

## 2000 VENUE AGREEMENT

Date: 10-20-00

Name: Brad Bogart  
Club Name: Condolier Room  
Club Address: 3924 Airport Way S.  
City, State, Zip: Seattle, WA 98108

Re: 2000 Marlboro Program

Dear: Mr. Bogart

In confirmation of previous discussions, this letter constitutes the agreement (the "Agreement") between The Affinity Management Group, Inc. ("Producer"), an Illinois corporation, and Condolier Room (the "Club"), a WA corporation pursuant to which the 2000 Marlboro Program (the "Program") will be conducted at the Club.

### I. Responsibilities

(A) In connection with the Program, Producer will:

- (i) Provide the Club with the permanent visibility items which are listed on Schedule A attached hereto and which have the line next to them marked (a) with an "x" or a check mark and (b) with the initials of a representative of Producer.
- (ii) Provide the Club with other goods (the "Goods"), media advertisements and/or other consideration which is listed on Schedule A attached hereto and which has the line next to it marked (a) with an "x" or a check mark and (b) with the initials of a representative of Producer.

(B) In connection with the Program, the Club will:

- (i) Ensure that no one under 21 years of age is present or permitted to enter the Club at any time.
- (ii) Prominently display the permanent visibility items in the Club in agreed upon locations.
- (iii) Use the Goods throughout the Program term.

## 2. Term and Termination

The term of the Agreement will commence as of the date of the Agreement and will continue through December 31, 2000. Notwithstanding the above, Producer may terminate the Agreement, with or without cause on seven days advance written notice to the Club. Producer will have no liability to the Club after the termination date specified in Producer's notice of termination. If any federal, state or local law, regulation, ordinance, order, ruling, judgment, consent decree or other governmental action becomes effective that makes the promotion of tobacco products as contemplated by the Agreement, unlawful, impracticable or, in the judgment of Producer, materially reduces the value of the Agreement to Producer, Producer may terminate the Agreement as of the effective date of the law, regulation, ordinance, order, ruling, judgment, consent decree or other action.

## 3. Program Materials

No promotional advertising material from any other tobacco company will be permitted by the Club for the duration of the Program without the prior written approval of Producer.

## 4. Confidentiality

The Club, its employees and agents will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by Producer to the Club or created or acquired by the Club in performing services pursuant to the Agreement and not intended for public display or distribution. The Club will not use or disclose the information or materials, or any other confidential information, to third parties without the prior, written consent of an authorized representative of Producer. Upon termination or expiration of the Agreement, or within thirty days thereafter, the Club will return all materials to Producer. The Club will not disclose to third parties the existence or terms of the Agreement, except as is necessary for the performance of its obligations hereunder, without the prior, written consent of Producer. The Club's obligation to maintain confidentiality will survive the termination of the Agreement.

## 5. Exclusivity

For the duration of the Program, the Club will not engage in the activities contemplated in the Agreement or similar activities in connection with cigarettes or other tobacco products of any other company or entity without the prior, written consent of Producer.

## 6. Right of First Refusal

In the event that within one year after the Agreement is terminated due to (i) the expiration of its term or (ii) in accordance with the last sentence of Section 2 of this Agreement, the Club receives a bona fide offer from a third party ("Third Party") to enter into an agreement to conduct a program similar to or the same as the Program (the "Offer"), the Club must provide Producer with a copy of the Offer (the "Notice"). Producer shall have the exclusive right, but not the obligation, within 30

days of Producer's receipt of the Notice to renew this Agreement or enter into a new agreement with the Club upon terms no less favorable than the terms of the Offer. In the event that Producer has rejected or not responded to the Offer within 30 days of receipt of the Notice (the "Rejection Period"), the Club may enter into an agreement with the Third Party during the 30 day period following the Rejection Period upon the same terms and conditions contained in the Offer.

#### 7. Indemnity

The Club agrees to indemnify and hold harmless Producer and Philip Morris Incorporated ("Philip Morris"), and each of their respective affiliates, agents and subcontractors and each of their respective officers, employees, directors and agents from all claims, liabilities, costs or expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of the Club. The Club's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

#### 8. Insurance

The Club represents and warrants that it has and will maintain general comprehensive and liquor liability insurance throughout the term of the Agreement to the extent required by state law, in an amount and type suitable to Producer and Philip Morris.

#### 9. Media Release

During the Program the Club consents to the use of its name by Producer, Philip Morris, and any of their affiliated companies and licensees for the purpose of advertising and trade in the United States.

#### 10. Independent Contractor

The Club is and will remain an independent contractor and nothing in the Agreement will be construed to create a relation of principal and agent or employer and employee between Producer and the Club or any of its employees or agents within the meaning of any federal, state or local law.

#### 11. The 2000 Marlboro Program and Marlboro Names

The Club recognizes and acknowledges that the 2000 Marlboro Program and Marlboro name and the names of other Philip Morris brands, the designs, emblems, slogans and insignia of the respective brands, and the goodwill associated therewith, have great value and are the sole property of Philip Morris. The Club agrees that it has and will claim no right, title or interest in or to the same or the use thereof except any limited right to use granted pursuant to the Agreement.

#### 12. Third Party Contacts

If at any time the Club is contacted by a third party, including the media, other than as contemplated by the terms of the Agreement, concerning the Club's activities on behalf of Producer, the Club will

Gondolier Room

make no comment; immediately notify Producer of the third party contact, and refer the third party to Christopher J. Ferraro or Philip D. Nobel of Producer.

### 13. Notices

Any notice given under the terms of the Agreement shall be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, if to the Club, to Gondolier Room Attention: Brad Bogart, and if to Producer, to The Affinity Management Group, Inc., 350 W. Hubbard, Suite 430, Chicago, Illinois 60610 (before March 1, 2000) and 360 N. Michigan Avenue, Suite 1700, Chicago, Illinois 60601 (after March 1, 2000), Attention: Mr. Christopher J. Ferraro.

### 14. Miscellaneous

- (a) The Agreement and all matters collateral hereto, will be governed by the laws of the State of Illinois applicable to contracts made and to be performed entirely within the State of Illinois.
- (b) Force-Majeure, acts of God, or other causes beyond the reasonable control of any party delaying or causing the cancellation or delay of the performance of the Agreement will not subject the Club or Producer to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.
- (c) The Agreement sets forth the entire agreement between the parties and supersedes all previous oral or written agreements between the parties on the subject matter of the Agreement.
- (d) Each party hereto shall comply with all applicable laws, regulations, ordinances and orders affecting its activities hereunder, including the provisions of 15 U.S.C. §§ 1331 et seq. and of the Master Settlement Agreement executed as of November 23, 1998, by certain tobacco manufacturers and the Settling States (as defined in the Master Settlement Agreement).

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Club Name: Gondolier Room  
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If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing and returning both of the enclosed copies of this letter to the undersigned. We will then forward a fully executed copy to you.

Very truly yours,

THE AFFINITY MANAGEMENT GROUP, INC.

By: [Signature]  
Christopher J. Ferraro, President

ACCEPTED AND AGREED AS OF THE DATE OF THIS LETTER:

CLUB NAME: Gondolier Room

By: [Signature]  
Title: Owner

Taxpayer ID Number: 91-1703362

Select One:

- ☐ Sole Partnership  
☐ Partnership  
☒ Corporation  
☐ Limited Liability Company  
☐ Other

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SCHEDULE A

Permanent Visibility Items

2 Marlboro Neons  
     Marlboro Backlit Pack  
     Marlboro Wall Graphics  
     Style                       
     Style                       
     Style                       
     Style                       
     Style                     

Goods

0 Napkins per month  
32 Ashtrays  
     Bar Organizers  
     Garnish Trays  
     Match Caddies  
2 Gutter Mats  
2 Bar Mats  
     Chalk Boards  
      
    

Media

Print Media Advertisements (The placement, publication, style and frequency of the media advertisements to be determined by Producer)

Other Consideration

50.00 (the "Performance Payment"). Provided the Club is in compliance with the terms and conditions of this Agreement and this Agreement has not sooner terminated pursuant to Section 2, Producer shall pay the Club the Performance Payment in the following amounts and at the following times:

1. \$125.00 of the Performance Payment within 45 days of the Club's execution and the Producer's receipt and acceptance of this Agreement.
2. \$125.00 of the Performance Payment on July 1, 2000.
3. \$125.00 of the Performance Payment on September 15, 2000.
4. \$105.00 of the Performance Payment on December 1, 2000.

BMB  
Club Initial Here

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