

CITY OF MINNEAPOLIS  
LICENSES AND CONSUMER SERVICES  
350 SOUTH 5<sup>TH</sup> STREET, ROOM 1-C, CITY HALL  
MINNEAPOLIS, MN 55415

**BUSINESS LICENSE OPERATING CONDITIONS**

VARSITY ARTS LLC  
JASON MCLEAN  
1308 4TH ST SE  
MINNEAPOLIS, MN 55414

20-MAY-09

Request Number: 09-0691777

Re: L198 50066 VARSITY THEATER for LIQ ON-SALE A W/SS SERIES 3000

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**PREFACE**

The following conditions requested by the City of Minneapolis and agreed to by the establishment are not intended by the City or the establishment to imply, and both parties agree that the conditions do not imply, the past or present existence of any act or omission on the part of the establishment related to its liquor license as necessitating the conditions. The conditions set forth herein are requested and agreed to solely in order to facilitate a cooperative, successful, and not unreasonably disruptive increase in occupancy for the Varsity Theater by reasonably addressing the City's/ community's concerns and affording the establishment a commercially reasonable opportunity to demonstrate its willingness, ability, and dedication to maintaining its present good management practices and record.

**AGREED CONDITIONS**

1. Establishment's alcohol sales shall not exceed 40% of total sales.
2. The establishment will not exceed occupancy of more than 650 during months one through six from the date of expanded license issuance.
3. During the fifth month from the date of the expanded license issuance, Licensing may, at its discretion, conduct a community meeting to solicit comment regarding the impact of the increase in occupancy with the purpose of amending policies or license conditions if Licensing reasonably determines such amendments are necessary.
4. Provided the establishment has during that time maintained its current good management record and has not violated any material terms of its license, the capacity shall increase to 700 during months seven through twelve following license renewal.
5. During the eleventh month from the date of the expanded license issuance, Licensing may, at its discretion, conduct a community meeting to solicit comment regarding the impact of the increase in occupancy with the purpose of amending policies or license conditions if Licensing reasonably determines such amendments are necessary.

6. Provided the establishment has during that time maintained its current good management record and has not violated any material terms of its license, the capacity shall increase on the next annual license renewal to the full fire-rated occupant capacity of 814.

7. During the twelve month limited capacity period, the establishment shall be permitted to operate at the full fire-rated capacity of 814, but only on four occasions during that period.

8. The establishment will continue to monitor customer lines to prevent those lines from blocking pedestrian use of the sidewalk or access to neighboring businesses.

9. With the exception of two non-ticketed events per week and excluding private events, customers must possess a purchased ticket to enter any event.

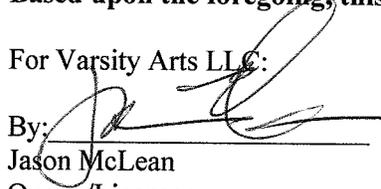
10. The certificate of occupancy, occupant load certificate, hours of operation and the license certificate issued under this chapter shall at all times be posted in a conspicuous place on the premises.

11. The establishment will provide a copy of their security plan, due at the time of signing this agreement, that addresses the following components: alcohol service practices, minimum security staff levels, line management, snipe advertising, and notification of 2<sup>nd</sup> precinct on any occasion when it reasonably anticipates operating at its full fire-rated capacity of 814. The establishment will implement this plan and have it available during all hours of operation.

**I have read and understand the conditions listed above. I agree with the conditions and understand that failure on our part, or on the part of my company or employees to adhere to these conditions, may be cause for future adverse license action, including the suspension, revocation, or denial of the renewal of the L198 50066 VARSITY THEATER license. These conditions will be effective for the duration the license operates at these premises, unless otherwise amended by the City Council of Minneapolis.**

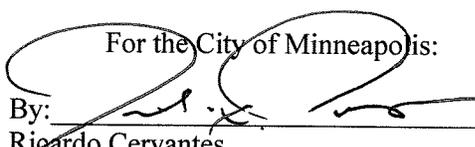
**Based upon the foregoing, this agreement is freely & voluntarily entered into in good faith:**

For Varsity Arts LLC:

By:   
Jason McLean  
Owner/Licensee

Dated: 5/20, 2009

For the City of Minneapolis:

By:   
Ricardo Cervantes  
Deputy Director of Licenses & Consumer Services

Dated: May 21, 2009