the Closing Date. The effective time of the Closing shall be deemed to be 12:01 a.m. on the Closing Date.

Section 4.2 Delivery of Documents at Closing. At the Closing:

(a) the Seller will deliver to the Purchaser:

(i) stock certificates evidencing the Target Shares of the Target Corporation, duly endorsed to the Purchaser or accompanied by duly executed stock powers in form and substance satisfactory to Purchaser;

(ii) a non-compete agreement, in a form agreed to by the Parties (the "**Non-Compete Agreement**"), executed by Troy Lowrie ("**Lowrie**");

(iii) a lock-up/leak-out agreement, in a form agreed to by the Parties (a "**Lock-up/Leak-Out Agreement**"), executed by HWL, Family Dog, and each equity owner of Family Dog who will receive 12,000 or more Rick's Shares (each, a "**Shareholder**");

(iv) an agreement terminating the Existing Lease (defined in Section 5.16), in a form agreed to by the Parties, executed by the Seller and owner and lessor of the Premises (for clarity, such landlord is a real estate seller selling real property to RCI Holdings, Inc., as described in Section 4.3(b));

(v) a security agreement, in a form agreed to by the Parties (the "**Security Agreement**"), executed by the Seller Group;

(vi) a stock pledge agreement, in a form agreed by the Parties (the "**Stock Pledge Agreement**"), executed by the Seller Group; and

(vii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article IX; and

(b) the Purchaser will deliver to the Seller:

(i) the Non-Compete Agreement executed by Rick's;

(ii) the Lock-up/Leak-Out Agreement executed by Rick's;

(iii) the Purchase Price in accordance with Article III, including the Club Notes and issuance of the Rick's Shares;

(v) a guaranty of the Club Notes, in a form agreed to by the Parties (the "**Guaranty Agreement**"), executed of Rick's;

(vi) the Security Agreement executed by the Operating Corporation;

(vii) the Stock Pledge Agreement executed by the Purchaser; and

(viii) the various certificates, instruments, and documents (and will take the required actions) referred to in Article VIII.

Section 4.3 Related Transactions. The transactions contemplated by this Agreement are part of series of related transactions by and among certain of the Parties and certain affiliated and related parties (the "**Related Transaction Parties**"). The Related Transaction Parties intend and will use commercially reasonable efforts to cause the transactions described in this Section 4.3 (collectively, the "**Related Transactions**") to close as described in this Section 4.3.

(a) Sale of the Affiliated Clubs.

(i) The Parties intend that each affiliated club seller, as set forth in Exhibit 4.3(a) (an "**Affiliated Club Seller**"), will sell substantially all of its tangible and intangible assets and personal property or sell all of its capital stock (each, a "**Club Transaction**") to a subsidiary of Rick's (an "**Affiliated Club Purchaser**") for the purchase price identified on Exhibit 4.3(a) pursuant to a definitive asset purchase agreement with provisions substantially similar to this Agreement (each, a "**Definitive Agreement**").

(ii) For clarity, (1) the Seller under this Agreement is an Affiliated Club Seller, (2) the transactions contemplated by this Agreement constitute a Club Transaction, and (3) this Agreement is a Definitive Agreement; however, the transaction contemplated by this Agreement is the only Club Transaction which is not structured as an asset purchase.

(iii) The aggregate purchase price to be paid by Rick's and the Affiliated Club Purchasers to the Affiliated Club Sellers from the closing of all the Club Transactions is $56,600,000, payable as follows: (1) $19,600,000 payable by cashier's check, certified funds, or wire transfer; (2) $11,000,000 evidenced by ten-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in one hundred twenty (120) equal monthly payments of principal and interest (each, a "**10 Year Note**"); (3) $8,000,000 evidenced by twenty-year secured promissory notes, bearing interest at 6% per annum, payable, in arrears, in two hundred forty (240) equal monthly payments of principal and interest (each, a "**20 Year Note**" and, together with the 10 Year Notes, the "**Club Notes**"); and (4) the issuance of 300,000 shares of restricted common stock, par value $0.01 of Rick's, based on a per share price of $60.00 per share (the "**Rick's Shares**"); with each type of consideration under subsections (1), (2), (3) and (4) above to be paid pro-rata based on the purchase price for each Club Transaction.

(iv) Rick's and the Affiliated Club Purchaser shall issue the Rick's Shares and the Club Notes directly to Seller or Family Dog (as directed by the Seller Group), unless otherwise directly by the Seller Group. The Club Notes and the Rick's Guaranty shall be in the form agreed to by Purchaser, Rick's, HWL, and Family Dog.

(v) The Related Transaction Parties desire to close all the Club Transactions on the same closing date, but recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, the Related Transaction Parties anticipate and intend to close at least six of the nine Club Transactions and the purchase of substantially all of the assets of OG1, LLC, an Unaffiliated Club as referred to and defined in Section 9.15 hereof, on the first such closing (the "**First Closing**") and to close the remaining Club Transactions as soon as practicable thereafter.

(b) Sale of the Real Property. At the First Closing, and pursuant to one or more definitive purchase and sale agreements, the appropriate parties shall close on the purchase and sale of six parcels of real property from certain real estate sellers to RCI Holdings, Inc., a Texas corporation wholly owned by Ricks, all as identified and for the aggregate purchase prices set forth on Exhibit 4.3(b). The real estate sellers will sell, transfer, convey and deliver by warranty deed (or such other legal conveyance document) the real estate properties set forth beside the real estate sellers name on Exhibit 4.3(b), which warranty deeds will convey good and marketable title to the real properties to RCI free and clear of all liens, claims and encumbrances, subject only to liens created as part of the purchase of the real property (the "**Real Estate Transaction**").

(c) Sale of Intellectual Property. At the First Closing, and pursuant to a definitive asset purchase agreement, the appropriate parties shall close on the sale of substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("**Club Licensing**"), to a wholly owned subsidiary of Rick's for a purchase price of $13,000,000. The assets of Club Licensing include substantially all of the intellectual property used in the adult entertainment establishment businesses owned and operated by the Affiliated Club Sellers (the "**IP Transaction**").

ARTICLE V
REPRESENTATIONS AND WARRANTIES
OF SELLER GROUP

Except as set forth in the Disclosure Schedules accompanying this Agreement (each a "**Schedule**" and collectively the "**Schedules**"), the Seller Group, jointly and severally, hereby represents and warrants to the Purchaser Group the following as of the Effective Date:

Section 5.1 Organization, Good Standing and Qualification of the Seller Group.

(a) The Seller is a limited liability limited partnership duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Seller.

(b) The Target Corporation is a corporation duly incorporated and validly existing and in good standing under the laws of the state of South Carolina, 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 Target Corporation.

(c) The Operating Corporation is a corporation duly incorporated and validly existing and in good standing under the laws of the state of Maine, 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 Operating Corporation

(d) Family Dog is a Colorado limited liability company duly organized and validly existing and in good standing under the laws of the state of Colorado, 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 Family Dog.

Section 5.2 Ownership of the Acquired Corporations and the Seller.

(a) The authorized capital of the Operating Corporation consists of 100 shares of common stock, all of which are validly issued, fully paid and outstanding. There is no other class of equity interest authorized or issued by the Operating Corporation. All of the issued and outstanding shares of common stock of the Operating Corporation are owned beneficially and of record by the Target Corporation, free and clear of any Encumbrances. The Operating Corporation has no obligations to repurchase, reacquire, or redeem any of its outstanding shares of common stock. There are no outstanding securities convertible into or evidencing the right to purchase or subscribe for any equity interests in the Operating Corporation, there are no outstanding or authorized options, warrants, calls, subscriptions, rights, commitments or any other agreements of any character obligating the Operating Corporation to issue any equity interests or any securities convertible into or evidencing the right to purchase or subscribe for any equity interests, and there are no agreements or understandings with respect to the voting, sale, transfer or registration of any equity interests.

(b) The authorized capital of the Target Corporation consists of 100 shares of common stock, all of which are validly issued, fully paid and outstanding. There is no other class of equity interest authorized or issued by the Target Corporation. All of the issued and outstanding shares of common stock of the Target Corporation are owned beneficially and of record by the Seller, free and clear of any Encumbrances. The Target Corporation has no obligations to repurchase, reacquire, or redeem any of its outstanding shares of common stock. There are no outstanding securities convertible into or evidencing the right to purchase or subscribe for any equity interests in the Target Corporation, there are no outstanding or authorized options, warrants, calls, subscriptions, rights, commitments or any other agreements of any character obligating the Target Corporation to issue any equity interests or any securities convertible into or evidencing the right to purchase or subscribe for any equity interests, and there are no agreements or understandings with respect to the voting, sale, transfer or registration of any equity interests.

(c) Family Dog owns 99.99% of the issued and outstanding partnership interests of the Seller, and Targe Inc., a Colorado corporation, owns the remaining 0.01% of the issued and outstanding partnership interests of Seller, which partnership interests are owned free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances. There is no other class of partnership interest authorized or issued by the Seller.

Section 5.3 Subsidiaries. Besides the Operating Corporation, the Target Corporation does not own any subsidiaries.

Section 5.4 Right to Transfer the Target Shares. The Seller has the unrestricted right and power to transfer, convey, and deliver full ownership of the Target Shares 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 Target Shares to Purchaser as contemplated herein, Purchaser will receive title thereto, free and clear of any Encumbrances 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 5.4, attached hereto; and (b) any Encumbrances contemplated under the Club Notes and Stock Pledge Agreement in favor of the Seller, HWL, and Family Dog.

Section 5.5 Authorization. All action on the part of the Seller Group and the Acquired Corporations necessary for the authorization, execution, delivery and performance of this Agreement and all documents related thereto to consummate the transactions contemplated herein have been taken by the Seller Group and the Acquired Corporations or will be taken prior to the Closing Date. The Seller Group has the requisite power and authority to execute and deliver this Agreement and to perform their 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 Seller Group, enforceable against the Seller Group 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 5.6 Acquisition of Stock for Investment.

(a) The Seller Group understands that the issuance of the Rick's Shares (as referenced in Article III herein) will not have been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and accordingly, are restricted securities, and the Seller Group's present intention is to receive and hold the Rick's Shares for investment only and not with a view to the distribution or resale thereof.

(b) Additionally, the Seller Group understands that any sale of any of the Rick's Shares issued under current law, will require either (i) the registration of the Rick's Shares under the Securities Act and applicable state securities laws; (ii) compliance with Rule 144 under the Securities Act; or (iii) the availability of an exemption from the registration requirements of the Securities Act and applicable state securities laws.

(c) The Seller Group acknowledges and represents that they are Accredited Investors as that term is defined in Rule 5.01(a) of Regulation D promulgated under the Securities Act.

(d) To assist in implementing the above provisions, the Seller Group hereby consents to the placement of the legend set forth below, or a substantially similar legend, on all certificates representing ownership of the Rick's Shares acquired hereby until the Rick's Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

> THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT, ARE RESTRICTED AS TO TRANSFERABILITY, AND MAY NOT BE SOLD, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION AND QUALIFICATION PROVISIONS OF APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM.

(e) The Seller Group understands and agrees that Rick's may notify its transfer agent of the Lock-Up/Leak-Out Agreements and the limitation on the number of Rick's Shares that may be sold in any given month in accordance with the terms and conditions of the Lock-Up/Leak-Out Agreement.

Section 5.7 The Seller Group's Access to Information. The Seller Group hereby confirms and represent that they: (a) have received (i) a copy of Rick's Form 10-K filed with the Securities and Exchange Commission (the "**SEC**") for the year ended September 30, 2020, and a copy of Rick's Form 10-Q's for the quarters ended December 31, 2020 and March 31, 2021, as filed with the SEC; (ii) a copy of Rick's Form 14A filed with the SEC on July 31, 2020; (iii) a copy of Rick's Form S-3 filed with the SEC on May 14, 2021, which went Effective on June 3, 2021; (iv) a copy of the Form 8-K's filed with the SEC on October 8, 2020, November 19, 2020, December 16, 2020, January 12, 2021, February 10, 2021, May 10, 2021, May 20, 2021, June 6, 2021, July 2, 2021 July 8, 2021 and July 15, 2021; (b) have been afforded the opportunity to ask questions of and receive answers from representatives of Rick's concerning the business and financial condition, properties, operations and prospects of Rick's; (c) have such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of the transactions contemplated hereby; (d) have had an opportunity to engage and is represented by an attorney of his choice; (e) have had an opportunity to negotiate the terms and conditions of this Agreement; (f) have been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (g) have been provided with and given an opportunity to review all current information about Rick's.

Section 5.8 No Breaches or Defaults. Except as shown on Schedule 5.8, the execution, delivery, and performance of this Agreement by the Seller Group does not: (a) conflict with, violate, or constitute a breach of or a default under any other outstanding agreements or the charter or bylaws of any member of the Seller Group or the Acquired Corporations; (b) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Target Shares or the assets of the Acquired Corporations, other than as contemplated herein; (c) 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 any member of the Seller Group or the Acquired Corporations is a party or by which either Acquired Corporation's assets or properties are bound; or (d) require any material authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority (as defined below) under any provision of: (i) any applicable Legal Requirement (as defined below), or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller Group or an Acquired Corporation is a party or by which the Target Shares or the assets of the Acquired Corporations 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, ordinance, rule, code, regulation, administrative order, 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 5.9 Consents. Subject to the procurement of the approvals, consents, and other authorizations described in Schedule 5.9, 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 Seller Group or the Acquired Corporations in connection with the execution and delivery by the Seller Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 5.10 Pending Claims. Except as set forth in Schedule 5.10, there is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or threatened against the Seller Group or the Acquired Corporations before any court, arbitration, administrative or regulatory body or any Governmental Authority or the sale by the Seller to the Purchaser of the Target Shares, and there is no basis known to the Seller Group for any such action. No litigation is pending or threatened against the Seller Group or the Acquired Corporations, 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. None of the Seller Group or any Acquired Corporation is subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would reasonably be expected to materially and adversely affect the Seller Group, the Acquired Corporations, or the Business.

Section 5.11 Taxes. The Seller Group and the Acquired Corporations have timely and accurately prepared and filed all federal, state, foreign, and local tax returns and reports required to be filed prior to the required dates to be filed by the Seller Group and has timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales and use taxes and withholding or other payroll related taxes shown on such returns. None of the Seller Group or the Acquired Corporations is not delinquent in the payment of any tax or governmental charge of any nature. There is no liability for any tax to be imposed by any taxing authorities upon the Seller Group or the or the Acquired Corporations as of the date of this Agreement and as of the Closing that is not adequately provided for. There are no tax Encumbrances on the assets of the Acquired Corporations. No assessments or notices of deficiency or other communications have been received by the Seller Group with respect to any tax return of the Acquired Corporations 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 5.11, none of the federal, state, foreign and local tax returns of the Acquired Corporations have been audited by any taxing authority and there are no actions, suits, proceedings, audits, investigations or claims pending. To the Knowledge of the Seller Group, there are no additional assessments, adjustments, or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Acquired Corporations for any period, nor of any basis for any such assessments, adjustment or contingency in the past five years. There are no agreements between the Seller Group or the Acquired Corporations 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 5.12 Financial Statements. The Seller has or will deliver to the Purchaser Acquired Corporations' consolidated year-end unaudited Finance Statements as of and for the years ended December 31, 2019 and December 31, 2020, and unaudited consolidated Balance Sheets of the Acquired Corporations as of June 30, 2021, together with the related unaudited consolidated 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 Acquired Corporations and fairly represent in all material respects the financial position of the Acquired Corporations and the results of operations and changes in financial position of the Acquired Corporations as of the dates and for the periods indicated, in each case in conformity with the Acquired Corporation's historical accounting practices applied on a consistent basis (the "**Historical Accounting Practices**"). Except as disclosed on Schedule 5.12 and except as, and to the extent reflected or reserved against in the Financial Statements, neither Acquired Corporation, as of the date of the Financial Statements, has any material liability or obligation of any nature required to be disclosed in a balance sheet in accordance with generally accepted accounting principles.

Section 5.13 No Material Adverse Change. Since June 30, 2021, the Acquired Corporations have conducted their business in the ordinary course, consistent with past practice, and, except as disclosed on Schedule 5.13, there has been no (a) 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 Acquired Corporations; (b) acquisition or disposition of any material asset by the Acquired Corporations or any contract or arrangement therefore, otherwise then for fair value in the ordinary course of business; (c) material change in the Acquired Corporations' accounting principles, practices or methods; (d) incurrence of any material indebtedness or lending of money to any person or entity; (e) 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 an Acquired Corporation is a party; or (f) delay or postponement in the payment of any accounts payable or other liabilities.

Section 5.14 Labor Matters. The Acquired Corporations are not parties 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 Acquired Corporations any labor disputes, strikes or work stoppages. The Acquired Corporations are in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and is not engaged in any unfair labor practices. The Acquired Corporations are not a party to any written or oral contract, agreement or understanding for the employment of any entertainer with the Acquired Corporations. There are no unpaid wages, bonuses, retention payments, change in control payments, commissions, social insurance, or housing fund payments due to or on behalf of any employee or service provider of the Acquired Corporations, or contributions or payments due to any Acquired Corporation benefit plan or any Governmental Authority, except for amounts accrued in the ordinary course of business in respect of the current pay period. All management level Acquired Corporation personnel are employed at will and their employment or engagement may be terminated at will.

Section 5.15 Compliance with Laws. To the Knowledge of the Seller Group, each Acquired Corporations is, and at all times prior to the date hereof, has been in compliance in all material respects with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses. None of the Seller Group has 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 either Acquired Corporation. Each Acquired Corporation 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 5.15 sets forth a list of all licenses and Permits held by each Acquired Corporation used in the operation of the Business, all of which are in good standing and will be in effect as of the Closing Date. No material record violations exist in respect of any such Permit 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 Permit.

Section 5.16 Contracts and Leases. Except as shown on Schedule 5.16, neither Acquired Corporation (a) has any leases of personal property relating to its assets, whether as lessor or lessee; (b) have any current performer lease agreements or other similar obligations with entertainers; (c) have any contractual or other obligations relating to its assets, whether written or oral; and (d) have, and has not given, any power of attorney to any person or organization for any purpose relating to the Target Shares, its assets or the Business. The Operating Company operates its adult entertainment establishment located at the Premises under the Existing Lease, which lease agreement will be terminated as of the Closing Date. Each Acquired Corporation will make available to Purchaser prior to the Closing Date each and every written contract or lease relating to the assets of each Acquired Corporation to which it is subject or is a party or a beneficiary. 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 applicable Acquired Corporation 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. There are no defaults or breaches under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents.

Section 5.17 No Pending Transactions. Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.3 herein, neither Acquired Corporation is 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: (a) the sale, merger, consolidation or recapitalization of such Acquired Corporation; (b) the sale of any of the assets of the Acquired Corporation (other than in the ordinary course of its business); (c) the sale of any outstanding capital stock of the Acquired Corporation; (d) the acquisition by the Acquired Corporation of any operating business or the capital stock of any other person or entity; (e) the borrowing of money; (f) any agreement with any of the respective officers, managers or affiliates of the Acquired Corporation; or (g) the expenditure of more than $10,000 or the performance by the Acquired Corporation extending for a period more than one year from the date hereof.

Section 5.18 Material Agreements; Action. Except as shown on Schedule 5.18 and except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 4.3 herein, there are no contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which an Acquired Corporation is a party or by which it is bound that involve or relate to (a) any of the respective officers, directors, stockholder or partners of the Acquired Corporation or (b) covenants of the Seller or Acquired Corporations 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 an Acquired Corporation in any line of business or in any geographical area.

Section 5.19 Environmental Matters. The Business has been conducted 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 Business. Each Acquired Corporation 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 Acquired Corporations alleging violations of or liability under any Environmental Law. There has been no release of Hazardous Materials at, on, under or from the property currently or formerly owned, leased or operated by an Acquired Corporation, and no property currently or formerly owned, leased, or operated by an Acquired Corporation, has been contaminated by an Acquired Corporation or to the Knowledge of the Seller Group by any third-party, with any Hazardous Materials and no third-party site has been contaminated by an Acquired Corporation. No Acquired Corporation is 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 5.20 Insurance Policies. Copies of all insurance policies maintained by the Acquired Corporations relating to the operation of the Business have been or will be delivered or 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 5.21 No Default. None of the Seller Group nor any Acquired Corporation is in default under any term or condition of any instrument evidencing, creating, or securing any indebtedness of the Acquired Corporations, under any other contract, lease, agreement, commitment or undertaking to which the Acquired Corporations are a party or by which they or their assets or properties are bound.

Section 5.22 Books and Records. The books of account, minute books, stock record books and other records of the Acquired Corporations, 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 5.23 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.

Section 5.24 Brokerage Commission. No broker or finder has acted on behalf of the Seller 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 Seller Group.

Section 5.25 No Liabilities. Except as set forth in Schedule 5.25, as of the Closing Date, neither of the Acquired Corporations will have any liabilities or obligations of any kind whatsoever related or connected to either of the Acquired Corporations or the Business, which liabilities existed, arose, or accrued during the periods prior to the Closing Date, whether disclosed or undisclosed, known or unknown as of 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 either of the Acquired Corporations, liabilities to any Governmental Authority or third parties, liabilities assumed or incurred by the Seller by operation of law or otherwise (collectively, the "**Excluded Liabilities**" or "**Excluded Liability**"), including, but not limited to, (a) contractual liabilities arising or accruing from either of the Acquired Corporations or the Business or ownership of either of the Acquired Corporations prior to the Closing Date, (b) any existing litigation against either of the Acquired Corporations or the Seller or the Business, (c) any liability with respect to either of the Acquired Corporations or the Business or ownership of any of the assets of either of the Acquired Corporations (the "**Assets**"), which liabilities existed, arose, or accrued during the period prior to the Closing Date, (d) any taxes owing by either of the Acquired Corporations for taxable periods or portions of taxable periods ending before the Closing Date, whether related to the Business, the Assets or otherwise, and any liens on the Target Shares or the Assets relating to any such taxes, and (e) any litigation, suit, action, proceeding, claim or investigation against Purchaser Group which arises from or which is based upon or pertaining to the Seller Group's conduct or the operation of the Business prior to the Closing Date, including to any claim by any individual or Governmental Authority that either of the Acquired Corporations misclassified any entertainers.

Section 5.26 Title to Properties; Encumbrances. The Acquired Corporations have good and marketable title to all of their assets, which represent all of the assets, personal, tangible, and intangible, that are material to the conditions (financial or otherwise), business, operations or prospects of the Acquired Corporations and the Business, free and clear of all mortgages, claims, liens, security interests, charges, leases, encumbrances and other restrictions of any kind and nature, except (a) as disclosed in the Financial Statements of the Acquired Corporations, (b) statutory liens not yet delinquent, and (c) such liens consisting of zoning or planning restrictions, imperfections of title, easements and encumbrances, if any, as do not materially detract from the value or materially interfere with the present use of the property or assets subject thereto or affected thereby, including the Business. As of the Closing Date, the assets of the Acquired Corporations shall include, but shall not be limited to, the non-cash assets set forth in the Acquired Corporations' 2020 corporate income tax return, along with all equipment and fixtures located on the Premises of the Business as of the Closing Date.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF PURCHASER GROUP

The Purchaser Group hereby jointly and severally represents and warrants to the Seller Group as follows:

Section 6.1 Organization, Good Standing and Qualification of the Purchaser Group.

(a) The Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Maine, (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.

(b) Big Sky (i) is an entity duly organized 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 Big Sky.

(c) Rick's (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 6.2 Authorization. All action on the part of the Purchaser Group 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 each member of the Purchaser Group or will be taken prior to the Closing Date. The Purchaser Group 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 Group, enforceable against the Purchaser Group 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 6.3 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by the Purchaser Group does not: (a) conflict with, violate, or constitute a breach of or a default under or (b) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (i) any applicable Legal Requirement, or (ii) any credit or loan agreement, promissory note, or any other agreement or instrument to which any member of the Purchaser Group is a party.

Section 6.4 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 any member of the Purchaser Group in connection with the execution and delivery by each member of the Purchaser Group of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 6.5 Brokerage Commission. No broker or finder has acted on behalf of the Purchaser Group 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 Group.

Section 6.6 Valid Issuance of Shares. The Rick's Shares, when issued, sold, and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid, and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Lock-Up/Leak-Out Agreement and applicable state and federal securities laws. Assuming the accuracy of the representations of the Seller Group in Sections 5.6 and 5.7, the Rick's Shares will be issued in compliance with all applicable federal and state securities laws.

Section 6.7 Review of Affiliated Club Sellers' Financials. In reviewing the Acquired Corporations' Financial Statements, and the other similar financial statements of the Affiliated Club Sellers, the Purchaser Group has used accounting principles generally accepted in the United States and has conducted its review in good faith.

ARTICLE VII
PRE-CLOSING COVENANTS

Section 7.1 Stand Still. To induce Purchaser Group to proceed with this Agreement, the Seller Group agree that until the Closing Date or the termination of this Agreement, whichever is earlier, none of the Seller Group or their affiliates, representatives, or agents (collectively, "**Agents**"), shall directly or indirectly: (a) solicit, encourage, initiate, accept, support, approve or participate in any negotiations or discussions with respect to any Acquisition Proposal (as hereinafter defined); (b) disclose any information not customarily disclosed in the ordinary course to any third party concerning the Seller Group and which the Seller Group believes or should reasonably know could be used for the purposes of formulating any offer, indication of interest, or proposal for an Acquisition Proposal; (c) assist, cooperate with, facilitate or encourage any third party to make any offer, indication of interest or proposal for an Acquisition Proposal (as defined below); (d) execute or agree to execute or enter into a contract, arrangement, or understanding regarding any Acquisition Proposal; (e) grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Seller Group; or (f) authorize or permit any of the Seller Group's Agents to take any such action or other actions as would adversely affect the Purchaser Group's ability to consummate the transactions contemplated by this Agreement or the Related Transactions. Without limiting the foregoing, it is agreed that any violation of the restrictions on the Seller Group set forth in the preceding sentence by any Agent of the Seller Group or its affiliates shall be a breach of this Section 7.1 by the Seller Group. "**Acquisition Proposal**" means, other than the transactions contemplated hereunder, any offer, proposal or inquiry relating to, or any third party indication of interest in, (i) a merger, share exchange, business combination, reorganization, consolidation or similar transaction involving the Seller Group, (ii) the acquisition of the beneficial ownership of any equity interest in the Seller Group, (iii) license or transfer of all or a portion of the assets of either Acquired Corporation or (iv) any other transaction the consummation of which could reasonably be expected to prevent the transactions contemplated hereunder.

Section 7.2 Taxes. The Seller Group shall file or cause to be filed all tax returns required to be filed by the Seller Group, prepared in a manner consistent with past practice and timely pay all taxes due and payable. The Seller Group shall not (a) change any method of accounting of the Seller for tax purposes; (b) enter into any agreement with any Governmental Authority with respect to any tax or tax returns of the Seller; (c) change an accounting period of the Seller 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 7.3 Access; Due Diligence. From the date of the execution hereof until the Closing Date ("**Due Diligence Period**"), the Seller Group will, and will cause the Acquired Corporations to, (a) provide the Purchaser Group and their authorized representatives reasonable access to the Premises and all offices and other facilities and properties of the Acquired Corporations, and to the books and records of the Acquired Corporations; (b) permit the Purchaser Group to make inspections thereof; and (c) cause the officers and advisors of the Seller Group to furnish the Purchaser Group with such financial and operating data and other information with respect to Assets, Premises, and the Business and to discuss such information with the Purchaser Group, as the Purchaser Group may from time to time reasonably request. Notwithstanding anything to the contrary contained herein, such access and inspections shall not materially interfere with the operations of the Seller Group.

Section 7.4 Conduct of Business. From the date of the execution hereof until the Closing Date, the Acquired Corporations will use commercially reasonable efforts to operate itself and the Business in its ordinary course of business, consistent with past practices, and:

(a) The Acquired Corporations will not 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 Acquired Corporations 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) Except as described on Schedule 7.4, the Acquired Corporations 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 and with the consent of the Purchaser Group (not to be unreasonably withheld);

(d) The Acquired Corporations 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 Acquired Corporations 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 Acquired Corporations will not make any loans to any person or entity, or guarantee any loan, absent the consent of the Purchaser Group;

(g) The Acquired Corporations will not knowingly waive or release any material right or claim held by it, absent the consent of the Purchaser Group;

(h) The Acquired Corporations will operate its business (including the 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 Acquired Corporations will not delay or postpone the payment of accounts payable and other liabilities outside the ordinary course of business;

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

(k) The Acquired Corporations 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;

(l) The Acquired Corporations will not enter into any non-cancellable contract or agreement longer than one year;

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

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

(o) The Acquired Corporations will 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 or the Business.

Section 7.5 Schedule Supplement. From time to time prior to the Closing, the Seller Group shall have the right and obligation to supplement or amend the Disclosure Schedules hereto with respect to any matter first arising or otherwise occurring after the date hereof (each a "**Schedule Supplement**"), and each such Schedule Supplement shall be deemed to be incorporated into and to supplement the Disclosure Schedules as of the date hereof and as of Closing Date and the Seller Group shall have no liability with respect to representation made as of the date hereof as amended by the Schedule Supplement; provided, however, that Purchaser Group has the right to terminate this Agreement prior to the Closing by written notice to the Seller Group in the event any such Schedule Supplement contains a matter materially adverse to the Purchaser Group in its discretion. In the event that the Purchaser Group does not exercise its right to terminate this Agreement prior to the Closing, then the Purchaser Group shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter under any of the conditions set forth in Section 12.14.

ARTICLE VIII
CONDITIONS TO CLOSING OF
THE SELLER GROUP

Each obligation of the Seller Group to be performed on the Closing Date will 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 Seller Group in writing:

Section 8.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser Group contained in this Agreement will be true and correct in all material respects as of the Closing Date.

Section 8.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 8.3 Delivery of Certificate. The Purchaser Group will provide to the Seller Group certificates, dated the Closing Date and signed by their presidents, to the effect set forth in Sections 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 8.4 Payment of Purchase Price. The Purchaser Group will have tendered the Purchase Price as referenced in Article III to the Seller concurrently with the Closing.

Section 8.5 Corporate Resolutions. The Purchaser Group will provide corporate resolutions of their 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 8.6 Good Standing Certificate. The Seller Group shall have received a Certificate of Good Standing issued by the state of Maine for the Purchaser and from the state of Texas for Rick's and Big Sky.

Section 8.7 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 any member of the Purchaser Group.

Section 8.8 Consents; Status of Permits and Licenses. The Purchaser will 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, including a sexually oriented business permit, and all such permits and authorizations will 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, without any interruption.

Section 8.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

ARTICLE IX
CONDITIONS TO CLOSING OF
THE PURCHASER GROUP

Each obligation of the Purchaser Group 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 the Purchaser Group in writing.

Section 9.1 Representations and Warranties Correct. The representations and warranties made by the Seller Group will be true and correct in all material respects as of the Closing Date.

Section 9.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Seller Group on or prior to the Closing Date will have been performed or complied with in all material respects, including the delivery at Closing of all the documents, instruments, and agreements described in Section 4.2.

Section 9.3 Delivery of Certificate. The Seller Group will provide to the Purchaser Group certificates, dated the Closing Date and signed by the appropriate officers of each member of the Seller Group, to the effect set forth in Sections 9.1 and 9.2 for the purpose of verifying the accuracy of such representations and warranties and/or the performance and satisfaction of such covenants and conditions.

Section 9.4 Delivery of Target Shares. The Seller will have delivered stock certificates evidencing the Target Shares of the Target Corporation duly endorsed to the Purchaser or accompanied by duly executed stock powers in form and substance satisfactory to the Purchaser.

Section 9.5 Corporate Resolutions. Each member of the Seller Group will provide to the Purchaser Group resolutions of its board of directors, managers, shareholders, members and general partner, as the case may be, of each of the respective Parties 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 on or before of the Closing Date.

Section 9.6 Good Standing Certificate. Purchaser shall have received a Certificate of Good Standing issued by the respective state of incorporation for each member of the Seller Group.

Section 9.7 Consents. All third party consents or other arrangements or actions required by Governmental Authorities in order to permit the continuation of the Business by the Purchaser shall have been received.

Section 9.8 Status of Permits and Licenses. Purchaser will 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, including a sexually oriented business permit, consistent with the current operation of the Business, and all such permits and authorizations will 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, without any interruption.

Section 9.9 Related Transactions. On or prior to the Closing Date, the relevant parties shall close the First Closing, including closing at least six of the nine Club Transactions plus the acquisition of OG1, LLC, the Real Estate Transaction, and the IP Transaction.

Section 9.10 Satisfactory Diligence. Within the Due Diligence Period, Purchaser will have concluded its due diligence investigation of the Acquired Corporations and the Business of PT's Portland and all other matters related to the foregoing and will be satisfied with the results thereof.

Section 9.11 Financial Records. The financial records of the Acquired Corporations and Affiliated Club Sellers will be maintained and exist consistent with past practices and able to be audited by Rick's independent auditors.

Section 9.12 Bank Financing. RCI Holdings, Inc. or its Affiliate shall have obtained bank financing in an amount of not less than $10,800,000 for the acquisition of the Real Properties as contemplated pursuant to Section 4.3(b) of the Related Transactions.

Section 9.13 Adjusted EBITDA. The 2019 adjusted EBITDA for the Affiliated Club Sellers shall total an aggregate of not less than $10,700,000.

Section 9.14 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 any member of the Seller Group or any of the Seller's assets.

Section 9.15 Unaffiliated Clubs. Affiliates of Rick's shall have entered into definitive asset purchase agreements for the purchase of substantially all of the assets of Market Entertainment Inc. and OG1, LLC, which operate the adult entertainment establishment businesses known as PT's Louisville and PT's Denver, respectively (the "**Unaffiliated Clubs**"). For clarity, the Unaffiliated Clubs are operated on real property being sold as part of the Real Estate Transaction.

Section 9.16 Resignations. The officers and directors of the Acquired Corporations shall have provided to Purchaser their written resignations as of the Closing Date and a duly designated representative of the Purchaser shall be authorized as the signatory on all of the Acquired Corporations' bank accounts, its credit cards and ATM processors.

Section 9.17 Books and Records. All books and records in the possession of the Acquired Corporations, including but not limited to, the minute books, stock record books and other records of the Acquired Corporations will be provided to and in the possession of Purchaser as of the Closing Date.

ARTICLE X
CLOSING ADJUSTMENTS

The Parties agree that there will be an adjustment made within ninety (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 Company or the Business, so that the Seller will be responsible and liable to the Purchaser for the liabilities of the Acquired Corporations 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, a *pro rata* portion of prepaid items, accounts receivable, and other similar current assets (the "**Excluded Assets**"). If such Excluded Assets exceed such Excluded Liabilities as of the Closing Date, the Purchaser shall promptly pay or cause the Acquired Corporations to pay such amount to the Seller. Within 90 days following the Closing Date, the Parties will cooperate to agree on an allocation of the Purchase Price and the Non-Compete Agreement. The allocation schedule shall be prepared in accordance with Code Section 1060 and the regulations thereunder. Each party (a) shall timely file all tax returns in a manner consistent with the final allocation schedule and, (b) in the event of any examination, audit, or other proceeding with respect to any tax return, will take no position inconsistent with the final allocation schedule. The maximum amount that may be allocated in the final allocation schedule to the Non-Compete Agreement shall not exceed $10,000 ($90,000 in aggregate across all Definitive Agreements).

ARTICLE XI
INDEMNIFICATION

Section 11.1 Indemnification from the Seller Group. The Seller Group, jointly and severally, hereby agree to and will indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold the Purchaser Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Purchaser Indemnitees**") harmless from and against any and all actions, suits, claims, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys', accountants', other experts' or advisors' fees, and costs of any suit related thereto), whether arising from a direct (or first party) claim or a third-party claim, (collectively, "**Losses**") actually suffered or incurred by any of the Purchaser Indemnitees arising from: (a) any breach of any representation or warranty of the Seller Group contained in this Agreement, or any schedule, exhibit, certificate, or other instrument furnished or to be furnished by the Seller Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Seller Group under this Agreement; and (c) any Excluded Liability (including any liability of the Seller that becomes a liability of the Purchaser under any bulk transfer law of any jurisdiction, under any common law doctrine of de facto merger or successor liability, or otherwise by operation of law).

Section 11.2 Indemnification from the Purchaser Group. The Purchaser Group, jointly and severally, agree to and will indemnify, defend (with legal counsel reasonably acceptable to the HWL) and hold the Seller Group and their affiliates, and the respective officers, directors, employees, agents, legal counsel and successors and assigns of the foregoing (collectively, the "**Seller Indemnitees**") harmless from and against any and all Losses actually suffered or incurred by any of Seller Indemnitees, arising from (a) any breach of any representation or warranty of the Purchaser Group contained in this Agreement or any schedule, exhibit, certificate, or other agreement or instrument furnished or to be furnished by the Purchaser Group hereunder; (b) any breach or nonfulfillment of any covenant or agreement on the part of the Purchaser Group under this Agreement; or (c) any liability or obligation due to any third party by either of the Acquired Corporations incurred on or after the Closing Date, or any suit, action, proceeding, claim or investigation against Seller Group which arises from or which is based upon or pertaining to Purchaser's or Acquired Corporations' conduct or the operation of the Business subsequent to the Closing Date (the "**Assumed Liabilities**").

Section 11.3 Matters Involving Third Parties.

(a) If any third party notifies any Party (an "**Indemnified Party**") with respect to any matter (a "**Third-Party Claim**") that may give rise to a claim for indemnification against any other Party (the "**Indemnifying Party**") under this Article XI, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is thereby prejudiced.

(b) Any Indemnifying Party will have the right to assume the defense of the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third-Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third-Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim.

(c) So long as the Indemnifying Party has assumed and is conducting the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnifying Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (ii) the Indemnified Party will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld).

(d) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third-Party Claim in accordance with Section 11.3(b) above, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (ii) the Indemnifying Parties will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article XI.

Section 11.4 Limitation of Indemnification.

(a) Only with respect to Losses arising from a third-party claim(s), the aggregate amount of all Losses for which the Seller Group shall be liable for under Section 11.1(a) shall not exceed $1,000,000 per claim (excluding the cost of attorney's fees); provided, the foregoing limitation shall not apply to Losses arising out of the breach of any Fundamental Representation (defined in Section 11.6), in the case of fraud, and/or in the case of direct (or first party) claim(s);

(b) The aggregate amount of all Losses arising from third party claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees (including the cost of attorney's fees incurred by the Seller Group on behalf of the Purchaser Indemnitees) in connection with such Losses, and the aggregate amount of all Losses arising from direct (or first party) claims for which the Seller Group shall be liable under Section 11.1 shall not exceed an amount equal to the Purchase Price plus the cost of attorney's fees incurred by the Purchaser Indemnitees in connection with such Losses (for clarity, any Losses arising from third party claims will not go towards the cap on direct (or first party) claims and *vice versa*); provided, the foregoing limitation shall not apply in the case of fraud; and

(c) Only with respect to Losses arising from a third-party claim(s), notwithstanding Sections 11.4(a) and (b), the total aggregate amount of all Losses which HWL, Family Dog, and the Affiliated Club Sellers shall be liable for under the indemnification provisions in all Definitive Agreements shall not exceed $22,000,000; provided, that the foregoing limitation shall not apply in the case of fraud and/or in the case of direct (or first party) claim(s).

Section 11.5 Indemnification Threshold.

(a) Notwithstanding anything in this Agreement to the contrary, no Purchaser Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Purchaser Indemnitees exceeds $25,000 (the "**Indemnification Threshold**"), at which point the Seller Group will indemnify the Purchaser Indemnitees dollar for dollar for any amounts as if there had been no Indemnification Threshold.

(b) Notwithstanding anything in this Agreement to the contrary, no Seller Indemnitee shall be entitled to indemnification under this Article XI until the aggregate Losses suffered by the Seller Indemnitees exceeds the Indemnification Threshold, at which point the Purchaser Group will only be obligated to indemnify the Seller Indemnitees from and against further Losses.

Section 11.6 Survival of Indemnification. The rights to indemnification under this Article XI, including rights to indemnification arising from a breach of a "**Fundamental Representation**" (which, for purposes of this Agreement, is defined as any representation or warranty set forth under Sections 5.1, 5.2, 5.4, 5.5, 5.10, 5.11, 5.12, 5.14, 5.15, 6.1 or 6.2) or from an Excluded Liability or Assumed Liability, will survive the Closing for a period ending thirty (30) days after the expiration of the applicable statute of limitations for any claim brought or that could be brought in connection with such Losses (the "**SOL Date**"); provided, however, that rights to indemnification arising from a breach of a non-Fundamental Representation (*i.e.*, any representation or warranty in this Agreement that is not a Fundamental Representation) shall survive 24 months from the Closing Date ("**Survival Date**"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against a Party unless the party seeking indemnification has given such party written notice of the relevant claim for Losses on or before (a) the Survival Date with respect to a claim arising from a non-Fundamental Representation, and (b) the SOL Date, with respect any other claim for which the party seeking indemnification is entitled to indemnification under this Article XI. Any such claim for which notice has been given prior to the expiration of the Survival Date or the SOL Date, as the case may be, will not be barred hereunder.

Section 11.7 Indemnification Payments. In the event that the Purchaser Group is entitled to indemnification in accordance with this Article XI, including the payment by the Purchaser Group of any Excluded Liabilities, such amounts shall be paid first by an offset from the then-outstanding principal balance under the Club Notes (defined in Section 4.3(a)(iii)) and, if the aggregate amount of such payments exceeds the then-outstanding principal balance under the Club Notes, directly from any member of the Seller Group. Indemnification in accordance with this Article XI in respect of any Losses shall be limited to the amount of any Losses that remain after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received by the party seeking indemnification in respect of any such indemnification claim. If an indemnification payment is received by an indemnitee, and that indemnitee later receives insurance proceeds or otherwise recovers from a third-party in respect of the related Losses, such indemnitee shall promptly pay to the indemnitor, a sum equal to the lesser of (i) the actual amount of such insurance proceeds or other third-party recoveries and (ii) the actual amount of the indemnification payment previously paid with respect to such Losses.

Section 11.8 Waiver of Certain Damages. In no event shall any party be entitled to recover or make a claim under this Article XI for any amounts in respect of, and in no event shall Losses be deemed to include, (a) punitive damages (unless payable to a third party), or (b) consequential, incidental, special, or indirect damages (unless payable to a third party); provided, the forgoing limitation shall not apply in the case of fraud.

Section 11.9 Exclusive Remedy.

(a) Except as set forth in Section 11.9(b) and for the Tax indemnification provided in Section 12.1, the Parties acknowledge and agree that, from and after Closing, the foregoing indemnification provisions in Article XI shall be the exclusive remedy of the Purchaser Indemnitees and the Seller Indemnitees with respect to this Agreement.

(b) Notwithstanding anything in Section 11.9(a) to the contrary, nothing in Article XI shall (i) prohibit the Purchaser Group or any of their affiliates from bringing a claim against any Person, including any of the Seller Group, alleging such Person committed fraud in connection with the transactions contemplated by this Agreement or (ii) limit any remedy of the Purchaser Group or any of their affiliates may have against such Person, and only such Person, but only in the event a court of competent jurisdiction finally determines that such Person is liable for fraud.

ARTICLE XII
TAX MATTERS

Section 12.1 Indemnification. The Seller Group shall indemnify the Acquired Corporations and the Purchaser Group and hold them harmless from and against (a) all income Taxes (or the non-payment thereof) of the Acquired Corporations for all taxable periods ending on or before the Closing Date and the portion through the Closing Date for any taxable period that includes (but does not end on) the Closing Date.

Section 12.2 Straddle Period. In the case of any taxable period that includes (but does not end on) the Closing Date (a "**Straddle Period**"), the amount of any income Taxes for the pre-Closing Tax period shall be determined based on an interim closing of the books as of the close of business on the Closing Date.

Section 12.3 Responsibility for Filing Tax Returns. The Purchaser Group shall prepare or cause to be prepared and file or cause to be filed all income Tax returns for the Acquired Corporations that are required to be filed after the Closing Date. With respect to any such income Tax returned filed for a Straddle Period, Buyer shall permit the Seller Group to review and comment on each such income Tax return prior to filing and shall make such revisions to such income Tax returns as are reasonably requested by the Seller Group.

Section 12.4 Refunds and Tax Benefits. Any income Tax refunds that are received by Purchaser or either Acquired Corporation, and any amounts credited against income Tax to which Purchaser or the Acquired Corporations become entitled, that relate to income Tax periods or portions thereof ending on or before the Closing Date shall be for the account of the Seller Group, and the Purchaser Group shall pay over to the Seller Group any such refunds or the amount of any such credit (net of any income Taxes of Purchaser or the Acquired Corporations attributable to such refund or credit) within 15 days of receipt or entitlement thereto.

Section 12.5 Other.

(a) All transfer, documentary, sales, use, stamp, registration, and other such taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne 50% by the Seller Group and 50% by the Purchaser Group.

(b) After the Closing, each Party shall promptly notify the other Parties of any pending or threatened audit or assessment, suit, proposed adjustment, deficiency, dispute, or judicial proceeding or similar claim relating to taxes (a "**Tax Claim**") with respect to Losses for which another Party could be liable under this Agreement. The Seller Group shall have a right to control, at its own cost, without affecting its or any other Person's rights to indemnification under this Agreement, the defense of all Tax Claims relating to the Business, the Assets, or the transferring employees for any tax period ending on or before the Closing Date; provided, that the Seller Group shall not settle any Tax Claim relating to such period that will in any way affect the taxes in a tax period ending after the Closing Date without the prior written consent of Purchaser (which may not be unreasonably withheld, conditioned, or delayed).

(c) Any tax-sharing agreements or similar agreement with respect to or involving the Acquired Corporations shall be terminated as of the Closing Date and, after the Closing Date, the Acquired Corporations shall not be bound thereby or any liability thereunder.

(d) The Purchaser Group shall not, and shall not cause or permit the Acquired Corporations to, (i) amend any Tax return filed with respect to any tax year ending on or before the Closing Date or with respect to any Straddle Period or (ii) make any Tax election that has retroactive effect to any such year or any Straddle Period, in each case without the prior written consent of the Seller Group.

ARTICLE XIII
MISCELLANEOUS

Section 13.1 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 will 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, will constitute a waiver of, or will preclude any other or further exercise of, any right, power or remedy.

Section 13.2 Notices. Any notices or other communications required or permitted hereunder will 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:

(b)	If to Seller or Family Dog:	HWL-3, LLLP Family Dog LLC Attn: Troy Lowrie 735 S Xenon Ct. Lakewood, CO 80228 email: tlowrie@lowrieinvestments.com
	with a copy to:	Ryan Tharp Fairfield and Woods, P.C. 1801 California Street, Suite 2600 Denver, Colorado 80202-2645 email: rtharp@fwlaw.com
(c)	If to the Purchaser:	200 Riverside, Inc. Attn: Eric Langan, President 10737 Cutten Road Houston, Texas 77066 email: eric@rcihh.com
(d)	If to Big Sky or Rick's:	Big Sky Hospitality Holdings, Inc. RCI Hospitality Holdings, Inc. Attn: Eric Langan, President 10737 Cutten Road Houston, Texas 77066 Email: eric@rcihh.com
	with a copy to:	Robert D. Axelrod Axelrod & Smith 5300 Memorial Drive, Suite 1000 Houston, Texas 77007 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 a 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 13.3 Severability. Whenever possible, each provision of this Agreement will 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 13.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof will 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 13.5 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 will 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 13.6 Entire Agreement. This Agreement 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 13.7 Choice of Law; Jurisdiction. This Agreement will 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 arising out of or related to this Agreement, each of the Parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 13.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each Party and delivered to the other Parties, it being understood that all 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 will 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 were an original thereof.

Section 13.9 Costs and Expenses. Each Party will 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 13.10 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 will not affect its interpretation.

Section 13.11 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 Seller) that is not a Party to this Agreement.

Section 13.12 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 13.13 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement will be deemed to be and will 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 13.14 Termination Rights. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual consent, in writing, of the Parties hereto;

(b) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the First Closing shall not have occurred on or before December 31, 2021 (the "**Outside Date**"), unless the failure of the Closing to take place on or before such date is attributable to a breach by such Party or Parties' of any of its or their obligations set forth in this Agreement;

(c) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if any of the conditions to such Parties' obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, becomes incapable of fulfillment; provided, however, that a Party may not seek termination pursuant to this Section 12.14(c) if such condition is incapable of fulfillment due to the failure of such Party or Parties' to perform the agreements and covenants contained herein required to be performed by such Party or Parties or its or their affiliate at or before the Closing; and

(d) by the Purchaser Group, on the one hand, or the Seller Group, on the other hand, if the other shall have breached or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform would cause any of the conditions to such Party's obligations to perform set forth in Articles VIII and IX of this Agreement, as applicable, to not then be satisfied; provided that such breach or failure to perform such covenant or agreement is not cured within ten (10) days after written notice thereof from the non-breaching Party, or in the case where the date or period of time specified for performance has lapsed, promptly following written notice thereof from the non-breaching Party.

Section 13.15 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.14 shall give written notice of such termination to the other Parties to this Agreement.

Section 13.16 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 will not be employed in the interpretation of this Agreement or any amendments hereto.

Section 13.17 Interpretation. All personal pronouns used in this Agreement will include the other genders, whether used in the masculine, feminine or neuter gender and the singular will include the plural and vice versa, wherever appropriate. The word "including" shall be interpreted to mean "including without limitation."

Section 13.18 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THIS AGREEMENT OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Stock Purchase Agreement as of the Effective Date.

Seller Group:

HWL-3 LLLP

By: TARGE INC., its general partner

By: */s/ Troy Lowrie*
Name: Troy Lowrie
Title: President of Targe Inc.

FAMILY DOG, LLC

By: Union Services, Inc., its manager

By: */s/ Troy Houston Lowrie, Jr.*
Name: Troy Houston Lowrie, Jr.
Title: President of Union Services, Inc.

IN WITNESS WHEREOF, the undersigned have executed this Stock Purchase Agreement as of the Effective Date.

Purchaser Group:

200 RIVERSIDE, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

BIG SKY HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

RCI HOSPITALITY HOLDINGS, INC.

By: */s/ Eric Langan*
Name: Eric Langan
Title: President

EXHIBIT 4.3(a)

Affiliated Club Asset Purchase Agreements

Affiliated Club Sellers	Affiliated Club Name	Address of Affiliated Club	Purchase Price
Glenarm Restaurant Concepts LLC	Diamond Cabaret Denver	1222 Glenarm Place, Denver, CO	$ 11,300,000
Glendale Restaurant Concepts LLC	Mile High Club	4451 E Virginia Ave., Glendale, CO	$ 1,200,000
Illinois Restaurant Concepts, LLC	Diamond Club St. Louis	1401 Mississippi Ave., Bay 18, Sauget, IL	$ 5,800,000
Indy Restaurant Concepts, LLC	PT's Indy	7916 Pendleton Pike, Indianapolis, IN	$ 6,000,000
Kenkev, Inc.*	PT's Portland	200 Riverside St., Portland, ME	$ 7,900,000
MRC, LLC	Country Rock Cabaret	200 Monsanto Ave., Sauget, IL	$ 3,900,000
Raleigh Restaurant Concepts, LLC	Men's Club Raleigh	3210 Yonkers Rd., Raleigh, NC	$ 8,230,000
Stout Restaurant Concepts, LLC	LaBoheme	1443 Stout St., Denver, CO	$ 6,970,000
VCG Restaurants Denver, LLC	PT' Centerfold	3480 S Galena Ave., Denver, CO	$ 5,300,000

* The acquisition of Kenkev, Inc. will be via a stock purchase agreement, not an asset purchase agreement.

EXHIBIT 4.3(b)

Real Estate Property

Real Estate Sellers	Address of Real Properties	Purchase Price*	Club that Occupies Real Property
1601 W Evans LLC	1601 W Evans Ave., Denver CO	$ 3,325,000	PT's Showclub
200 Riverside LLC	200 Riverside St., Portland, ME	$ 3,100,000	PT's Showclub
227 E Market LLC	227 E Market St., Louisville, KY	$ 1,900,000	PT's Showclub
3480 S Galena LLC	3480 S Galena Ave., Denver, CO	$ 4,500,000	PT's Centerfolds
4451 E Virginia LLC	4451 E Virginia Ave., Glendale, CO	$ 3,325,000	Mile High Men's Club
7916 Pendleton Pike LLC	7916 Pendleton Pike, Indianapolis, IN	$ 1,850,000	PT's Showclub

* The purchase price for each real property may change, provided that the aggregate purchase price remains unchanged.

Exhibit 10.12

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("**Agreement**") is made and entered into effective as of the 23rd day of July, 2021 (the "**Effective Date**"), by and between each selling owner identified in the signature blocks to this Agreement and on **Exhibit A** attached hereto (collectively, "**Seller(s)**"), and RCI HOLDINGS, INC., a Texas corporation ("**Purchaser**").

A. Each respective Seller has agreed to sell to the Purchaser, and Purchaser has agreed to buy, the seven parcels of real property identified on **Exhibit A** (each parcel is a "**Site**" and collectively the "**Sites**") pursuant to the terms and conditions of this Agreement. Each Site is subject to a lease, as described on **Exhibit A** (each, together with all amendments thereto, a "**Lease**" and, collectively, the "**Leases**"). The legal description of each Site is listed on **Exhibit B**.

B. The transactions contemplated by this Agreement are part of a series of related transaction by and among the Seller and Purchaser and certain of their affiliates and related parties, as further described in Section 7, including without limitation those transactions contemplated by certain Asset Purchase Agreements dated on or about even date herewith between affiliates of Seller and affiliates of Purchaser (the "**Asset Purchase Agreements**").

W I T N E S E T H:

In consideration of the mutual covenants set forth herein and in the Asset Purchase Agreement, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Section 1. Sale and Purchase. Each respective Seller shall sell, convey, and assign to Purchaser, and Purchaser shall purchase and accept from the respective Seller, subject to the terms and conditions herein set forth, that portion of the Property (defined below) owned by the respective Seller (which in total comprises the Property), subject to the Permitted Exceptions (as hereinafter defined), together with (A) all easements, rights, privileges and appurtenances relating thereto; and (B) all of Seller's rights, title and interest in and to (i) all entitlements and approvals of or from governmental authorities, rights and privileges appurtenant, and development rights relating to the Sites, (ii) all and singular the hereditaments and appurtenances thereto belonging or in anywise appertaining to the Sites, and the reversions, remainders, rents and issues and profits therefrom, and (iii) all improvements on the Sites owned by Seller and all of Seller's rights, title and interest in and to adjacent streets, alleys and rights-of-way, and other rights to the extent used in connection with or benefiting or appurtenant thereto (collectively, the "**Property**"). If this Agreement is executed by the parties prior to the date that the legal description of the Sites are available to insert as applicable on **Exhibit B**, the parties will amend **Exhibit B** to incorporate the legal descriptions, as depicted on a Survey of each Site or the Owner's Title Policy.

Section 2. Purchase Price.

(a) The total purchase price ("**Purchase Price**") for the Property which Seller shall sell and convey the Property to Purchaser, and which Purchaser shall pay to Seller, shall be Eighteen Million & NO/100 U.S. Dollars ($18,000,000). The Purchase Price, as adjusted for herein and for costs, credits, and prorations set forth elsewhere in this Agreement, shall be paid at Closing (defined below) as follows:

(1) one promissory note with an aggregate original principal amount of $1,200,000, which shall not require the pledge of any portion of the Property as collateral but which shall be cross-collateralized and cross-defaulted with the Club Notes (as defined in the Asset Purchase Agreements), and with such other terms (for payment, interest and otherwise) that track the form of promissory note to be executed by Purchaser in connection with the New Loan issued to the Outside Lender, all as determined by the parties prior to the First Closing ("**Seller Carryback Note**"); plus

(2) the remaining amount of the Purchase Price (comprising $16,800,000 as adjusted for herein and for costs, credits, and prorations set forth elsewhere in this Agreement) by wire transfer in U.S. funds.

(b) The Purchase Price shall be allocated to the sale of each Site as set forth on **Exhibit A** and is referred to for each Site as the "**Site Purchase Price**".

Section 3. Property as Collateral. Purchaser may obtain one or more loans (collectively referred to herein as a "**New Loan**") to finance the acquisition of one or more Sites through one or more third-party lenders (collectively, an "**Outside Lender**") secured by the Property. All costs and expenses in connection with any New Loan shall be borne exclusively by Purchaser. It shall be a condition precedent and Purchaser shall not be obligated to close on the transactions contemplated under this Agreement unless and until Purchaser has obtained a New Loan from an Outside Lender in the amount of no less than $10,800,000.00, on terms and conditions reasonably acceptable to Purchaser. No portion of the Property shall be required to be pledged as collateral for any obligations under the Asset Purchase Agreements, including under any promissory notes executed in connection with any closings under the Asset Purchase Agreements.

Section 4. Delivery of Information by Seller.

(a) Within seven (7) business days following the Effective Date, Seller shall deliver or cause to be delivered to Purchaser a current title insurance commitment for each Site other than the Retail Parcel (as defined on **Exhibit A**) (collectively, the "**Title Commitment**") issued by Fidelity National Title Groups National Commercial Division, 8055 E. Tufts Ave., Suite 900, Denver, CO 80237, Attn: Chandra R Nay, Email cnay@fnf.com, Phone (303) 692-6787 ("**Fidelity**"), and with respect to the Retail Parcel: First Integrity Title Company, 1225 17th Street, Ste 2450, Denver, CO 80202, Attn: Victoria Chapman, Email: Victoria.Chapman@FirstIntegrityTitle.com, Phone: (720) 574-1346 (referred to herein collectively with Fidelity, applicable as context requires, the "**Title Company**") together with true, complete, and legible copies of all of the documents referred to in the Title Commitment as exceptions to title to each Site (collectively all Title Commitments and underlying exception documents shall be referred to as the "**Title Documents**"), showing marketable title to each Site to be vested in the respective Seller and committing to insure such title to each Site in Purchaser by the issuance of a 2006 ALTA form of extended coverage policy of owner's title insurance, with the standard printed exceptions deleted, in the amount of the Site Purchase Price (or in the case of multiple Title Commitments for each Site, in the amount of the Site Purchase Price), subject to the satisfaction of the requirements of the instruments to be delivered at the Closing as contemplated hereby and any affidavits and agreements of Purchaser and Seller which the Title Company requires in connection with deletion of the standard printed exceptions.

(b) Within seven (7) business days after the Effective Date, Seller shall deliver, or cause to be delivered to Purchaser copies of all documents and information in Seller's possession or control regarding the Property ("**Property Materials**"), including the following: (i) any and all existing surveys of all or any portion of the Property; (ii) any and all soils condition reports and any and all environmental assessment reports and any and all endangered species and habitat reports on all or any portion of the Property; (iii) any and all water and sewer studies, engineering studies, zoning information, and marketing studies relating to all or any portion of the Property; (iv) any and all plans, specifications, licenses, permits (including building permits, occupancy permits, special use permits), authorizations and approvals relating to the Property; and, (v) any and all of the Leases (including all amendments or ancillary documents thereto), subleases or other contracts or agreements relating to the Property, the availability of utilities or access to all or any portion of the Property, and investigations of any requirements which may be imposed by governmental or quasi-governmental authorities relative to all or any portion of the Property. Except as herein provided, the Property Materials shall be delivered to Purchaser without representations or warranties of any kind, including no warranties as to the accuracy nor completeness thereof. Notwithstanding anything contained herein to the contrary, Seller hereby represents and warrants that the Property Materials provided or to be provided by Seller to Purchaser hereunder are complete copies of the information in Seller's possession and control.

Section 5. Right of Inspection; Contingency Period.

(a) Seller shall afford Purchaser and its representatives the continuing right through the First Closing to enter on and inspect the Property to conduct surveys, soil and/or geotechnical tests, environmental studies, building foundations, structures and roofs, mechanical systems (comprising electrical systems, heating, ventilation and air conditioning systems, and boilers), and other inspections to determine whether the Property is suitable, in Purchaser's sole and absolute discretion, for Purchaser's purposes including Purchaser's proposed use and development of the Property. Purchaser shall leave the Property in the same general condition following any such inspections, tests and studies, as existed prior to such inspections, tests and studies, ordinary wear and tear excepted and Purchaser shall have no obligation to leave the Property in any better condition than existed before Purchaser made any such inspections, tests, and studies. Purchaser agrees to indemnify, defend (with counsel reasonably acceptable to Seller) and hold harmless Seller from and against any and all damages, liens, judgments, losses, charges, claims, costs, liabilities and expenses, including court costs and reasonable attorneys' fees, arising as a result of Purchaser's inspections, tests and studies whether such inspections occurred before or after the date of this Agreement. Such indemnity expressly includes any damage to the Property and any injuries to persons. The indemnity set forth above, however, shall not apply to liens, claims, demands, injuries, damages, costs, expenses (including also reasonable attorney's fees) or liability to the extent caused by or resulting from (i) Seller's acts or omissions, (ii) the presence or discovery on the Property of existing conditions, including without limitation latent defects, not created or exacerbated by Purchaser (and then only to the extend exacerbated by Purchaser), or (c) the presence on the Property of Hazardous Materials (as defined below) not placed there or exacerbated by Purchaser. For purposes of this Agreement, Purchaser shall not be deemed to have exacerbated any existing condition, latent defects or Hazardous Materials on the Property simply by discovering the existing condition, latent defect or the presence of Hazardous Materials through normal and customary inspections, studies, tests and other work, including soils tests. In addition, if Purchaser does not consummate the purchase of the Property, then unless Seller is in default under the terms of this Agreement, Purchaser (upon request by Seller and upon reimbursement by Seller of the out-of-pocket costs incurred by Purchaser in obtaining such reports) shall deliver to Seller copies of all non-confidential and non-proprietary reports of such inspections, tests and studies performed by third parties, and thereafter shall not divulge any of the material information contained therein to any party unless (i) the same is or becomes publicly known or within the public domain through no breach by Purchaser of this covenant, or (ii) Purchaser is required to disclose any of such information to any court, governmental agency, or governmental authority, provided, however, that prior to any such disclosure, Purchaser shall deliver written notice to Seller of the same as soon as reasonably possible upon Purchaser's receipt thereof. The delivery of copies of such reports is and shall be made expressly without warranty or representation of any kind. Purchaser's obligations in this Section 5(a) shall survive the Closing and the expiration or termination of this Agreement.

(b) Purchaser shall have a period beginning on the Effective Date and continuing until the Closing Date (the "**Contingency Period**"), in which to perform such due diligence investigations as Purchaser deems necessary or desirable. If, during the Contingency Period, Purchaser determines, in its sole and absolute discretion, not to proceed with the acquisition of the Property for any reason or no reason, then Purchaser shall have the right at its election to terminate this Agreement, effective upon providing Seller with written notice of Purchaser's election to terminate this Agreement, upon which this Agreement shall terminate and be of no further force or effect, except for those provisions of this Agreement that expressly survive the termination hereof. If Purchaser does not so terminate this Agreement by the end of the Contingency Period, or if prior thereto Purchaser waives its right to do so in writing, then Purchaser shall have no further right to terminate this Agreement under this Section 5(b).

(c) As part of Purchaser's due diligence between the Effective Date and the First Closing, Purchaser shall review the Leases, and Seller will cooperate with Purchaser to provide such information as reasonably requested by Purchaser in connection with such Leases. Upon reviewing the terms of such Leases, Purchaser will notify Seller which Leases are acceptable for assignment at the First Closing and which Leases (other than any Leases to Third-Party Tenants, defined below) will need to be negotiated between Seller and the applicable affiliated tenant in order to be in a condition reasonably acceptable to Purchaser for assignment at the First Closing. Seller and Purchaser acknowledge that the Property located at 3480 South Galena Avenue in Denver, Colorado, is improved with two separate buildings, one of which is where the applicable Club is operated, and the second building contains eight bays which are leased to third parties unaffiliated with any of the Seller entities ("**Third-Party Tenants**"). As part of Purchaser's due diligence, Seller agrees to cooperate with Purchaser in seeking to obtain tenant estoppel certificates from all Third-Party Tenants in form and substance reasonably acceptable to Purchaser. No estoppel certificates shall be required from any tenants that are not Third-Party Tenants. All Leases, whether existing or those negotiated between Purchaser and the affiliated tenants, will be assigned to Purchaser at the First Closing, pursuant to a mutually acceptable form of Assignment and Assumption of Leases.

Section 6. Title Matters.

(a) From the Effective Date until the First Closing (the "**Title Objection Period**"), Purchaser shall have the right to deliver to Seller written notice ("**Title Objection Notice**") specifying those matters which are not acceptable conditions of title, whether in the Title Documents, the Surveys or otherwise. Except for Disapproved Matters (as defined below) and except as provided herein, all matters affecting title set forth in (i) the Title Documents, (ii) any updated, supplemental or amendment to the Title Documents issued prior to expiration of the Title Objection Period by the Title Company (together with all documents referred to as exceptions thereto); and (iii) any ALTA/NSPS survey of the Sites acquired by Purchaser (all such surveys collectively referred to herein as the "**Survey**") not specifically disapproved by Purchaser within the Title Objection Period shall be deemed to have been approved. Notwithstanding anything contained herein to the contrary, in all events, regardless of whether Purchaser has given notice of objection as stated above, Seller shall be obligated to satisfy and otherwise remove any additional encumbrances created by Seller after the Effective Date in violation of this Agreement, all monetary and financial liens and encumbrances encumbering the Property claimed by or through Seller (other than current taxes not yet due and other than those arising by, through and under Purchaser) and any additional monetary and financial liens and encumbrances recorded by Seller after the Effective Date in violation of any provision of this Agreement (collectively, "**Disapproved Matters**"). Within five (5) days after Seller's receipt of a Title Objection Notice from Purchaser, Seller shall notify Purchaser whether Seller is able and agrees to remove all or any specific objectionable items from title on or before Closing. If Seller fails to notify Purchaser or does not agree to remove (or cause the same to be removed prior to, or at, Closing) all such objectionable items within such five (5) day period, then Purchaser shall have the right at its election, to be exercised in writing by notifying Seller prior to the expiration of the Contingency Period, of either: (A) terminating this Agreement, in which event the parties shall have no further obligations except for those which survive termination of the Agreement and the Asset Purchase Agreement; or (B) accepting the Property subject to the objectionable items that Seller does not agree to remove, other than, in any case, the Disapproved Matters which Seller shall be obligated to remove from title on or before Closing. If Purchaser fails to give timely notice electing either alternative (A) or alternative (B) in this Section 6(a), Purchaser shall be deemed to have elected alternative (B). Upon Purchaser providing a Title Objection Notice within the Title Objection Period, the Closing shall be delayed to allow the 5-day Seller response and 5-day Purchaser election period to occur as set forth in this Section 6(a).

(b) Permitted Exceptions. The title matters that Purchaser elects to accept or is deemed to have elected to accept shall constitute "**Permitted Exceptions**". Permitted Exceptions, however, shall specifically exclude (i) any delinquent taxes or assessments, (ii) any Disapproved Matters, and (iii) any standard printed exceptions (provided that, with respect to the standard survey exceptions, Seller shall not be responsible for an updated survey). Seller shall not be deemed to be in default by virtue of Seller's inability or unwillingness to remove or satisfy any title and/or survey matters objected to by Purchaser, except that Seller shall in all events cause the Disapproved Matters to be removed from title at or before Closing. In the event that Seller is unable to remove any title matter that is not a Permitted Exception to which it has agreed to remove in writing prior to the Closing Date, Purchaser shall have the option to either terminate this Agreement by written notice to Seller (in which event this Agreement shall be of no further force or effect, except for those provisions of this Agreement that expressly survive the termination hereof) or to waive such title matter and proceed to Closing in the manner set forth in Section 6(a) above.

(c) Survey. Purchaser shall have the right to obtain a Survey of each Site, which shall be certified to Purchaser, Title Company, Outside Lender and Seller, with the costs and expenses of each Survey to be shared 50/50 between Seller and Purchaser.

(d) Owner's Title Policy. At Closing, Seller will cause the Title Company to issue to Purchaser, or unconditionally commit to issue to Purchaser after Closing, for each Site, a 2006 ALTA form of extended coverage owner's policy of title insurance insuring marketable, insurable title to the Property in Purchaser in the amount of the Purchase Price for such Site, subject only to the Permitted Exceptions for each Site (each policy being referred to herein collectively as "**Owner's Title Policy**"). Notwithstanding the above, if Purchaser elects to obtain any endorsements to Owner's Title Policy, all such additional endorsement costs shall be the sole responsibility of Purchaser as further set forth below. Except as specifically set forth herein, Purchaser shall have sole responsibility for obtaining any Survey(s) required by Purchaser. Seller and Purchaser will each execute and deliver to the Title Company such agreements or statements concerning claims for mechanic's liens and any other documents as may customarily be required by the Title Company in order to issue the Owner's Title Policy, provided, however, that Seller shall not be obligated to deliver any such agreements or statements with respect to any work performed at the Sites solely by Purchaser or its agents.

(1) Seller hereby covenants and agrees that after the Effective Date hereof, Seller will not sell, convey, option or contract to do any of the foregoing or otherwise convey, abandon, relinquish, cloud or encumber title to the Property or any part thereof or contract to do any of the foregoing in a manner which would survive Closing except as may be expressly approved in writing by Purchaser (in Purchaser's sole discretion) (the "**Title Covenant**").

(2) If Seller is obligated to or has elected to cure or resolve a New Title Matter or if Seller or anyone acting by, through or under Seller or its affiliates causes a breach of the Title Covenant, then Seller, at its sole cost and expense, shall cure such title matter or breach of the Title Covenant within the earlier of Closing or thirty (30) days after Seller either agrees to cure such title matter or breaches the Title Covenant. Only if such method is acceptable to Purchaser as to any specific exception in Purchaser's sole discretion, the obligation/election to cure a title matter may be satisfied by Seller's procuring title insurance endorsement protection for Purchaser against such exception and for Seller to pay additional premiums or costs which the Title Company charges for such protection.

(3) If a third party (not related to Seller or anyone acting by, through or under Seller or its affiliates) causes a breach of the Title Covenant, Seller will, at its sole cost and expense, within the earlier of thirty (30) days or the Closing, use commercially reasonable efforts to cure such exceptions and satisfy such requirements; provided, however, that if Seller is unable to cure such exceptions and satisfy such requirements using its commercially reasonable best efforts, Purchaser's only right and remedy will be to either waive its objection thereto or to terminate this Agreement effective upon written notice of termination to Seller.

(e) Title Policy Expenses. Seller shall be responsible to pay the premium of the Owner's Title Policy with owner's extended coverage. Purchaser shall pay all premiums and additional costs for any endorsements required by Outside Lender or as requested by Purchaser that are not subject to resolution of a New Title Matter.

Section 7. Related Transactions.

(a) Related Transactions. The transactions contemplated by this Agreement are part of series of related transactions by and among the Seller and Purchaser and certain affiliated and related parties. The Seller and Purchaser and such other parties (the "**Related Transaction Parties**") intend and will use commercially reasonable efforts to cause the transactions described below in this Section 7 (collectively, the "**Related Transactions**") to close as described in this Agreement.

(b) Sale of the Affiliated Clubs.

(1) The parties intend that each affiliated club seller (an "**Affiliated Club Seller**") will sell substantially all of its tangible and intangible assets and personal property (each, a "**Club Transaction**") to a subsidiary (an "**Affiliated Club Purchaser**") of RCI Hospitality Holdings, Inc., a Texas corporation ("**Rick's**") pursuant to a series of definitive Asset Purchase Agreements with substantially similar provisions. The identity of the Affiliated Club Sellers and the Affiliated Club Purchasers for each Club Transaction is set forth in **Exhibit C**.

(2) The Related Transaction Parties desire to close all the Club Transactions on the same closing date, but the Related Transaction Parties recognize that such a coordinated closing is unlikely due to various requirements, including liquor licensing, that are not entirely within such parties' control. Therefore, the Related Transaction Parties anticipate and intend to close at least six of the nine Club Transactions and the purchase of substantially all of the assets of OG1 LLC, an Unaffiliated Club (as defined in the Asset Purchase Agreements) on the first such closing (the "**First Closing**") and to close the remaining Club Transactions as soon as practicable thereafter. The parties acknowledge that it shall be a closing condition (in Section 8(b)(6) below) that the transactions contemplated by this Agreement shall only close if and at such time as the First Closing occurs at which no less than six of the nine Club Transactions occurs and one Unaffiliated Club acquisition occurs.

(c) Sale of Intellectual Property. At the First Closing, and pursuant to a definitive asset purchase agreement, the appropriate parties shall close on the sale of substantially all of the assets of Club Licensing, LLC, a Colorado limited liability company ("**Club Licensing**"), to a wholly-owned subsidiary of Rick's. The assets of Club Licensing include substantially all of the intellectual property used in the businesses owned and operated by the Affiliated Club Sellers (the "**IP Transaction**").

Section 8. Closing.

(a) Closing Date. The closing of the sale of the Property by Seller to Purchaser (the "**Closing**" or "**Closing Date**") shall occur on the First Closing (defined in Section 7(b)(2)), so long as six of the nine Club Transaction closings, the closing of the Unaffiliated Club and the IP Transaction closing occur at that time. The Closing Date must be a date when the Title Company is open for business. Accordingly, if the scheduled Closing Date is on a day when the Title Company is not open for business, the Closing Date shall be the next day the Title Company is open for business. Time is of the essence with regard to the Closing Date.

(b) Conditions to Close and Deliverables. At the Closing, the following, all of which are mutually concurrent conditions to the parties obligation to close, shall occur:

(1) Purchaser, at its sole cost and expense, shall deliver or cause to be delivered to the Title Company the following:

(i) The Purchase Price, as adjusted for all prorations and credits set forth herein, comprising the Seller Carryback Note and the wire transfer of funds as provided in Section 2(a) above;

(ii) Purchaser's share of closing costs as set forth in this Agreement;

(iii) Evidence satisfactory to the Title Company that each party executing the Closing documents on behalf of Purchaser has full right, power, and authority to do so;

(iv) An executed certificate of Purchaser to be delivered to Seller in a form reasonably satisfactory to the parties stating that each of the representations and warranties contained in Section 11 of this Agreement is true, correct and complete as of the Closing;

(v) An Assignment and Assumption of Leases as contemplated by Section 5(c), transferring and assigning the Leases to Purchaser;

(vi) 50% of the amount paid by Seller for the appraisals provided by Seller to Purchaser, pursuant to the invoice(s) provided (or to be provided prior to Closing); and

(vii) Such other instruments as customarily required by the Title Company.

(2) Seller, at its sole cost and expense, shall deliver or cause to be delivered to Purchaser the following:

(i) A Special Warranty Deed (the "**Deed**"), in substantially the form attached hereto as **Exhibit D** and made a part hereof by this reference, fully executed and acknowledged by Seller, conveying good, marketable and insurable fee title to the Property to Purchaser, subject only to the Permitted Exceptions;

(ii) An executed certificate of Seller to be delivered to Purchaser in a form reasonably satisfactory to the parties stating that each of the representations and warranties contained in Section 12 of this Agreement is true, correct and complete as of the Closing;

(iii) Evidence satisfactory to Purchaser and the Title Company that the persons executing and delivering the Closing documents on behalf of Seller have full right, power and authority to do so;

(iv) FIRPTA Affidavit stating that Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code;

(v) A General Assignment in the form attached hereto as **Exhibit E** made a part hereof by this reference;

(vi) An Assignment and Assumption of Leases, transferring and assigning the Leases to Purchaser; and

(vii) A letter directed to all "lessees" or "tenants" under the Leases, notifying such "lessees" or "tenants" of the transfer of ownership of the respective Site and the assignment to Purchaser of the Leases and directing such "lessees" or "tenants" to make rental payments and all other payments required under the Leases to Purchaser as of the Closing Date (and, if requested by Purchaser, Seller shall cause copies of such letter to be delivered to all such "lessees" or "tenants" as soon as practicable after Closing);

(viii) Any estoppel certificates received by Seller from Third-Party Tenants; and

(ix) Such other instruments as customarily required by the Title Company.

(3) The Title Company shall issue or commit to issue Owner's Title Policy.

(4) All real estate and personal property taxes and utility bills shall be prorated as of the Closing Date. If the actual amounts to be prorated are not known as of the Closing Date, the prorations shall be made on the basis of the best evidence then available. In the case of personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, all prorations will be based on most recent mill levy and most recent assessed valuation. Unless otherwise agreed upon in writing between Seller and Purchaser all prorations shall be considered a final settlement. Each party shall pay one-half (1/2) of the Title Company's fees. Purchaser shall pay any recording fees, stamp or documentary taxes, conveyance taxes or similar charges, including any bulk sales transfer taxes or fees (collectively, "**Transfer Costs**").

(5) Upon completion of the Closing, Seller shall deliver to Purchaser possession of the Property.

(6) At the First Closing, the appropriate Related Transaction Parties shall close at least six of the nine Club Transactions, the closing of the Unaffiliated Club, and the closing of the IP Transaction.

(7) Purchaser shall have obtained a New Loan as set forth in Section 3.

(c) Efforts. Each party will use commercially reasonable efforts to perform and satisfy the closing conditions set forth in Section 8(b), including coordinating with the Related Transaction Parties.

Section 9. Taking Before Closing. If, before Closing, all or any part of the Property becomes subject to condemnation or eminent domain proceedings or is included in whole or in material part in a governmental plan or proposal which may result in the taking of all or a material part of the Property, then Seller shall promptly notify Purchaser thereof. Purchaser shall have the right to elect either to proceed with the Closing (subject to the other provisions of this Agreement) or terminate this Agreement by delivering notice thereof to Seller. If Purchaser elects to consummate such purchase and condemnation awards will be payable as a result of such taking prior to Closing, then such awards shall be paid to Seller and the Purchase Price shall be reduced by the amount of such awards. If Purchaser elects to consummate such purchase of the Property and condemnation awards will be payable as a result of such taking after the Closing, then the Purchase Price shall not be reduced, but the condemnation award shall be paid to Purchaser after the Closing. To the extent that any such awards will be payable after the Closing, then the terms and provisions of this Section 9 shall survive Closing.

Section 10. Damage and Destruction. If any damage or destruction occurs to any of the buildings or improvements located at the Sites prior to Closing, then Seller shall promptly give Purchaser and its insurer or insurance agents written notice of such occurrence. Promptly thereafter, Seller shall deliver to Purchaser a copy of the property insurance policy(ies) for the affected Site. Seller shall also provide, as and when sent or received, copies of all correspondence between Seller and the insurer or its agents relating to such damage and destruction. Seller shall promptly pursue all necessary steps to realize the benefits of any insurance benefits pertaining to the damaged Site. In the event that the amount of the damage or destruction is in excess of $500,000.00, then Purchaser shall have the right to terminate this Agreement by and upon written notice to Seller provided within twenty (20) days after such damage or destruction, in which case this Agreement shall terminate, and both parties shall be released from all further obligations under this Agreement except as expressly stated herein. If the cost of repair and restoration is less than or equal to $500,000.00, or if more than $500,000.00 and Purchaser does not elect to terminate this Agreement, the parties shall apply as a credit to the Purchase Price at Closing all insurance proceeds received by Seller prior to Closing relating to such damage or destruction and not previously spent by Seller on the repair and restoration of such damage or destruction, and in addition, in the event that any insurance proceeds relating to such damage or destruction have not already been paid to and received by Seller prior to Closing, then at Closing, Seller shall assign to Purchaser all of its rights in and to such insurance proceeds (not to exceed the Purchase Price). Seller shall make no settlement of, nor enter into any agreements relating to the amount of the insurance proceeds with respect to damage or destruction of the Property following execution of this Agreement without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed.

Section 11. Termination and Remedies.

(a) This Agreement may be terminated by either party in the manner specified elsewhere in this Agreement, or in the same manner as set forth in the Asset Purchase Agreement.

(b) Neither Purchaser nor Seller shall have the unilateral right to partially terminate this Agreement with respect to one or more Sites while leaving the Agreement in place with respect to the remaining Sites.

(c) This Agreement shall automatically terminate, other than any provisions which survive its termination, upon termination of the Asset Purchase Agreement.

(d) Termination of this Agreement shall automatically constitute termination of the Asset Purchase Agreement, other than any provisions of the Asset Purchase Agreement which survive such termination.

(e) In no event shall specific performance be available to any party for any breach of this Agreement, other than as expressly set forth in this Agreement.

(f) Each party shall have the remedies afforded them under the Asset Purchase Agreement in the event of any breach of this Agreement by the other Party.

(g) No party shall be liable to the other hereunder for any consequential, special, or punitive damages, and each party irrevocably and expressly waives the same for any breach of this Agreement.

Section 12. Purchaser's Representations and Warranties. Purchaser hereby represents and warrants to Seller the following, which shall be true and correct as of the Effective Date and the Closing Date, as if separately made on each of those dates:

(a) Purchaser is a corporation duly incorporated, validly existing, and in good standing under the laws of the state of Texas.

(b) Purchaser has full right, power, and authority to execute, deliver, and perform this Agreement and all documents to be delivered by Purchaser at Closing without the necessity of obtaining any consents or approvals of, or the taking of any other action with respect to, any third parties or governmental authority, and this Agreement and all documents to be delivered by Purchaser at Closing, when executed and delivered by Purchaser, will constitute the legal, valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms.

(c) There is no litigation, administrative proceeding (including condemnation or similar proceedings or special assessments), arbitration proceeding, judgment, consent decree or governmental investigation outstanding, pending or, to Purchaser's actual knowledge, without investigation, threatened against, or relating to, the Purchaser or the transactions contemplated hereby that would affect Purchaser's ability to consummate the transactions contemplated by this Agreement.

(d) The execution, delivery, and performance by Purchaser of this Agreement, the consummation of the transactions contemplated hereby, and the compliance by Purchaser with any of the provisions of this Agreement and/or of the other agreements to be entered into at Closing, do not and will not (1) conflict with or result in a violation or breach of, or default (or an event which, with notice or the passage of time, or both, would constitute a default) under, and provision of the organizational documents of Purchaser; or (2) conflict with or result in a violation or breach of any provision of any law or governmental order, writ, injunction, decree, statute, rule or regulation applicable to Purchaser or any of its properties or assets.

(e) No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement or any Related Transaction based upon arrangements made by or on behalf of Purchaser or any of its affiliated Related Transactions Parties.

Each of the representations and warranties contained in this Section 12 are acknowledged by Purchaser to be material and to be relied upon by Seller in proceeding with this transaction, shall be deemed to have been remade by Purchaser as of the date of Closing, shall not be deemed merged into any instrument of conveyance delivered at Closing and shall survive Closing for one (1) year from Closing. Purchaser agrees to indemnify, defend and hold Seller harmless from any breach of Purchaser's representations and warranties contained in this Agreement, so long as Seller provided written notice to Seller with the specific breach on or prior to one (1) year after Closing.

Section 13. Seller's Representations, Warranties and Covenants. Seller hereby covenants, warrants and represents to Purchaser that the following shall be true, complete and correct as of the Effective Date and the Closing Date, as if separately made on each of those dates:

(a) For those Seller entities that are a corporation, Seller is a corporation duly incorporated, validly existing, and in good standing under the laws of the state of its incorporation. For those Seller entities that are a limited liability company, Seller is a limited liability company, duly organized, validly existing, and in good standing under the laws of the state of its organization.

(b) Each Seller has full right, power, and authority to execute, deliver, and perform this Agreement and all documents to be delivered by Seller at Closing without the necessity of obtaining any consents or approvals of, or the taking of any other action with respect to, any third parties or governmental authority, and this Agreement and all documents to be delivered by Seller at Closing, when executed and delivered by Seller, will constitute the legal, valid and binding agreement of Seller, enforceable against Seller in accordance with its terms.

(c) There is no litigation, administrative proceeding (including condemnation or similar proceedings or special assessments), arbitration proceeding, judgment, consent decree or governmental investigation outstanding, pending or, to Seller's actual knowledge, without investigation, threatened against, or relating to, the Property, Seller's interest therein, or the transactions contemplated hereby.

(d) The execution, delivery, and performance by Seller of this Agreement, the consummation of the transactions contemplated hereby, and the compliance by Seller with any of the provisions of this Agreement and/or of the other agreements to be entered into at Closing, do not and will not (1) conflict with or result in a violation or breach of, or default (or an event which, with notice or the passage of time, or both, would constitute a default) under, and provision of the organizational documents of Seller; or (2) conflict with or result in a violation or breach of any provision of any law or governmental order, writ, injunction, decree, statute, rule or regulation applicable to Seller or any of its properties or assets.

(e) No consent or approval by, notice to, or registration with, any person, entity, regulatory body, administrative agency or other governmental authority is required on Seller's part in connection with the execution and delivery of this Agreement and the consummation of the transactions described herein.

(f) The Property Materials provided or to be provided by Seller to Purchaser under Section 4(b) are complete copies of the information in Seller's possession and control. There are no contracts or agreements in place concerning the operations or maintenance of the Property that have not been disclosed to Purchaser as part of the Property Materials.

(g) No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement or any Related Transaction based upon arrangements made by or on behalf of Seller or any of its affiliated Related Transactions Parties.

(h) Seller has good and marketable fee simple title to the Property, subject to the Permitted Exceptions, and full authority to convey the same to Purchaser.

(i) Seller has not granted any rights or first refusal or options to any third parties to purchase all or any portion of the Property.

(j) Seller is not a "foreign person" as that term is defined in Section 1445 of the Internal Revenue Code of 1986, as amended ("**Code**"), and applicable regulations.

(k) Seller (a) has not conducted or authorized the placement, generation, transportation, storage, release, treatment or disposal at the Property of any "Hazardous Substance" (as defined herein); and (b) to Seller's knowledge, has not received from or given to any governmental authority or other person or entity any notice or other communication or agreement relating in any way to the presence, generation, transportation, storage, release, treatment, or disposal or remediation of any Hazardous Substance on the Property. In addition, to Seller's knowledge, there is no pending or threatened litigation, proceedings or investigations before any administrative agency in which the reference, release, threat of release, placement, generation, transportation, storage, treatment or disposal in, on or under the Property, of any Hazardous Substance has been alleged. For purposes of this Agreement, the term "Hazardous Substance" means any matter which has been determined by any regulation, order or rule promulgated by any governmental agency or authority of appropriate jurisdiction, to constitute a hazardous or toxic, waste, substance or material under any federal, state or local statute, law, rule, regulation, ordinance or enactment of any governmental authority concerning health, the environment or public safety.

(l) The Leases are all presently in full force and effect, have not been modified, supplemented or amended, and are the entire agreement between Seller and the "lessees" or "tenants" thereunder; Seller has fully and completely performed all of the duties and obligations of the "lessor" or "landlord" under the Leases arising on or before the date hereof; there are no obligations of the "lessor" or "landlord" under any of the Leases to make or to pay for any improvements, alterations or additions to the premises covered thereby; there are no defaults by the "lessees" or "tenants" under any of the Leases, or any existing conditions that could become defaults with the passage of time; there are no rentals which have been paid under any of the Leases more than one (1) month in advance; there are no rent concessions or offsets with respect to any of the Leases; there are no options in favor of the "lessees" or "tenants" under any of the Leases to purchase all or any portion of the Property; there are no options in favor of the "lessees" or "tenants" to renew or extend the term of any of the Leases, except as expressly set forth on the Rent Schedule; and all of the foregoing representations and warranties shall be true and correct with respect to the Leases, or any new or amended Leases approved by Purchaser after the Effective Date, on and as of the Closing Date.

Each of the representations and warranties contained in this Section 13 are acknowledged by Seller to be material and to be relied upon by Purchaser in proceeding with this transaction, shall be deemed to have been remade by Seller as of the date of Closing, shall not be deemed merged into any instrument of conveyance delivered at Closing and shall survive Closing for one (1) year from Closing. Seller agrees to indemnify, defend and hold Purchaser harmless from any breach of Seller's representations and warranties contained in this Agreement, so long as Purchaser provided written notice to Seller with the specific breach on or prior to one (1) year after Closing.

Section 14. Put/Call Rights.

(a) On the four Sites listed on **Exhibit F** designated as Affiliated Clubs, an Affiliated Club Seller owns and operates a business (each, a "**Club**"), which Club and the assets used therein will be acquired by an Affiliated Club Purchaser in a Club Transaction. In addition, on the two Sites listed on **Exhibit F** designated as Unaffiliated Clubs, third-party owners not affiliated with Seller own and operate the Club business thereon (also referred to herein as a "Club" in this Section 14). If the sale of a Club for any of the six Sites listed on **Exhibit F** does not occur (an "**Unsold Club**") on the First Closing or within 120 days thereafter (the "**Closing Period**"), each party shall have right and option (the "**Put/Call Right**") to obligate the other party to purchase or sell, as applicable, the Site(s) associated with the Unsold Club(s) for the Site Purchase Price. A party who desires to exercise Put/Call Right (the "**Exercising Party**") shall give the other party written notice to that effect specifying the Site(s) for which the Exercising Party is exercising the Put/Call Right, on or before the date that is 180 days after the end of the Closing Period (the "**Exercise Period**") and, upon giving such written notice, the Exercising Party shall be deemed to have exercised the Put/Call Right. If a party does not exercise the Put/Call Right on or before the end of the Exercise Period, the Put/Call Right shall expire and may not be exercised by such party. The Put/Call Right may not be transferred or assigned.

(b) If the Put/Call Right is exercised, the Purchaser shall sell, and the Seller shall purchase, the Site(s) identified in the exercise notice for the Site Purchase Price via a deed substantially in the form attached hereto as **Exhibit D**, modified *mutatis mutandis* as reasonably agreed by the parties.

(c) Notwithstanding the foregoing, Seller shall not be obligated to repurchase a Site if (i) liens or encumbrances of any kind have attached to the Site subsequent to the Closing, other than a lien for real estate taxes or assessments not yet due and payable, (ii) the physical condition of the Site has materially deteriorated in Seller's reasonable determination, including due to any event of casualty (reasonable wear and tear excepted), (iii) there has been, or is currently threatened, any condemnation or other exercise of eminent domain against the Site, (iv) there is any litigation commenced or threated against Purchaser involving or in connection with the Site; (v) any provision of utilities to the Site is unavailable (other than temporarily) for any reason; (v) since the Closing, any applicable governmental authority has passed any law or regulation banning the use of the Site for the business conducted prior to Closing; or (vi) Purchaser is a "foreign person" under Code Section 1445.

(d) The closing of the purchase and sale of a Site(s) upon the exercise of the Put/Call Right (a "**Put/Call Closing**") shall occur on a date selected by the parties within 180 days after the Put/Call Right is deemed exercised. At the Put/Call Closing, (1) Purchaser shall deliver to Seller a deed conveying the Sites as described in Section 13(b) and the Site free and clear of all liens and encumbrances other than those shown on the Owner's Title Policy at Closing and all real estate taxes and assessments not yet due and payable and (2) Seller shall pay the Site Purchase Price by wire transfer.

(e) Seller shall be obligated to pay all Transfer Costs at the Put/Call Closing. Seller and Purchaser shall split (on a 50/50 basis) the remaining costs of the Put/Call Closing, including fees and expenses of the Title Company to conduct the closing, the premium for any owner's policy of title insurance, the cost for extended coverage, and any other costs in connection with any Put/Call Closing. Seller shall be obligated to pay all premiums for any lender's policy of title insurance required by Seller together with the cost for any title policy endorsements required by Seller or any lender of Seller relating to any Put/Call Closing.

(f) During the Exercise Period and, to the extent the Put/Call Right is exercised, until the Put/Call Closing, Seller and any lender or agents of Seller shall have the right to inspect the Sites on reasonable advance notice of not less than 24 hours to Purchaser.

(g) At the Put/Call closing, Purchaser shall assign any Lease in effect with respect to the Site at issue to Seller in substantially the same form as the Assignment and Assumption of Leases delivered at Closing. In addition, Seller shall receive a credit against the Site Purchase Price in the amount of all security deposits and other deposits (whether or not refundable) paid by tenants, and Purchaser shall retain such funds free and clear of any and all claims on the part of tenants. Seller shall be responsible for maintaining as deposits the aggregate amount so credited to Seller in accordance with the provisions of the Leases.

(h) The obligations set forth in this Section 14 shall survive Closing, shall not merge with any party's other interest in the Property, if any, and shall run with the land. Either party is entitled to specific performance for the breach of any obligation contained in this Section 14.

Section 15. Sites and Leases.

(a) Between the date hereof and the Closing Date (or the closing of the Club Transaction related to the respective Site, if later than the Closing Date), Seller shall operate the Sites in the ordinary course of business and shall maintain and repair the Sites to the extent required under the Leases so that, on the Closing Date, the Sites will be in substantially the same condition as it now exists, natural wear and tear, loss by insured casualty.

(b) Between the date hereof and the Closing Date (or the closing of the Club Transaction related to the respective Site, if later than the Closing Date), Seller: (i) shall comply with all obligations of the "lessor" or "landlord" under the Leases and (ii) shall continue to carry and maintain in force all existing policies of casualty and general liability insurance with respect to the Sites in substantially the same coverage amounts existing as of the date hereof.

(c) Between the Due Diligence Date and the Closing Date (or the closing of the Club Transaction related to the respective Site, if later than the Closing Date), Seller shall not make or enter into any new lease or other agreement for the use, occupancy or possession of all or any part of the Sites, provided, however, that Seller may amend the Leases with each "lessee" or "tenant" thereunder subject to Purchaser's prior written approval, which shall not be unreasonably conditioned, withheld, delayed or denied.

(d) At the Closing, Purchaser shall assume all rights and obligations under the Leases pursuant to the Assignment and Assumption of Leases as of and after the Closing (with Seller retaining all obligations under the Leases arising prior to the Closing), the form of which shall be mutually agreed upon by the parties prior to Closing.

(e) At the closing of each Club Transaction, Seller shall cause each Lease operating at the Site in connection with the Club Transaction to be terminated and of no further force or effect.

(f) Purchaser shall receive a credit against the Purchase Price in the amount of all security deposits and other deposits (whether or not refundable) paid by tenants, and Seller shall retain such funds free and clear of any and all claims on the part of tenants. Purchaser shall be responsible for maintaining as deposits the aggregate amount so credited to Purchaser in accordance with the provisions of the Leases.

Section 16. Miscellaneous.

(a) As-Is Purchase. Except as expressly set forth in this Agreement (including the representations and warranties set forth in Section 13 above) and the Deed, Purchaser agrees that the Property is to be sold to and accepted by Purchaser at the Closing in its then condition "**AS-IS**" and with all faults.

(b) Seller Entities. The parties acknowledge that there are multiple entities comprising Seller. As such, unless a provision in this Agreement references a particular Seller, all rights and all obligations of Seller under this Agreement shall be the joint and several rights and obligations of those entities comprising Seller.

(c) Commissions. Seller shall defend, indemnify, and hold harmless Purchaser, and Purchaser shall defend, indemnify, and hold harmless Seller, from and against all claims by third parties for brokerage, commission, finders, or other fees relating to this Agreement or the sale of the Property, and all court costs, attorneys' fees, and other costs or expenses arising therefrom, and alleged to be due by authorization of the indemnifying party. This indemnification obligation shall survive the Closing or the termination of this Agreement.

(d) Notices. All notices provided or permitted to be given under this Agreement shall be delivered in the same manner as set forth in the Asset Purchase Agreement.

(e) Assignability; Assigns; Beneficiaries. This Agreement may not be assigned by Purchaser or Seller without the prior written consent of the other party. Subject to the preceding sentence, this Agreement shall inure to the benefit of and be binding on the parties hereto and their respective heirs, legal representatives, successors, and assigns.

(f) Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the state of Colorado, without regard to principles of conflict of laws. In any action between or among any of the parties arising out of or related to this Agreement, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in the City and County of Denver, Colorado.

(g) Entire Agreement; Multiple Counterparts. This Agreement, along with the Exhibits hereto, the Asset Purchase Agreement, and any written instruments delivered in connection with the foregoing, constitutes the entire agreement between Seller and Purchaser concerning the sale of the Property, and no modification hereof or subsequent agreement relative to the subject matter hereof shall be binding on either party unless reduced to writing and signed by the party to be bound. This Agreement may be executed electronically and/or in multiple counterparts each of which constitutes an original, but all of which together constitute one agreement. A facsimile of an original signature shall be deemed an original signature.

(h) Document Construction.

(1) This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that the Agreement may have been prepared primarily by counsel for one of the parties, it being recognized that both Purchaser and Seller and their respective counsel 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. The word "**including**" means including without limitation. Whenever required by the context hereof, the singular shall include the plural, and vice versa.

(i) Time of Essence. Time is of the essence in each and every term and provision of this Agreement. The language in all parts of this Agreement shall be construed under the laws of the State of Colorado according to its normal and usual meaning. Unless "**business day**" is specified, the term "**day**" means a calendar day. The term "**business day**" means any day other than a Saturday, Sunday or federal or State of Colorado holiday. If the last date for any act to be performed hereunder falls on a Saturday, Sunday or holiday, the time for performance shall be extended to the next business day.

(j) Attorneys' Fees. In the event of any litigation between the parties regarding this Agreement or the Property, the prevailing party shall recover the payment from the losing party of its reasonable attorneys' fees and court costs, as determined by the court.

(k) Waiver. Neither the failure of either party to insist upon the timely or full performance of any of the terms and 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.

(l) Conflict. In the event of any conflict between the terms of this Agreement and the Asset Purchase Agreement, the Asset Purchase Agreement shall control.

(m) **WAIVER OF JURY TRIAL. THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION OR PROCEEDING BASED UPON OR RELATED TO ANY ASPECT OF THE TRANSACTION IN CONNECTION WITH WHICH THIS AGREEMENT IS BEING GIVEN OR ANY DOCUMENT EXECUTED OR DELIVERED IN CONNECTION WITH SUCH TRANSACTION.**

(n) 1031 Tax Exchange. If either party (the "**Advising Party**") advises the other party (the "**Other Party**") of its intention to seek to effect a tax deferred exchange pursuant to Section 1031 of the Internal Revenue Code, in connection with the transaction contemplated herein, the Other Party agrees to accommodate Advising Party in seeking to effect a tax deferred exchange for the Property, provided that such exchange shall not (i) delay the Closing, or (ii) require Other Party to incur any cost or liability of any kind or nature on account of such exchange. Advising Party may assign its rights under this Agreement immediately prior to Closing to an exchange accommodation titleholder or a qualified intermediary of Advising Party's choice for the purpose of completing such an exchange. Additionally, Advising Party may assign, prior to Closing, a tenancy-in-common interest in this Agreement to an Assignee in order to obtain the benefits of a tax deferred exchange, provided that the rights of the Other Party under this Agreement are not adversely affected in any manner and the Advising Party remains obligated and liable for any Exchange Accommodation Titleholder's or a qualified intermediary's performance under this Agreement. The Other Party agrees to cooperate with Advising Party and the Exchange Accommodation Titleholder or qualified intermediary with respect to such exchange and agrees to execute all documentation required to effectuate such exchange, at no cost or liability to the Other Party. The Other Party makes no warranty whatsoever with respect to the qualification of the transaction for tax deferred exchange treatment under Section 1031 and the Other Party shall have no responsibility, obligation or liability with respect to the tax consequences to Advising Party.

[signature page to follow]

IN WITNESS WHEREOF, Purchaser and Seller have executed this Real Estate Purchase and Sale Agreement to be effective as of the Effective Date.

SELLER:

1601 West Evans, LLC,
a Colorado limited liability company

By: */s/ Troy Lowrie*
Troy Lowrie, Manager

200 Riverside, LLC,
a Colorado limited liability company

By: */s/ Troy Lowrie*
Troy Lowrie, Manager

227 East Market, LLC,
a Colorado limited liability company

By: */s/ Troy Lowrie*
Troy Lowrie, Manager

3480 South Galena, LLC,
a Colorado limited liability company

By: */s/ Troy Lowrie*
Troy Lowrie, Manager

4451 East Virginia, LLC,
a Colorado limited liability company

By: */s/ Troy Lowrie*
Troy Lowrie, Manager

7916 Pendleton Pike, LLC,
a Colorado limited liability company

By: */s/ Troy Lowrie*
Troy Lowrie, Manager

PURCHASER:

RCI HOLDINGS, INC.,
a Texas corporation

By: */s/ Eric Langan*

Name: Eric Langan

Title: President

EXHIBIT A
SITE OWNERS, PURCHASE PRICE ALLOCATIONS

	Seller	Purchaser	Site Street Address	Site Purchase Price
1.	1601 West Evans, LLC	RCI Holdings, Inc.	1601 W Evans Ave., Denver CO	$ 3,325,000.00
2.	200 Riverside, LLC	RCI Holdings, Inc.	200 Riverside St., Portland, ME	$ 3,100,000.00
3.	227 East Market, LLC	RCI Holdings, Inc.	227 E Market St., Louisville, KY	$ 1,900,000.00
4.	3480 South Galena, LLC	RCI Holdings, Inc.	3480 S Galena Ave., Denver, CO	$ 4,100,000.00
5.	4451 East Virginia, LLC	RCI Holdings, Inc.	4451 E Virginia Ave., Glendale, CO	$ 3,325,000.00
6.	7916 Pendleton Pike, LLC	RCI Holdings, Inc.	7916 Pendleton Pike, Indianapolis, IN	$ 1,850,000.00
7.	**"Retail Parcel"** 3480 South Galena, LLC	RCI Holdings, Inc.	3480 South Galena Ave., Denver, CO (APN 06345-00-066-000)	$ 400,000.00
-	**TOTAL**	-	-	**$ 18,000,000.00**

LEASES:

	Landlord	Tenant	Site Address	Lease Title	Effective Date	Security Deposit
1.	1601 W Evans LLC	Denver Restaurant Concepts, LP, a Colorado limited partnership	1601 W Evans Ave., Denver CO	Commercial Lease	Aug. 14, 2019	$ 20,000.00
2.	200 Riverside LLC	KenKevII Inc., a Maine corporation	200 Riverside St., Portland, ME	Business Lease	Sep. 14, 2007	$ 15,000.00
3.	227 E Market LLC	Kentucky Restaurant Concepts, Inc., a Kentucky corporation	227 E Market St., Louisville, KY	Commercial Lease	Sep. 20, 2019	$ 0.00
4.	3480 S Galena LLC	VCG Restaurants Denver, Inc., a Colorado corporation	3480 S Galena Ave., Denver, CO	Commercial Lease	Aug. 23, 2019	$ 12,500.00
5.	4451 E Virginia LLC	Glendale Restaurant Concepts, LP, a Colorado limited partnership	4451 E Virginia Ave., Glendale, CO	Commercial Lease	Aug. 27, 2019	$ 0.00
6.	7916 Pendleton Pike LLC	Indy Restaurant Concepts, Inc., an Indiana corporation	7916 Pendleton Pike, Indianapolis, IN	Commercial Lease	Aug. 29, 2019	$ 0.00
7.	**Retail Parcel:** Lowrie Management, LLLP, a Colorado limited liability limited partnership	HG LTD, a Colorado limited liability company	3480 South Galena Ave., Denver, CO (APN 06345-00-066-000)	Commercial Lease	Aug. 14, 2019	$ 2,000.00
8.	Such other leases with any Third Party Tenants at the Retail Parcel as identified by the parties prior to Closing.					

EXHIBIT B
SITE LEGAL DESCRIPTIONS

	Site Street Address	Site Legal Description
1.	1601 W Evans Ave., Denver CO	[enter legal description here]
2.	200 Riverside St., Portland, ME	[enter legal description here]
3.	227 E Market St., Louisville, KY	[enter legal description here]
4.	3480 S Galena Ave., Denver, CO	[enter legal description here]
5.	4451 E Virginia Ave., Glendale, CO	[enter legal description here]
6.	7916 Pendleton Pike, Indianapolis, IN	[enter legal description here]
7.	**Retail Parcel**: 3480 S Galena Ave., Denver, CO	[enter legal description here]

EXHIBIT C
CLUB TRANSACTION PARTIES

	Affiliated Club Seller	Affiliated Club Purchaser	Club Location
1.	Glenarm Restaurant Concepts LLC	To be formed (subsidiary of Rick's)	1222 Glenarm Place, Denver, CO
2.	Glendale Restaurant Concepts LLC	To be formed (subsidiary of Rick's)	4451 E Virginia Ave., Glendale, CO
3.	Illinois Restaurant Concepts, LLC	To be formed (subsidiary of Rick's)	1401 Mississippi Ave., Bay 18, Sauget, IL
4.	Indy Restaurant Concepts, Inc.	To be formed (subsidiary of Rick's)	7916 Pendleton Pike, Indianapolis, IN
5.	Kenkev II, LLC	To be formed (subsidiary of Rick's)	200 Riverside St., Portland, ME
6.	MRC, LLC	To be formed (subsidiary of Rick's)	200 Monsanto Ave., Sauget, IL
7.	Raleigh Restaurant Concepts, Inc.	To be formed (subsidiary of Rick's)	3210 Yonkers Rd., Raleigh, NC
8.	Stout Restaurant Concepts, Inc.	To be formed (subsidiary of Rick's)	1443 Stout St., Denver, CO
9.	VCG Restaurants Denver, Inc.	3480 S Galena Ave Inc., a Colorado corporation	3480 S Galena Ave., Denver, CO

EXHIBIT D
FORM OF SPECIAL WARRANTY DEED

Escrow No. _____
RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:
_____
_____
_____
Attention:

(Space above line for Recorder's use only)

SPECIAL WARRANTY DEED

Effective as of the ___ day of _____, 2021, [_____], a Colorado limited liability company ("**Grantor**"), in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, sell and convey to _____, a _____ [llc/corporation] ("**Grantee**"), having an office at _____ all of its right, title and interest in and to the real property situated in _____ County, State of _____, more particularly described in **Exhibit A** attached hereto and incorporated herein by reference ("**Property**"), together with any improvements thereon and further including, but not limited to, all interest of Grantor, if any, in: (1) any land lying in or under the bed or any creek, stream, or waterway or any highway, avenue, street, road, alley, easement, or right-of-way, in, on, across, abutting, or adjacent to the Property; and (2) any strips and gores, streets, alleys, easements, rights-of-way, public ways, or other rights appurtenant, adjacent, or connected to the Property.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the Grantee and the Grantee's successors and assigns forever. The Grantor, for itself and its successors and assigns, does covenant and agree that the Grantor shall and will WARRANT THE TITLE AND FOREVER DEFEND the above described premises in the quiet and peaceable possession of the Grantee and the successors and assigns of the Grantee, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor except and subject to the Permitted Exceptions set forth on **Exhibit B**.

[*signature page follows*]

IN WITNESS WHEREOF, Grantor has executed this deed as of the ____ day of _____, 2021.

[_____],
a _____

By: NOT EXECUTED – EXHIBIT ONLY
Name: NOT EXECUTED – EXHIBIT ONLY
Title:

STATE OF _____)
) S.S.
COUNTY OF _____)

This instrument was acknowledged before me on the _____ day of _____, 2021, by _____, acting as _____ of [_____], a _____.

WITNESS MY HAND AND OFFICIAL SEAL.

NOT EXECUTED – EXHIBIT ONLY
(Signature of notarial officer)

My commission expires:_____

EXHIBIT A
TO FORM OF SPECIAL WARRANTY DEED
LEGAL DESCRIPTION

EXHIBIT B
TO FORM OF SPECIAL WARRANTY DEED
PERMITTED EXCEPTIONS

EXHIBIT E
FORM OF GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT (the "**Assignment**") is made this _____, 20__, by and among _____ a _____ ("**Assignor**") and _____, a _____ ("**Assignee**").

Recitals

A. Assignor owns certain real property more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (the "**Property**").

B. Assignor and Assignee, entered into that certain Agreement for Purchase and Sale of Real Property effective as of _____, 20__ (as the same may thereafter be amended, the "**Purchase Agreement**"), pursuant to which Assignee agreed to purchase the Property from Assignor and Assignor agreed to sell, among other things, the Property to Assignee on the terms and conditions contained therein.

C. Assignor desires to assign to Assignee all of its right, title and interest in and to certain documents, rights, privileges, plans and instruments pertaining to the Property as the same are more specifically described herein, and Assignee desires to accept the assignment thereof.

Agreement

NOW, THEREFORE, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignment. Assignor hereby assigns, sells and transfers to Assignee all of Assignor's right, title and interest, if any, in and to the following to the extent they exist and are assignable (collectively, the "**Assigned Interests**"):

(a) all entitlements and approvals of or from governmental authorities, rights and privileges to the extent appurtenant to the Property;

(b) all utility agreements, permits, utility hook-ups and connections relating to the Property;

(c) all property tax refunds, abatements and protest rights for the current year relating to the Property; and

(d) all plans, studies, and reports relating to the Property.

2. No Prior Assignment. Assignor hereby represents and warrants to Assignee that Assignor has not previously assigned to any other party all or any of the Assigned Interests being assigned to Assignee hereunder.

3. No Liens. Assignor also hereby represents and warrants that the Assigned Interests are free and clear of liens and monetary encumbrances created by Assignor.

4. Assignment Binding. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Governing Law. This Assignment will 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 arising out of or related to this Assignment, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

6. Miscellaneous. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. The parties may execute this Assignment and deliver executed copies hereof via email. Such email copies hereof shall be enforceable as original instruments. All exhibits attached hereto are incorporated herein by this reference.

[*Remainder of this page intentionally left blank. Signature page follows*.]

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns, forever, effective as of the date first set forth above.

ASSIGNOR:

_____,
a _____

By: NOT EXECUTED – EXHIBIT ONLY
Name: _____
Title: _____

ASSIGNEE:

_____,
a _____

By: NOT EXECUTED – EXHIBIT ONLY
Name: _____
Title: _____

EXHIBIT A
TO FORM OF GENERAL ASSIGNMENT
DESCRIPTION OF PROPERTY

EXHIBIT F
SITES SUBJECT TO PUT/CALL RIGHTS

		Seller	Site Address
1.	Affiliated Club	200 Riverside LLC	200 Riverside St., Portland, ME
2.	Affiliated Club	3480 S Galena LLC	3480 S Galena Ave., Denver, CO
3.	Affiliated Club	4451 E Virginia LLC	4451 E Virginia Ave., Glendale, CO
4.	Affiliated Club	7916 Pendleton Pike LLC	7916 Pendleton Pike, Indianapolis, IN
5.	Unaffiliated Club	Not affiliated with Seller	1601 W Evans Ave., Denver, CO
6.	Unaffiliated Club	Not affiliated with Seller	227 E Market St., Louisville, KY

Exhibit 99.1

RCI Announces Definitive Agreements to Purchase 11 Adult Nightclubs in Six States

HOUSTON, July 26, 2021 – RCI Hospitality Holdings, Inc. (Nasdaq: RICK) today announced the signing of definitive agreements to acquire for $88.0 million 11 adult nightclubs, nine of which are controlled by club entrepreneur Troy Lowrie of Lakewood, CO; six related real estate properties; and associated intellectual property.

The establishments, all fully open, will expand RCI's geographic footprint with five locations in Denver, CO; two near St. Louis, MO; and one each in Indianapolis, IN, Louisville, KY, Raleigh, NC, and Portland, ME.

The collective acquisition will be RCI's largest since its 1995 founding and is anticipated to be accretive in year one. The clubs generated approximately $40 million in revenue and $14 million in adjusted EBITDA in their fiscal year ended December 31, 2019. For the six months ended March 31, 2021, RCI reported revenues of $82.5 million and adjusted EBITDA of $22.3 million. The collective acquisition also is one of the largest in the history of the gentlemen's club industry.

- **Consideration:** $57.0 million for the 11 clubs, $18.0 million for the six real estate properties, and $13.0 million for the intellectual property, which includes, among other items, the clubs' trademarks, tradenames, service marks, copyrights, websites, internet domain names, source codes, and associated files.
- **Payment:** $26.0 million in cash; $30.0 million in restricted common stock, valued at $60.00 per share, subject to a lock-up, leak-out agreement; $21.2 million in seller financing at 6.00%; and $10.8 million in commercial real estate bank financing at 5.25%.
- **Funding** of the $26.0 million payment of cash may be borrowed from third party lenders.
- **Valuation** is approximately 5x the clubs' 2019 adjusted EBITDA, not including the real estate. 2019 was used for valuation as the clubs were closed for most of 2020 due to the pandemic.
- **Closing** is subject to transfer of all necessary permits, licenses, and other authorizations; closing on the bank financing; and other customary closing conditions for transactions of this kind. The intent is to close on all 11 clubs as close together in time as possible, but due to the timing of required approvals and transfers of licenses, multiple closing dates are anticipated.

Eric Langan, President and CEO of RCI Hospitality Holdings, Inc., said, "This is exactly the type of sizeable transaction for which we have been searching. All the clubs are well-established and proven cash generators. Troy and his team should be recognized for their accomplishments. We believe the quality of the clubs' licenses and locations enhance the value of the collective acquisition to us."

Mr. Lowrie said, "These clubs have been my father's and my life's work. We're pleased to have realized their value. Their future will now be in the best hands in the industry. We look forward to being significant RCI shareholders and participating in the company's long-term growth."

Consideration

$ in millions	Clubs	Real Estate	IP	Total
Cash at closing	$ 20.0	$ 6.0		$ 26.0
Seller financing	$ 19.0	$ 1.2	$ 1.0	$ 21.2
Common stock	$ 18.0		$ 12.0	$ 30.0
Bank financing		$ 10.8		$ 10.8
Total	**$ 57.0**	**$ 18.0**	**$ 13.0**	**$ 88.0**

The Clubs

Club Name	Location	URL
Mile High Men's Club	Denver, CO*	https://milehighmensclub.com/
PT's Showclub Centerfold	Denver, CO*	https://ptscenterfold.com/
The Diamond Cabaret Denver	Denver, CO	https://thediamondcabaret.com/
PT's Showclub Denver	Denver, CO*	https://ptsshowclubdenver.com/
La Boheme Gentlemen's Cabaret	Denver, CO	https://labohemegc.com/
PT's Showclub Indianapolis	Indianapolis, IN*	https://ptsshowclubindy.com/
PT's Showclub Louisville	Louisville, KY*	https://ptsshowclublouisville.com/
PT's Showclub Portland	Portland, ME*	https://ptsshowclubportland.com/
The Men's Club of Raleigh	Raleigh, NC	https://mensclubraleigh.com/
The Diamond Cabaret St Louis	Sauget, IL	https://diamondcabaretstlouis.com/
Country Rock Cabaret	Sauget, IL	https://countryrockcabaret.com/

* Real estate being acquired.

About RCI Hospitality Holdings, Inc. (Nasdaq: RICK)

With more than 40 units, RCI Hospitality Holdings, Inc., through its subsidiaries, is the country's leading company in gentlemen's clubs and sports bars/restaurants. Clubs in New York City, Chicago, Dallas/Ft. Worth, Houston, Miami, Minneapolis, St. Louis, Charlotte, Pittsburgh, and other markets operate under brand names such as Rick's Cabaret, XTC, Club Onyx, Vivid Cabaret, Jaguars Club, Tootsie's Cabaret, and Scarlett's Cabaret. Sports bars/restaurants operate under the brand name Bombshells Restaurant & Bar. Please visit http://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 in this press release, including, but not limited to, the risks and uncertainties associated with (i) operating and managing an adult 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, (vii) the acquisition of the clubs and real estate that are the subject of this press release and (viii) numerous other factors such as laws governing the operation of adult entertainment 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, 2020, 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.

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