
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: January 31, 2011

RICK'S CABARET INTERNATIONAL, INC.

(Exact Name of Registrant As Specified in Its Charter)

Texas
(State Or Other Jurisdiction of Incorporation)

0-26958
(Commission File Number)

76-0037324
(IRS Employer Identification No.)

10959 Cutten Road
Houston, Texas 77066
(Address of Principal Executive Offices, Including Zip Code)

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

ITEM 8.01 OTHER EVENTS.

As previously reported in our Form 8-K filed on December 15, 2010, on December 13, 2010, our wholly owned subsidiaries, RCI Dining Services (Indiana), Inc. ("RCI Indiana") and RCI Holdings, Inc. ("RCI Holdings"), entered into a Purchase Agreement with the Gold Club of Indy, LLC ("GCI"), The Estate of Albert Pfeiffer, deceased (the "Seller") and Lori Pfeifer, personal representative of The Estate of Albert Pfeiffer, deceased, and sole member of the Company ("Pfeiffer"). On January 31, 2011, the parties entered into a Third Amendment to Purchase Agreement. GCI owns and operates an adult entertainment cabaret known as "The Gold Club," located at 3551 Lafayette Road, Indianapolis, Indiana 46222. GCI also owns the real property where The Gold Club is located.

The Amendment to Purchase Agreement restructures the agreement into an asset purchase agreement. The original agreement provided for RCI Indiana to purchase 100% of the membership interests of GCI and for RCI Holdings to purchase from GCI the real property where the Gold Club is located. The amended agreement does not change the economic terms of the original agreement, nor does it materially change its terms and conditions. The amended agreement provides that (i) RCI Indiana will acquire from GCI all assets which are used for the business of The Gold Club for \$825,000 cash and (ii) RCI Holdings will acquire from GCI the real property where The Gold Club is located, including the improvements thereon, for \$850,000 cash. The amended agreement is to close within five days of RCI Indiana possessing all necessary permits, licenses and other authorizations needed to operate the club. Any party may terminate the agreement if such authorizations are not obtained by May 1, 2011. The parties additionally entered into an Addendum to Third Amendment to Purchase Agreement which has the same terms and conditions as the original addendum entered into on December 13, 2010. The Addendum delineates and expands upon certain terms involving the sale of the real property. The terms and conditions of the Amendment to Purchase Agreement and Addendum to Third Amendment to Purchase Agreement were the result of arm's length negotiations between the parties.

A copy of the Amendment to Purchase Agreement is attached hereto as Exhibit 10.1. A copy of the Addendum to Third Amendment to Purchase Agreement is attached hereto as Exhibit 10.2.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit Number	Description
10.1	Amendment to Purchase Agreement
10.2	Addendum to Third Amendment to Purchase Agreement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

RICK'S CABARET INTERNATIONAL, INC.

Date: February 3, 2011

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

THIRD AMENDMENT TO PURCHASE AGREEMENT

This Third Amendment to Purchase Agreement (the "Agreement") is made and entered into this ____ day of January, 2011, by and among the Gold Club of Indy, LLC, an Indiana limited liability company (the "Company"), Lori Pfeifer, personal representative of The Estate of Albert Pfeiffer, deceased, and sole member of the Company ("Member"), The Estate of Albert Pfeiffer, deceased (the "Estate"), RCI Dining Services (Indiana), Inc., a Texas corporation (the "Buyer"), and RCI Holdings, Inc., a Texas corporation ("RCI").

WHEREAS, Member owns 100% of the Membership Interest of the Company (the "Membership Interest"); and

WHEREAS, the Company owns and operates an adult entertainment cabaret known as "The Gold Club" (the "Club" or "Gold Club"), located at 3551 Lafayette Road, Indianapolis, Indiana 46222; and

WHEREAS, the Company owns the real property commonly known as 3551 Lafayette Road, Indianapolis, Indiana 46222 and the improvements, including building and fixtures, located thereon (the "Real Property" or "Premises"), as more fully described on Exhibit "A" attached hereto; and

WHEREAS, the parties hereto have entered into a Purchase Agreement dated December 13, 2010, whereby the Company agreed (i) to sell to the Buyer 100% Membership Interests, and (ii) to convey to RCI the Real Property; and

WHEREAS, the parties hereto have also entered into an Agreement to Amend Purchase Agreement, dated on or around December 29, 2010, and a Second Amendment to Purchase Agreement, dated January 14, 2011; and

WHEREAS, the parties hereto have negotiated, in good faith, new terms and conditions of the Purchase Agreement and wish to amend and restate, in its entirety, the Purchase Agreement, thereby restructuring it as an asset purchase agreement.

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:

The Purchase Agreement is hereby amended and restated in its entirety to read as follows, and the Exhibits to the Purchase Agreement shall be revised as necessary to conform to the amended and restated Purchase Agreement:

AMENDED AND RESTATED PURCHASE AGREEMENT

This Amended and Restated Purchase Agreement (the "Agreement") is made and entered into this ____ day of January, 2011, by and among the Gold Club of Indy, LLC, an Indiana limited liability company (the "Company"), Lori Pfeifer, personal representative of The Estate of Albert Pfeiffer, deceased, and sole member of the Company ("Member"), The Estate of Albert Pfeiffer, deceased (the "Estate"), RCI Dining Services (Indiana), Inc., a Texas corporation (the "Buyer"), and RCI Holdings, Inc., a Texas corporation ("RCI").

WHEREAS, Member owns 100% of the Membership Interest of the Company (the "Membership Interest"); and

WHEREAS, the Company owns and operates an adult entertainment cabaret known as "The Gold Club" (the "Club" or "Gold Club"), located at 3551 Lafayette Road, Indianapolis, Indiana 46222; and

WHEREAS, the Company owns the real property commonly known as 3551 Lafayette Road, Indianapolis, Indiana 46222 and the improvements, including building and fixtures, located thereon (the "Real Property" or "Premises"), as more fully described on Exhibit "A" attached hereto; and

WHEREAS, the Company desires to (i) sell, transfer and convey all of the assets owned by it which are associated or used in connection with the operation of the Gold Club to the Buyer, on the terms and conditions set forth herein, and (ii) sell the Real Property to RCI on the terms and conditions set forth herein; and

WHEREAS, the Buyer desires to purchase the assets owned by the Company on the terms and conditions set forth herein; and

WHEREAS, RCI desires to purchase the Real Property from the Company on the terms and conditions set forth herein; and

WHEREAS, the Buyer and RCI are wholly owned subsidiaries of Rick's Cabaret International, Inc., a Texas corporation.

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

ARTICLE I PURCHASE AND SALE OF THE ASSETS

Section 1.1 Assets of the Company to be Transferred to Buyer. On the Closing Date (as defined in Section 5.1 hereof), and subject to the terms and conditions set forth in this Agreement, the Company shall sell, convey, transfer and assign, or cause to be sold, conveyed, transferred and assigned to Buyer free and clear of all liens and encumbrances, and Buyer shall acquire all of the tangible and intangible assets and personal property of every kind and description and wherever situated of the business of the Gold Club from the Company, including but not limited to, the following personal property of the Company:

- (i) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated of the business of the Gold Club, including, without limitation, 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 Company, 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 Gold Club;
- (ii) all of the Company's inventory of supplies, accessories and any and all other items of personal property of whatever nature, including but not limited to all alcoholic beverages, sold by the Company in the operation of the Gold Club (the "Inventory");
- (iii) all supplies (other than Inventory) and other "consumable supplies" used in connection with the operation of the Gold Club (the "Supplies");
- (iv) all of the Company's right, title, and interest, as lessee, of any and all equipment leased by the Company and located at the Gold Club (the "Leased Equipment") for which Buyer agrees to assume payment if disclosed by Company. Company shall cancel and pay for any undisclosed equipment lease that Buyer does not continue to use.
- (v) all right, title, and interest of the Company to the use of the telephone numbers presently being used by the Gold Club, including all rotary extensions thereto, and all advertisements in the "Yellow Pages", "City Directory" and other similar publications (the "Telephone Numbers") and after the Closing (as defined in Section 5.1 hereof), Buyer shall assume all expenses for the Telephone Numbers and advertising;
- (vi) copies of the Company's lists of suppliers, and any and all of books, records, papers, files, memoranda and other documents relating to or compiled in connection with the operation of the Gold Club which are requested by Buyer (the "Records");
- (vii) all intellectual property of every kind of the Company, including but not limited to all trade marks, trade names, service marks, patents, copyrights, and trade secrets;
- (viii) all universal resource locators ("URL's") and internet domain names, and all goodwill associated with or used in connection with the operation or business of the URL's and internet domain names;
- (ix) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult entertainment business serving alcoholic beverages at the Gold Club which the Company 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 Company, the Company's agent(s) or nominee(s) for the purpose of engaging in the business and/or operation of an adult cabaret nightclub business, gaming facility, restaurant, bar, lounge, sale of liquor or any other business currently operating or capable of being operated on the Premises however characterized.

All of the items set forth in this Section 1.1 are collectively referred to as the “Purchased Assets”. Exhibit 1.1 shall be a list of all furniture, fixtures and equipment included within the Purchased Assets.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are (i) the corporate seals, books, accounting records and records related to corporate governance of the Company (ii) all Company bank accounts and all Company monies (including cash) on hand as of the Closing Date and (iii) all credit card receipts and ATM purchases as of the Closing Date (hereinafter collectively referred to as the “Excluded Assets”).

Section 1.3 Intent of the Parties. Although the description of the Purchased Assets in Section 1.1 is intended to be complete, in the event Section 1.1 fails to contain the description of any assets belonging to the Company which are used for the business of the Gold Club, such assets shall nonetheless be deemed transferred to Buyer at the Closing.

ARTICLE II NO ASSUMPTION OF LIABILITIES

Section 2.1 Excluded Liabilities. Notwithstanding anything contained in this Agreement to the contrary, Buyer shall have no obligation and is not assuming, and the Company shall retain, pay, perform, defend and discharge, all of the liabilities and obligations of every kind whatsoever related or connected to the Purchased Assets or the business of the Gold Club arising or accruing prior to the Closing Date, whether disclosed or undisclosed, known or unknown on the Closing Date, direct or indirect, absolute or contingent, secured or unsecured, liquidated or unliquidated, accrued or otherwise, whether liabilities for taxes, liabilities of creditors, liabilities arising under any profit sharing, pension or other benefit under any plan of the Company, liabilities to any Governmental Agency (as hereinafter defined) or any third parties, liabilities assumed or incurred by the Company by operation of law or otherwise (collectively, the “Excluded Liabilities”), including, but not limited to, (i) contractual liabilities arising from the Gold Club’s business or ownership of the Purchased Assets prior to the Closing Date, and (ii) any taxes owing by the Company occurring before Closing, or whether related to the business of the Gold Club, the Purchased Assets or otherwise and any liens on the Purchased Assets relating to any such taxes.

Section 2.2 Taxes. The Company shall pay when due any sales, transfer, excise, or other taxes which may be imposed in any jurisdiction in connection with or arising from the sale and transfer of any of the Purchased Assets to Buyer.

Section 2.3 Bulk Sales Laws. The Company acknowledges that any applicable provisions of any tax clearance or bulk sales laws pertaining to the transactions contemplated by this Agreement are being complied with and that the Company agrees to indemnify and hold harmless Buyer from and against any and all liabilities arising out of or relating to any such tax clearance or bulk sales law. Any such liability shall be an Excluded Liability.

ARTICLE III PURCHASE PRICE FOR THE PURCHASED ASSETS

As consideration for the purchase of the Purchased Assets, Buyer shall pay to the Company an aggregate amount payable at Closing, of \$825,000.00 payable by cashier's check, certified funds or wire transfer, which amount is referred to hereinafter as the "Asset Purchase Price."

ARTICLE IV PURCHASE AND SALE OF THE REAL PROPERTY

Section 4.1 Sale of the Real Property. Subject to the terms and conditions set forth in this Agreement, at the Closing, the Company hereby agrees to sell, transfer, convey and deliver a General Warranty Deed which shall convey good and marketable title to the Real Property to RCI, free and clear of all liens and encumbrances. The Company and RCI will execute the Addendum to Third Amendment to Purchase Agreement, attached hereto as Exhibit 4.1 ("Amended Addendum") which will provide for the conveyance of good and marketable title to the Real Property, free and clear of all liens and encumbrances.

Section 4.2 Purchase Price for the Real Property. As consideration for the purchase of the Real Property, RCI shall pay to the Company at Closing the total consideration of \$850,000.00 (the "Real Property Purchase Price"), which shall be payable by cashier's check, certified funds or wire transfer.

The Asset Purchase Price and the Real Property Purchase Price, (in the aggregate amount of \$1,675,000) are collectively referred to herein as the "Purchase Price."

ARTICLE V CLOSING

Section 5.1 The Closing. The closing of the transactions provided for in this Agreement shall take place within five (5) days after the approval for the Buyer to possess all necessary permits, licenses and other authorizations, whether city, county, state or federal, which may be needed to operate an establishment serving beer, wine and liquor and providing live female semi-nude adult entertainment on the Real Property at the Club and all such permits, licenses and authorizations shall 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 semi-nude adult entertainment with the sale of beer, wine and liquor at the Club (the "Closing Date") or at such other time and place as agreed upon in writing among the parties hereto (the "Closing"). The parties have agreed further to close at Midwest Title Company, 755 E. Main Street, Greenwood, IN 46143 or at such other place as is mutually agreeable to all of the parties hereto. Notwithstanding the foregoing, in the event that the Buyer is unable to obtain the approval to possess all necessary permits, licenses and other authorizations as set forth herein by May 1, 2011, then any party hereto may terminate this Agreement and it shall be of no further force or effect.

Section 5.2 Delivery and Execution . At the Closing: (i) the Company shall deliver to Buyer all instruments of assignment and bills of sale necessary to transfer to Buyer good and marketable title to the Purchased Assets free and clear of all liens, charges or encumbrances against delivery by Buyer to the Company of payment in an amount equal to the Asset Purchase Price of the Purchased Assets being purchased by Buyer in the manner set forth herein; (ii) the Company shall deliver to RCI a General Warranty Deed which shall convey good and marketable title to the Real Property, free and clear of all liens and encumbrances against delivery by RCI to the Company of payment in the amount equal to the Real Property Purchase Price for the Real Property being purchased by RCI in the manner set forth in Section 4.2; and (iii) the Related Transactions (as defined below) shall be consummated concurrently with the Closing.

Section 5.3 Related Transactions . In addition to the purchase and sale of the Purchased Assets and the purchase and sale of the Real Property, the following action shall take place contemporaneously at the Closing (the "Related Transactions"):

The Buyer and the sole Member of the Company will enter into a five (5) year covenant not to compete pursuant to the terms of which Member will agree not to compete, either directly or indirectly, with the adult nightclub presently known as The Gold Club, by operating an establishment providing live female nude or semi-nude adult entertainment in Indianapolis, Indiana or any of the adjacent counties thereto.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES
OF THE MEMBER, THE ESTATE AND THE COMPANY

The Member, Estate and the Company, jointly and severally, hereby represent and warrant to the Buyer and RCI as follows:

Section 6.1 Organization, Good Standing and Qualification.

(i) The Company (A) is an Indiana limited liability company duly organized, validly existing, is not dissolved and is in good standing under the laws of the state of Indiana, (B) has all requisite power and authority to own, operate and lease its properties, to carry on its business, and to transfer the Purchased Assets to Buyer, and (C) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Company.

(ii) The authorized capital of the Company consists of one hundred percent (100%) of the Membership Interest which is validly issued and outstanding. There is no other class of capital authorized or issued by the Company. All of the issued and outstanding Membership Interest of the Company are owned by the Member and are fully paid and non-assessable. None of the Membership Interests issued are in violation of any preemptive rights. The Company has no obligation to repurchase, reacquire, or redeem any of its outstanding Membership Interest. There are no outstanding securities convertible into or evidencing the right to purchase or subscribe for any Membership Interest of the Company, there are no outstanding or authorized options, warrants, calls, subscriptions, rights, commitments or any other agreements of any character obligating the Company to issue any Membership Interest or any securities convertible into or evidencing the right to purchase or subscribe for any Membership Interest, and there are no agreements or understandings with respect to the voting, sale, transfer or registration of any Membership Interest of the Company.

Section 6.2 Subsidiaries. The Company does not have any subsidiaries.

Section 6.3 Ownership of the Purchased Assets. The Company owns all of the Purchased Assets free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances. The Company has the unrestricted right and power to transfer, convey and deliver full ownership of the Purchased Assets without the consent or agreement of any other person and without any designation, declaration or filing with any governmental authority. Upon the transfer of the Purchased Assets to Buyer as contemplated herein, Buyer will receive good and valid title thereto, free and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions.

Section 6.4 Ownership of the Real Property. Except as set forth in **Schedule 6.4**, the Company owns, beneficially and of record, the Real Property free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances as evidenced by the title commitment for the Real Property to be issued to RCI prior to Closing and as evidenced by a title policy provided to RCI at the time of Closing. The Company has the unrestricted right and power to transfer, convey and deliver full ownership of the Real Property 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 Real Property to RCI as contemplated herein, RCI will receive good and valid title thereto, free and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions.

Section 6.5 Authorization. The Company has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. All action on the part of the Company necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein have been taken or will be taken prior to the Closing Date by the Company. This Agreement, when duly executed and delivered in accordance with its terms, will constitute the legal, valid and binding obligations of the Company enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization and other similar laws of general application affecting creditors' rights generally or by general equitable principles.

The Member and the Estate represent that they have the full power, capacity, and authority to enter into this Agreement and perform the obligations contemplated hereunder and to consummate the transactions contemplated hereby. All action on the part of the Estate necessary for the authorization, execution, delivery and performance of this Agreement has been or will be taken prior to Closing Date. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid and binding obligations of the Member and the Estate enforceable against them in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization and other similar laws of general application affecting creditors' rights generally or by general equitable principles.

Section 6.6 Consents. Except as set forth in **Schedule 6.6**, no consent of, approval by, order or authorization of, or registration, declaration or filing by the Company or the Estate with any court or any governmental or regulatory agency or authority having jurisdiction over the Company or the Estate, or any of their respective property or assets is required on the part of the Company or the Estate (i) in connection with the consummation of the transactions contemplated by this Agreement or (ii) as a condition to the legality, validity or enforceability as against the Company or the Estate.

Section 6.7 Taxes. The Company has timely and accurately filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates and have timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes and withholding or other payroll related taxes shown on such returns and any taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, creditor or independent contractor. The Company has made adequate provision for the payment of all taxes accruable for all periods ending on or before the Closing Date to any taxing authority and are not delinquent in the payment of any tax or governmental charge of any nature. Neither the Company nor the Estate has any knowledge of any liability for any tax to be imposed by any taxing authorities upon the Company as of the date of this Agreement and as of the Closing that is not adequately provided for. No assessments or notices of deficiency or other communications have been received by the Company or the Estate with respect to any tax return 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. None of the federal, state, foreign or local tax returns of the Company have been audited by any taxing authority. Neither the Company nor the Estate has knowledge of any additional assessments, adjustments or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company for any period, nor of any basis for any such assessment, adjustment or contingency. There are no agreements between the Company or the Estate and any taxing authority waiving or extending any statute of limitations with respect to any tax return.

Section 6.8 Financial Statements. The Company and Estate have delivered to the Buyer and RCI on December 1, 2010 the unaudited balance sheets of the Company as of October 31, 2010, together with the related unaudited statements of income, for the periods then ended (collectively referred to as the "Financial Statements"). Such Financial Statements are in accordance with the books and records of the Company and fairly represent the financial position of the Company and the results of operations and changes in financial position of the Company as of the dates and for the periods indicated. Except as set forth in **Schedule 6.8**, the Company, as of the date of the Financial Statements, has no material liability or obligation of any nature, whether absolute, accrued, continued or otherwise. As of the Closing Date, the Estate and the Company will represent there have been no adverse changes in the financial condition or other operations, business, properties or assets of the Company from that reflected in the latest Financial Statements of the Company as furnished pursuant to this Agreement.

Section 6.9 Labor Matters. The Company is not a party or otherwise subject to any collective bargaining agreement with any labor union or association. There are no discussions, negotiations, demands or proposals that are pending or have been conducted or made with or by any labor union or association, and there are not pending or threatened against the Company any labor disputes, strikes or work stoppages. Neither the Company nor the Club is a party to any written or oral contract, agreement or understanding for the employment of any officer, director or employee of the Company.

Section 6.10 Compliance with Laws. To the best of the Company's and Estate's knowledge, the Company is, and at all times prior to the date hereof, has been in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of the Club. Neither the Company nor the Estate has any basis to expect, nor have they received, any order or notice of any such violation or claim of violation of any such statute, order, rule, ordinance or regulation by the Company. The Company owns, holds, possesses or lawfully uses in the operation of its business all permits and licenses which are in any manner necessary or required for it to conduct its operation and business as now being conducted. **Schedule 6.10** sets forth all licenses and permits held by the Company used in the operation of the business of the Club, all of which are in good standing and which will be in effect as of the Closing Date.

Section 6.11 No Conflicts. The execution and delivery by the Company and the Estate of this Agreement does not, and the performance and consummation by the Company and the Estate of the transactions contemplated hereby will not (i) conflict with the articles of organization, regulations of the Company, or laws of the State of Indiana; (ii) conflict with or result in a breach or violation of, or default under, or give rise to any right of acceleration or termination of, any of the terms, conditions or provisions of any note, bond, lease, license, agreement or other instrument or obligation to which the Company is a party or by which the assets or properties of the Company are bound; (iii) result in the creation of any encumbrance on any of the assets or properties (real or personal) of the Company; or (iv) violate any law, rule, regulation or order applicable to the Company or any of the assets or properties of the Company.

Section 6.12 Title to Properties; Encumbrances. The Company has good and marketable title to all of the Purchased 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 Company and the Club, free and clear of all mortgages, claims, liens, security interests, charges, leases, encumbrances and other restrictions of any kind and nature, except (i) as disclosed in the Financial Statements of the Company, (ii) statutory liens not yet delinquent, and (iii) such liens consisting of zoning or planning restrictions, imperfections of title, easements, pledges, charges 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 of the Club. With the exception of the items listed on **Schedule 6.12** all of which will be paid in full prior to Closing, the Company has good and marketable title to the Real Property, free and clear of all mortgages, claims, liens, security interests, charges, leases, encumbrances and other restrictions of any kind and nature.

Section 6.13 No Pending Transactions. Except for the transactions contemplated by this Agreement, neither the Company nor the Estate is a party to or bound by or the subject of any agreement, undertaking, commitment or discussions or negotiations with any person that could result in (i) the sale, merger, consolidation or recapitalization of the Company, (ii) the sale of any of the Purchased Assets, (iii) the sale of the Real Property by the Company, (iv) the sale of any outstanding Membership Interest of the Company, (v) the acquisition by the Company of any operating business or the capital stock of any other person or entity, (vi) the borrowing of money by the Company, whether secured or unsecured, (vii) any agreement with any of the respective officers, managers or affiliates of the Company, or (viii) the expenditure of more than \$5,000 or the performance by the Company extending for a period of more than six (6) months from the date hereof.

Section 6.14 Contracts and Leases. Except as set forth in **Schedule 6.14**, the Company does not (i) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; or (iii) have given any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the business of the Company. The Company shall provide Buyer prior to the Closing Date each and every contract, lease or other document relating to the assets of the Company to which they are subject or are a party or a beneficiary. To the knowledge of the Company and the Estate, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute a legal, valid and binding obligation of the Company and the other respective parties thereto and are enforceable in accordance with their terms. The Company and the Estate have no knowledge of any default or breach under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents. Neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the financial condition of the Company or the operation of the Club after the Closing.

Section 6.15 No Default. The Company is not (i) in violation of any provision of its articles of organization or regulations or (ii) in default under any term or condition of any instrument evidencing, creating or securing any indebtedness of the Company. Further, there has been no default in any material obligation to be performed by the Company under any other contract, lease, agreement, commitment or undertaking to which it is a party or by which it or its assets or properties are bound, nor has the Company waived any material right under any such contract, lease, agreement, commitment or undertaking.

Section 6.16 Books and Records. The books of account, minute books, stock record books or other records of the Company are accurate and complete and have been maintained in accordance with sound business practices.

Section 6.17 Insurance Policies . Copies of all insurance policies maintained by the Company relating to the operation of the Club have been or will be delivered prior to Closing. The policies of insurance held by the Company are in such amounts, and insure against such losses and risks, as the Company reasonably deems appropriate for its property and business operations. All such insurance policies are in full force and effect, and all premiums due thereon have been paid. Valid policies for such insurance will be outstanding and duly in force at all times prior to the Closing.

Section 6.18 Pending Claims . Except as set forth in **Schedule 6.18** , there are no claims, suits, arbitrations, investigations, actions or other proceedings, whether judicial, administrative or otherwise, now pending or, to the best knowledge of the Company or the Estate, threatened before any court, arbitration, administrative or regulatory body or any governmental agency which may result in any judgment, order, award, decree, liability or other determination which will or could reasonably be expected to have any effect upon the Company or the business of the Club, the transfer of the Purchased Assets by the Company to Buyer under this Agreement, the operation of the Club after the Closing Date, or the transfer of the Real Property to RCI, nor is there any basis known to the Company or the Estate for any such action. No litigation is pending, or, to the knowledge of the Company or the Estate, threatened against the Company or the business of the Club, the Real Property, or the Purchased Assets or properties of the Company which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. Neither the Company nor the Estate is subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them which would affect the Company or the business of the Club, the Purchased Assets or the Real Property to be transferred under this Agreement.

Section 6.19 No Liabilities . Except as to bills not yet received (which the Estate shall pay as to the amounts incurred prior to Closing) as of the Closing Date, the Company does not and shall not have any obligation or liability (contingent or otherwise) or unpaid bill to any third party.

Section 6.20 Unpaid Bills . As of the Closing, there will be no unpaid bills or claims in connection with any repair of the Premises or other work performed or materials purchased in connection with the repair of the Premises.

Section 6.21 Notices . Neither the Estate nor the Company or any of its representatives has received any written notice (i) from any insurance companies, governmental agencies or from any other parties of any condition, defects or inadequacies with respect to the Premises which, if not corrected, would result in termination of insurance coverage or increase its cost, (ii) from any governmental agencies or any other third parties with respect to any violations of any building codes and/or zoning ordinances or any other governmental laws, regulations or orders affecting the Premises, including, without limitation, the Americans With Disabilities Act, (iii) of any pending or threatened condemnation proceedings with respect to the Premises, or (iv) of any proceedings which could or would cause the change, redefinition or other modification of the zoning classification of the Premises.

Section 6.22 Proceedings Relating to Premises . There is no pending, or, to the best of Estate's or the Company's knowledge, contemplated or threatened, judicial, municipal or administrative proceedings with respect to, or in any manner affecting the Premises or any portion thereof, including, without limitation, proceedings for or involving tenant evictions, collections, condemnations, eminent domain, alleged building code or zoning violations, violations relating to the alcoholic beverage permit, personal injuries or property damage alleged to have occurred on the Premises or by reason of the use and operation of the Premises, or written notice of any attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws pending or threatened against the seller of the Premises or the Premises itself, or the taking of the Premises for public needs.

Section 6.23 Public Improvements. Neither the Estate nor the Company has knowledge of any existing or proposed public improvements which involve or which may result in any charge being levied or assessed against the Premises or which will or could result in the creation of any lien upon the Premises or any part thereof.

Section 6.24 Certificates. To the best of Estate's or the Company's knowledge, 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 and will be in full force and effect as of the Closing Date.

Section 6.25 Material Defect. To the best knowledge of the Estate or the Company or any representative of the Company, there are no material defects to the Premises which have not been disclosed in writing to RCI.

Section 6.26 Flooding. To the best knowledge of the Estate or the Company or any representative of the Company, no flooding has occurred on the Premises.

Section 6.27 Environmental. To the best of Estate's and the Company's knowledge, neither the Estate nor the Company has caused, allowed to be caused, failed to prevent or has been made aware of, an environmental condition on the Premises that required or requires abatement or correction under an Environmental Law, or has given or is reasonably likely to give rise to any civil or criminal liability under an Environmental Law, or has created or may create a public or private nuisance, including the presence of asbestos, PCB's, hazardous substances, radioactive waste or radon, on, in or affecting the Property.

Neither the Estate nor the Company or any of their representatives have received any citation, directive, letter or other communication, written or oral, or any notice of any proceeding, claim or lawsuit relating to any environmental issue arising out of the ownership or occupation of the Premises, and there is no basis known to the Estate or the Company for any such action. Estate shall provide to Buyer prior to the execution of this Agreement an Indiana Responsible Property Transfer Law Disclosure Form as required by I.C. 13-25-3-2.

For purposes of this warranty, "Environmental Law" shall mean any and all Applicable Laws (i) regulating the use, treatment, generation, transportation, storage, control, management, recycling or disposal of any Hazardous Material, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Superfund Amendment and Reauthorization Act of 1986 ("SARA"), Public Law 99-499, 100 Stat. 1613, the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), 7 U.S.C. §136 et. seq., the Safe Drinking Water Act ("SWDA"), 42 U.S.C. §300f et. seq., the Surface Mining Control and Reclamation Act ("SMCR"), 30 U.S.C. §1201 et. seq., and/or (ii) relating to the protection, preservation or conservation of the environment.

Section 6.28 Brokerage Commission. Except as set forth in **Schedule 6.28**, no broker or finder has acted for the Company or the Estate in connection with this Agreement or the transactions contemplated hereby, and no person other than as set forth in **Schedule 6.28**, is entitled to any brokerage or finder's fee or compensation in respect thereof based in any way on agreements, arrangements or understandings made by or on behalf of the Company or the Estate.

Section 6.29 Disclosure. No representation or warranty of the Company, Member or the Estate contained in this Agreement (including the exhibits and schedules hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VII REPRESENTATIONS AND WARRANTIES OF BUYER AND RCI

Buyer and RCI hereby represent and warrant to the Company and the Estate as follows:

Section 7.1 Organization, Good Standing and Qualification. Buyer and RCI (i) are entities duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) have all requisite power and authority to carry on its business, and (iii) are duly qualified to transact business and are in good standing in all jurisdictions where their ownership, lease or operation of property or the conduct of their business requires such qualification, except where the failure to do so would not have a material adverse effect to Buyer and/or RCI.

Section 7.2 Authorization. Buyer is a corporation duly organized in the state of Texas and has full power, capacity, and authority to enter into this Agreement and perform the obligations contemplated hereby. RCI is a corporation duly organized in the state of Texas and has full power, capacity, and authority to enter into this Agreement and perform all the obligations contemplated hereby. All action on the part of Buyer and RCI necessary for the authorization, execution, delivery and performance of this Agreement by them has been or will be taken before Closing. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid, and binding obligations of Buyer and RCI enforceable against Buyer and RCI in accordance with its terms, except as may be limited by bankruptcy, insolvency, and other similar laws affecting creditors' rights generally or by general equitable principles.

Section 7.3 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 Buyer or RCI in connection with the execution and delivery by Buyer and RCI of this Agreement or the consummation and performance of the transactions contemplated hereby other than as may be required under the federal securities laws.

Section 7.4 Disclosure . No representation or warranty of Buyer or RCI contained in this Agreement (including the exhibits and schedules hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

Section 7.5 Brokerage Commission . No broker or finder has acted for the Buyer or RCI in connection with this Agreement or the transactions contemplated hereby, and no person is entitled to any brokerage or finder's fee or compensation in respect thereof based in any way on agreements, arrangements or understandings made by or on behalf of Buyer or RCI.

ARTICLE VIII COVENANTS OF THE COMPANY AND THE ESTATE

Section 8.1 Stand Still . To induce Buyer and RCI to proceed with this Agreement, the Company, Member and the Estate agree that until the Closing Date or the termination of this Agreement, none of the representatives of the Company or the Estate will offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, encumbrance, pledge, collateralization or hypothecation of any of the Purchased Assets, or any Membership Interest of the Company or the Real Property. The Company, Member and the Estate hereby agree to advise the Buyer and RCI of any contact from any third party regarding the possible acquisition of any of the Purchased Assets or any Membership Interest of the Member or other investment in the Company, the acquisition of the Real Property, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 8.2 Access; Due Diligence . Between the date of this Agreement and the Closing Date, the Company and the Estate shall (a) provide Buyer and RCI and/or their authorized representatives reasonable access to the Club, offices, warehouse and other facilities and properties of the Company and to the books and records of the Company; (b) permit the Buyer and RCI and/or their authorized representatives to make inspections thereof; and (c) cause the officers and advisors of the Company and the Club to furnish the Buyer with such financial and operating data and other information with respect to the business and properties of the Company and the Club and to discuss with the Buyer or RCI and their authorized representatives the affairs of the Company and the Club as the Buyer or RCI may from time to time reasonably request.

Section 8.3 Preservation of Business . From the date of the execution hereof until the Closing Date, the Company and the Estate shall operate the business of the Club in substantially the same manner as it has heretofore, consistent with past practices, and

- (a) The Company and the Estate will not authorize, declare, pay or effect any dividend or liquidation or other distribution in respect of the Membership Interest of the Company, or any other equity interest or any direct or indirect redemption, purchase or other acquisition of any equity interest of the Company;

- (b) The Company will not make any changes in its condition (financial or otherwise), liabilities, assets, or business or in any of its business relationships, including relationships with suppliers or customers, that, when considered individually or in the aggregate, might reasonably be expected to have a material effect on the Company or the results of operations of the Club;
- (c) The Company will not increase the salary or other compensation payable or to become payable by the Company to any employee, or the declaration, payment, or commitment or obligation of any kind for the payment by the Company of a bonus or other additional salary or compensation to any such person;
- (d) The Company will not sell, lease, transfer or assign any of its assets, tangible or intangible;
- (e) The Company will not accelerate, terminate, modify or cancel any agreement, contract, lease or license (or series of related agreements, contracts, leases and licenses) involving more than \$1,000 to which the Company is a party;
- (f) The Company will not make any loans to any person or entity, or guarantee any loan, absent the consent of the Buyer;
- (g) The Company will not waive or release any right or claim held by the Company, absent the consent of the Buyer;
- (h) The Company will operate its business in the ordinary course and consistent with past practices so as to preserve its business organization intact, to retain the services of its employees and to preserve its goodwill and relationships with suppliers, creditors, customers, and others having business relationships with it;
- (i) The Company will not issue any note, bond or other debt security or create, incur or assume, or guarantee any indebtedness for borrowed money or capitalized lease obligations;
- (j) The Company will not delay or postpone the payment of accounts payable and other liabilities;
- (k) The Company will not make any loan to, or enter into any employment agreement or other transaction with, any of its directors, officers, and employees, members or managers;
- (l) The Company will not make any change in any method, practice, or principle of accounting involving the business of the Company, or the assets of the Company;
- (m) The Company, Member and Estate will not issue, sell or otherwise dispose of any of the Purchased Assets or any of its Membership Interests, 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 the Purchased Assets or the its Membership Interests;

- (n) The Company and Estate will not reclassify, split up or otherwise changes of its Membership Interests;
- (o) The Company and Estate will not be a party to any merger, consolidation or other business combination; and
- (p) The Company and Estate will not agree to take any action described in this Section 8.3.

ARTICLE IX CONDITIONS TO CLOSING

The obligations of the parties to effect the transactions contemplated hereby are subject to the satisfaction at or prior to the Closing of the following conditions:

Section 9.1 Conditions to Obligations of Buyer and RCI.

- (a) Representations and Warranties of the Member, the Estate and the Company. The representations and warranties of the Member, the Estate and the Company shall be true and correct on the date hereof and on and as of the Closing Date, as though made on and as of the Closing Date;
- (b) Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company, Member and the Estate on or prior to the Closing Date shall have been performed or complied with in all respects;
- (c) Delivery of Certificates. The Estate and the Company shall provide to Buyer and RCI certificates, dated as of the Closing Date and signed by the Estate, the Member and by the representative of the Company, respectively, to effect set forth in Section 9.1(a) and 9.1(b) for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions;
- (d) Resolutions. The Company shall have delivered corporate resolutions of the Company, which 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;
- (e) Delivery of Purchased Assets. The Company shall have delivered all instruments of assignment and bills of sale necessary to transfer to Buyer good and marketable title to the Purchased Assets in form and substance satisfactory to the Buyer;

- (f) Conveyance of Real Property . The Company shall deliver or cause to be delivered to RCI a General Warranty Deed and any other documents necessary to convey good and marketable title to the Real Property, free and clear of all encumbrances. Company shall further deliver to Buyer all documents reasonably requested of Company, including without limitation a Vendor's Affidavit and Certificate of Non Foreign Status;
- (g) Related Transactions . The Related Transactions set forth in Section 5.3 shall be consummated concurrently with the Closing;
- (h) Permits . Buyer shall possess all necessary permits, licenses and other authorizations, whether city, county, state or federal, which may be needed to conduct female semi-nude adult entertainment with the sale of alcoholic beverages on the Premises, including any and all Entertainment permits or licenses issued by the state of Indiana and all such permits, licenses and authorizations shall be in good order, and, unless otherwise waived by the Buyer, without any administrative actions pending or concluded that may challenge or present an obstacle to the continued performance of female semi-nude adult entertainment with the sale of alcoholic beverages at the Club and the Certificate of Occupancy issued by the City of Indianapolis-Marion County which zones the Premises for an adult oriented business shall be in full force and effect;
- (i) Liabilities . Except as to bills not yet received (which the Estate shall pay as to amounts incurred prior to Closing) as of the Closing Date, the Company does not have any obligations or liabilities (contingent or otherwise) or unpaid bills to any third party;
- (j) Third-Party Consents . Any and all consents or waivers required from third parties relating to this Agreement or any of the other transactions contemplated hereby, if any, shall have been obtained;
- (k) Satisfactory Diligence . Buyer shall have concluded its due diligence investigation of the Company and their respective assets and properties, RCI shall have concluded to its satisfaction its due diligence investigation related to the title to the Real Property, the adequacy of all permits and licenses for Buyer's intended business purpose and all other matters related to the foregoing, and shall be satisfied, in its sole discretion, with the results thereof;
- (l) No Actions or Proceedings . No claim, action, suit, investigation or proceeding shall be pending or threatened before any court or governmental agency which presents a substantial risk of the restraint or prohibition of the transactions contemplated by this Agreement;
- (m) Government Approvals . All authorizations, permits, consents, orders, licenses or approvals of, or declarations or filings with, or expiration of waiting periods imposed by, any governmental entity necessary for the consummation of the transactions contemplated by this Agreement shall have been filed, occurred or been obtained; and

- (n) Approval by Probate Court. The obligations of the parties to effect the transactions as contemplated by this Agreement and the Amended Addendum are subject to the approval by the Judge of the Johnson County Superior Court, in which Court pends the probate estate of Albert Pfeiffer, Deceased, and any and all necessary orders of or transfers authorized by the Indiana Alcohol and Tobacco Commission

Section 9.2 Conditions to Obligations of the Company, Member and the Estate.

- (a) Representations, Warranties and Agreements of Buyer and RCI. The representations and warranties of Buyer and RCI shall be true and correct on the date hereof and on and as of the Closing Date, as though made on and as of the Closing Date;
- (b) Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Buyer and RCI on or prior to the Closing Date shall have been performed or complied with in all respects;
- (c) Delivery of Certificates. Buyer and RCI shall provide to the Company and the Estate certificates dated as of the Closing Date and signed by a representative of the Buyer and RCI to the effect set forth in Section 9.2(a) and 9.2(b) for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions;
- (d) Resolutions. Buyer and RCI shall deliver resolutions of the Buyer and RCI, which 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;
- (e) Payment of Purchase Price. Buyer and RCI shall have tendered the cash portions of the Purchase Price set forth in Article III and Section 4.2;
- (f) Related Transactions. The Related Transaction set forth in Section 5.3 shall be consummated concurrently with the Closing;
- (g) Third Party Consents. Any and all consents or waivers required from third parties relating to this Agreement or any of the other transactions contemplated hereby, if any, shall have been obtained;
- (h) No Actions or Proceedings. No claim, action, suit, investigation or proceeding shall be pending or threatened before any court or governmental agency which presents a substantial risk of the restraint or prohibition of the transactions contemplated by this Agreement;

- (i) Government Approvals. All authorizations, permits, consents, orders or approvals of, or declarations or filings with, or expiration of waiting periods imposed by, any governmental entity necessary for the consummation of the transactions contemplated by this Agreement shall have been filed, occurred or been obtained; and
- (j) Approval by Probate Court. The obligations of the parties to effect the transactions contemplated by this Agreement and the Amended Addendum are subject to the approval by the Judge of the Johnson County Superior Court, in which Court pends the probate estate of Albert Pfeiffer, Deceased.

ARTICLE X CLOSING ADJUSTMENTS

The Estate and the Buyer agree that there shall be an adjustment made within ninety (90) days of the Closing Date to adjust for any liabilities that are found to exist of the Company as of the Closing Date, as such liabilities may relate to the Purchased Assets or the operation and business of the Company or the Gold Club, so that the Estate shall be responsible and liable to the Buyer for the liabilities of the Company that exist as of the Closing Date, less any credit which the Estate would be entitled to for cash on hand, cash funds in any ATM machine on the premises, credit card receivables or pro rata portion of prepaid items paid by the Estate (including any pro rated amounts due to the Estate for pre-payment of liquor liability, workman's compensation and business owners policies of insurance, which have previously been paid by the Estate).

ARTICLE XI INDEMNIFICATION

Section 11.1 Indemnification from the Estate. The Company and the Estate hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Buyer), and hold Buyer and RCI, their officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the "Buyer's Group") harmless at all times after the date of this Agreement, from and against any and all actions, suits, claims, demands, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys fees and costs of any suit related thereto) suffered or incurred by any or all of the Buyer's Group arising from: (a) any misrepresentation by, or breach of any covenant or warranty of the Estate, the Member or the Company contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Estate or the Company hereunder; (b) any nonfulfillment of any agreement on the part of the Estate, Member or the Company under this Agreement; (c) any liability or obligation due to any third party by the Company or the Estate incurred at or prior to the Closing Date; or (d) any suit, action, proceeding, claim or investigation against Buyer's Group which arises from or which is based upon or pertaining to the Company's or the Estate's conduct or the operation or liabilities of the business of the Company or the business of the Gold Club prior to the Closing Date.

Section 11.2 Indemnification from Buyer. Buyer agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Company) and hold the Company and the Estate and its employees, affiliates, agents, legal counsel, successors and assigns, (collectively, the "Estates' Group") harmless at all times after the date of the Agreement from and against any and all actions, suits, claims, demands, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys fees and costs of any suit related thereto) suffered or incurred by any or all of Estates' Group, arising from (a) any misrepresentation by, or breach of any covenant or warranty of Buyer or RCI contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Buyer or RCI hereunder; (b) any nonfulfillment of any agreement on the part of Buyer or RCI under this Agreement; or (c) any suit, action, proceeding, claim or investigation against the Estate's Group which arises from or which is based upon or pertaining to Buyer's conduct or the operation of the business of the Company subsequent to the Closing Date.

Section 11.3 Defense of Claims . If any lawsuit or enforcement action is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the indemnifying party as promptly as practicable (and in any event not less than fifteen (15) days prior to any hearing date or other date by which action must be taken); provided that the failure of any indemnified party to give timely notice shall not affect rights to indemnification hereunder except to the extent that the indemnifying party demonstrates actual damage caused by such failure. After such notice, the indemnifying party shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the indemnifying party's cost, risk and expense; and such indemnified party shall cooperate in all reasonable respects, at its cost, risk and expense, with the indemnifying party and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the indemnified party may, at its own cost, participate in such investigation, trial and defense of such lawsuit or action and any appeal arising therefrom. The indemnifying party shall not, without the prior written consent of the indemnified party, effect any settlement of any proceeding in respect of which any indemnified party is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the indemnifying party and includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

Section 11.4 Default of Indemnification Obligation . If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individual's or entities' absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 11.5 Survival of Representations and Warranties . The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending forty-eight (48) months from the Closing Date ("Survival Date"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "Indemnitor") under this Agreement unless the party entitled to indemnification (the "Indemnatee") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

**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 shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power or remedy.

Section 12.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in person, transmitted by facsimile transmission (fax) or sent by registered or certified mail (return receipt requested) or recognized overnight delivery service, postage pre-paid, addressed as follows, or to such other address as such party may notify to the other parties in writing:

- | | | |
|-----|---------------------------------|--|
| (a) | if to the Estate: | The Estate of Albert Pfeiffer
c/o of Lori Pfeiffer, Personal Representative
of The Estate of Albert Pfeiffer
3551 Lafayette Road
Indianapolis, Indiana 46222 |
| | with a copy to: | Douglas W. Kessler
Smart & Kessler
1648 Fry Road, Suite A
Greenwood, Indiana 46142
Fax: (317) 885-9126 |
| (b) | if to the Company or
Member: | Gold Club of Indy, LLC
3551 Lafayette Road
Indianapolis, Indiana 46222 |
| | with a copy to: | Douglas W. Kessler
Smart & Kessler
1648 Fry Road, Suite A
Greenwood, Indiana 46142
Fax: (317) 885-9126 |

(c) if to Buyer or RCI: RCI Entertainment (Indiana), Inc.
Attn: Eric Langan, President
10959 Cutten Road
Houston, Texas 77066
Fax: (281) 397-6765

with a copy to: Robert D. Axelrod
Axelrod Smith & Kirshbaum
5300 Memorial Drive, Suite 700
Houston, Texas 77007
Fax: (713) 552-0202

A notice or communication will be effective (i) if delivered in person or by overnight courier, on the business day it is delivered, (ii) if transmitted by telecopier, on the business day of actual confirmed receipt by the addressee thereof, and (iii) if sent by registered or certified mail, three (3) business days after dispatch.

Section 12.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 12.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 12.5 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 12.6 Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to principles of conflict of laws. The parties agree that venue for purposes of construing or enforcing this Agreement shall be proper in Harris County, Texas.

Section 12.7 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

Section 12.8 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with this Agreement.

Section 12.9 Section Headings. The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 12.10 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 Hotel Development) or any entity that is not a party to this Agreement.

Section 12.11 Attorney Review - Construction. In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other that they have had the opportunity to be advised by attorneys of their own choice and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

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

Section 12.14 Exhibits or Schedules Not Attached. Any exhibits or schedules not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit or schedule, upon their respective acceptance of its terms, conditions and/or form.

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

RCI DINING SERVICES (INDIANA), INC.

/s/ Eric Langan

By: Eric Langan, President

Date:

RCI HOLDINGS, INC.

/s/ Eric Langan

By: Eric Langan, President

Date:

THE ESTATE OF ALBERT PFEIFFER

/s/ Lori L. Pfeiffer

By: Lori Pfeiffer, Personal Representative of
The Estate of Albert Pfeiffer

Date:

GOLD CLUB OF INDY, LLC

/s/ Lori L. Pfeiffer

By: Lori Pfeiffer

Its: Member

Date:

/s/ Lori L. Pfeiffer

Lori Pfeiffer, Individually as to Section 8.3(m) only, and as Personal
Representative of The Estate of Albert Pfeiffer

EXHIBITS AND SCHEDULES

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**ADDENDUM TO THIRD AMENDMENT
TO PURCHASE AGREEMENT**

THIS ADDENDUM (the “Addendum”) to the Third Amendment to Purchase Agreement entered into on the ____ day of January, 2011, is by and between the **Gold Club of Indy, LLC**, an Indiana Limited Liability Company (“Company”), Lori Pfeiffer, personal representative of The Estate of Albert Pfeiffer, deceased, and sole member of the Company (“Member”), the **Estate of Albert Pfeiffer** (“Estate”), and **RCI Dining Services (Indiana), Inc.**, a Texas Corporation (“Buyer”), and **RCI Holdings, Inc.**, a Texas Corporation (“RCI”).

WITNESSETH:

WHEREAS , Albert Pfeiffer was the sole member of the Company; and

WHEREAS , Albert Pfeiffer died on August 15, 2009; and

WHEREAS , Lori Pfeiffer was designated the Personal Representative of Albert Pfeiffer’s probate estate by the Johnson County, Indiana Superior Court; and

WHEREAS , pursuant to the authority of the Johnson County, Indiana Superior Court of September 21, 2009, Lori Pfeiffer, Personal Representative of Albert Pfeiffer’s probate estate became the sole member of the Company; and

WHEREAS , the parties hereto have entered into a Purchase Agreement, dated December 13, 2010, whereby the Company agreed (i) to sell to the Buyer 100% Membership Interests, and (ii) to convey to RCI the Real Property; and

WHEREAS , the parties hereto have also entered into (i) an Agreement to Amend Purchase Agreement, dated on or around December 29, 2010, (ii) a Second Amendment to Purchase Agreement, dated January 14, 2011, and (iii) a Third Amendment to Purchase Agreement, dated January __, 2011; and

WHEREAS , the Third Amendment to Purchase Agreement amends and restates, in its entirety, the Purchase Agreement, as amended, thereby (i) restructuring the agreement as an asset purchase agreement, and (ii) making the original Addendum to Purchase Agreement dated December 13, 2010 of no force and effect; and

WHEREAS , pursuant to the Third Amendment to Purchase Agreement, Buyer intends to purchase all of the assets owned by the Company which are associated or used in connection with the operation of the adult entertainment cabaret known as “The Gold Club,” located at 3551 Lafayette Road, Indianapolis, Indiana 46222, to which agreement reference is hereby made, which assets constitute personal property in the probate estate of Albert Pfeiffer, deceased; and

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WHEREAS , pursuant to the Third Amendment to Purchase Agreement, the Company has agreed to convey the real property commonly known as 3551 Lafayette Road, Indianapolis, Indiana 46222 (the "Real Property") to RCI; and

WHEREAS , the parties by this Addendum intend to delineate and expand upon certain terms in the Third Amendment to Purchase Agreement involving the sale of the Real Property titled in the name of the Company to RCI.

IT IS, THEREFORE, AGREED AS FOLLOWS:

The Addendum to Purchase Agreement, dated December 13, 2010, is of no force and effect, and, in connection therewith, its is agreed as follows:

1. **Earnest Money Deposit:** Neither the Buyer nor RCI shall be required to tender earnest money.

2. **Payment of Purchase Price** : Of the total consideration of One Million Six Hundred Seventy-five Thousand Dollars (\$1,675,000.00) described in the Third Amendment to Purchase Agreement, the sum of Eight Hundred Fifty Thousand Dollars (\$850,000.00) shall be applicable to the acquisition of the Real Property owned by Company, commonly known as 3551 Lafayette Road, Indianapolis, Indiana, the legal description of which is attached hereto and made a part hereof.

3. **Closing Date** : The closing ("Closing") shall take place at the same time and under the same terms as described in the Third Amendment to Purchase Agreement entered into between the parties.

4. **Closing Documents** : Pursuant to the Third Amendment to Purchase Agreement, Company shall deliver at Closing, among other things, a fully executed Warranty Deed, conveying to RCI merchantable and marketable fee simple title to the Real Property, free of any and all liens, encumbrances, easements, restrictions, covenants, or other title defects, except the lien of non-delinquent real estate taxes, and other matters, if any disclosed in the title commitment. Company shall also deliver any other document required from the Company or Seller to convey the Real Property to RCI.

5. **Possession** : Possession of the Real Property shall be delivered to RCI on the Closing date, free and clear of all rights and claims of any other party to the possession, use, or control of the Real Property, except as may be specified in the Third Amendment to Purchase Agreement.

6. **Taxes and Assessments** : RCI assumes and agrees to pay all assessments for public improvements becoming a lien after the date of Closing. Real property taxes on the Real Property shall be prorated as of the Closing Date, using the latest tax bill as the basis for estimating the taxes and determining the proration. Seller shall be responsible for all real estate taxes assessed up to and including the date of Closing. Any taxes not assumed by RCI and which are not due and payable at the time of Closing shall be allowed to RCI as a credit on the cash payment required on Closing, and Seller shall not be liable thereafter for such taxes. RCI shall be responsible for all real estate taxes assessed after the date of Closing.

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7. **Survey** : The Seller has provided to RCI a survey dated September 29, 2008. If RCI so desires, it may obtain a staked survey or an updated survey, which costs shall be borne equally by RCI and the Company.

8. **Title Insurance** : Company shall deliver to RCI within seven (7) days after acceptance a commitment for title insurance, and at RCI's request, legible copies of all recorded instruments affecting the Real Property and recited as exceptions in the commitment. If RCI has an objection to any item disclosed in such commitment, or the survey, if any, RCI shall promptly make written objection to the Company after receipt of each such instrument. If RCI or third party lender makes such objections or if the objections are disclosed in the commitment or survey, or by the issuer of the title policy, the Company shall have thirty (30) days from the date such objections are disclosed to cure the same, and the Closing date shall be extended, if necessary. The Company agrees to utilize its best efforts and reasonable diligence to cure any such objection. If any such objection is not satisfied within such time period, RCI may terminate this contract, or waive the unsatisfied objections and close the transaction. The Company shall bear the cost and expense associated with the procurement of the title insurance commitment for the Real Property.

9. **Proration and Special Assessments** : Insurance, if assigned to RCI, all income and ordinary operating expenses of the Real Property, included but not limited to public utility charges, shall be prorated as of the day prior to the Closing date. Any special assessment applicable to the Real Property from municipal improvements previously made to benefit the Real Property shall be paid by the Company. RCI assumes and agrees to pay all special assessments from municipal improvements which are completed after the date of this Third Amendment to Purchase Agreement.

10. **Sale Expenses** : Company and RCI agree that all sale expenses are to be paid in cash prior to or at Closing.

- (a) **Company's Expenses**: In addition to the expense associated with procurement of title insurance, the Company shall pay all costs of releasing any existing loan and recording the release, one-half (1/2) of any Closing fee, one-half (1/2) of the survey costs, if any, preparation of the Warranty Deed, and other expenses stipulated to be paid by the Company under other provisions of the this Addendum or the Third Amendment to Purchase Agreement.
- (b) **RCI's Expenses**: RCI shall pay all expenses incident to any loan (e.g. loan commitment fee, preparation of note, mortgage, and other loan documents, recording fees, mortgagee's title policy, credit reports, etc.); one-half (1/2) of the survey costs, if any; one-half (1/2) of any Closing fee; copies of documents pertaining to restrictions, easements, or conditions affecting the Real Property; and expenses stipulated to be paid by RCI under the provisions of this Addendum or the Third Amendment to Purchase Agreement.

11. **Default/ Remedies** : If Company or Seller fail to perform in accordance with this Agreement, RCI shall be entitled to pursue any other remedy which may be available at law or in equity, including, but not limited to, specific performance or injunctive relief.

12. **Duties of Company and Seller at Closing** : At the Closing, the Company shall deliver to RCI, at Seller's sole cost and expense, the following:

- (a) a duly executed Warranty Deed conveying good and indefeasible title in fee simple to all of the Real Property, free and clear of any lien, encumbrance, condition, easement, assessment, reservation, or restriction except as permitted herein or approved by RCI in writing;
- (b) an owner's policy of title insurance (a title policy) issued by a reputable title insurance company chosen by the Seller but with approval of RCI in the full amount of Eight Hundred Fifty Thousand Dollars (\$850,000.00), dated as of Closing, insuring RCI's fee simple title to the Real Property to be good and indefeasible subject only to those title exceptions permitted herein, or as may be approved by RCI in writing, and with the standard printed exceptions contained in the usual form of the title policy;

- (c) if requested by RCI, to the extent assignable, an assignment of any one or more of the insurance policies held by Company pertaining to the Real Property;
- (d) as provided in the Third Amendment to Purchase Agreement, furnish evidence of its capacity and authority for the Closing of this transaction; and
- (e) Company agrees to execute any other document necessary to close this transaction or requested by RCI.

13. **Duties of RCI at Closing:** At the Closing, RCI shall perform the following:

- (a) satisfy all of its obligations pursuant to the Third Amendment to Purchase Agreement, including payment, in cash, of the total purchase price of One Million Six Hundred Seventy-five Thousand Dollars (\$1,675,000.00), as described in the Third Amendment to Purchase Agreement;
- (b) furnish evidence of its capacity and authority for the Closing of this transaction; and
- (c) execute any other document necessary to close this transaction.

14. **Miscellaneous:** Time is of the essence of this Addendum to the Third Amendment to Purchase Agreement. All parties acknowledge that all aspects of the sale of the Real Property described herein are subject to the approval by the Judge of the Johnson County Superior Court, in which court pends the probate estate of Albert Pfeiffer, deceased. If for any reason the Judge of the Johnson County Superior Court does not approve this sale, this contract shall be cancelled, and any provision in this Addendum or in the Third Amendment to Purchase Agreement to the contrary notwithstanding, neither party shall be responsible to the other for any costs, attorney fees, expenses, or damages.

15. **Conflict With Third Amendment to Purchase Agreement :** In the event of a conflict between the terms and conditions of this Addendum and the Third Amendment to Purchase Agreement, then the terms and conditions of the Third Amendment to Purchase Agreement shall govern.

RCI Dining Services (Indiana), Inc.

/s/ Eric Langan
By : Eric Langan, President

Dated : _____

RCI Holdings, Inc.

/s/ Eric Langan
By: Eric Langan, President

Dated: _____

ESTATE OF ALBERT PFEIFFER

/s/ Lori L. Pfeiffer
**By: Lori Pfeiffer, Personal Representative
of the Estate of Albert Pfeiffer**

Gold Club of Indy, LLC

/s/ Lori L. Pfeiffer
By: Lori Pfeiffer, Sole Member

Dated: _____
