

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (“Agreement”) is made and entered into effective upon complete execution by all parties to this Agreement (the “Effective Date”). This Agreement is entered into by and among State of Nevada, Commission for Cultural Centers and Historic Preservation, f/k/a Commission for Cultural Affairs (“Plaintiff”); Eli Mizrachi, ECT Holding, LLC, King George, LLC (“Defendants”); City of Las Vegas (“City”); J Dapper and / or Dapper entity (“Dapper”) (all parties hereinafter collectively referred to as “Parties”); for the purpose of resolving by compromise and settlement, all claims, liabilities and disputes between the Parties with prejudice as identified in the Recitals below.

I. RECITALS

A. A dispute has arisen between Plaintiff and Defendants as identified in Case No. A14696982C in the Eighth Judicial District Court for the State of Nevada (“Litigation”) involving a dispute between the Plaintiff and the Defendants over the Huntridge Theatre (“Huntridge”).

B. In a recent Order, the Eighth Judicial District Court recognized that the Defendants Eli Mizrachi, ECT Holding, and King George LLC have violated a Consent Judgment executed in July of 2016, and that Defendants owe the Plaintiff a Judgment in the amount of \$389,925, with legal interest accruing from the date of the Judgment. (Exhibit 1).

C. That in the same Order, the Court held that that the Defendants violated the terms of the Consent Judgment and that the covenant should be extended in perpetuity until the property is fully rehabilitated (pursuant to The Standards for Rehabilitation (36 CFR 67) for use in the Federal Historic Preservation Tax Incentives program. (Exhibit 2).

D. That in the same Order the Court appointed a Special Master to oversee the sale of the Huntridge Theatre property to the City of Las Vegas and Dapper , and ordered that if the sale

is not completed in a timely manner, the property would revert to the Special Master to rehabilitate to The Secretary of the Interior's Standards for Rehabilitation as defined in The Standards for Rehabilitation (codified in 36 CFR 67 for use in the Federal Historic Preservation Tax Incentives program), as reviewed by the Nevada State Historic Preservation office.

E. City has agreed to purchase the Huntridge Theatre from Defendants under a separate agreement and City has intervened in the Litigation. (Exhibit 3).

F. City has agreed to convey the Huntridge Theatre to Dapper for the purpose of development and rehabilitation.

G. The Parties wish to fully and finally compromise and settle any and all disputes, issues, allegations, claims, defenses, rights, and obligations which have been asserted or which could have been asserted in the Litigation or which arise out of or are in any way connected to the conduct alleged in, related to, or giving rise to the Litigation on the terms and conditions expressed in this Agreement.

NOW, THEREFORE, the Parties agree as follows:

II. AGREEMENT

1. Mutual Release

The purpose of this Agreement is to fully and finally resolve the dispute and any and all related issues among the Parties. Accordingly, upon satisfaction or resolution of the items set forth in Sections 3(a) through (g) below, each Party, for good and valuable consideration, the adequacy of which is hereby acknowledged, does hereby forever release, acquit, and discharge every other Party, and that Party's principals, partners, officers, managers, directors, members, shareholders, investors, trusts, trustees, agents, employees, attorneys, successors, predecessors, affiliates, subsidiaries, insurers, assigns, executors and executrixes, administrators, creditors, related entities,

and any other legal representatives from any and all claims, actions, causes of action, demands, counterclaims, costs, losses, suits, rights, damages, attorney fees, and expenses of any kind whatsoever, whether known or unknown, fixed or contingent, accrued or not yet accrued, matured or not yet matured, anticipated or unanticipated, asserted or unasserted, which that Party may have against any other Party, arising from or relating directly or indirectly to the Litigation and any and all claims which have been asserted or could have been asserted in the Litigation, and those relating to or arising from the allegations set forth in the Litigation. Each Party expressly waives all rights afforded by laws regarding a waiver of unknown claims.

Each Party makes this above release on its own behalf and on behalf of its respective constituents, including every other person or entity holding any interest in the Party, its predecessors, or its successors.

2. Mutual Warranties

Except as otherwise identified in this Agreement, the Parties warrant and represent that they have not assigned or transferred any part or portion of the subject matter released in this Agreement to any person or entity. Each Party shall indemnify and hold harmless every other Party from and against any claims, including attorney's fees and costs, based on, in connection with, or arising out of any such assignment or transfer. Each Party also warrants that the individual executing this Agreement on behalf of the entity is fully authorized to bind that entity including its general partners, limited partners, investors, and every other person or entity holding any interest in the Party by executing this Agreement.

3. Settlement Items and Dismissals

In exchange for a dismissal of the Litigation and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties have agreed to the following:

(a) Defendants will convey the Huntridge Theatre to Dapper pursuant to the purchase and sale Agreement assigned to Dapper by the City of Las Vegas on October 13, 2019.

(b) Plaintiff will stipulate to dismissal and forgiveness of the Consent Judgment, in the amount of \$389,925, plus interest, owed by the Defendants, upon execution of this Agreement.

(c) City and Dapper agree to conduct rehabilitation of the Huntridge Theatre according to The Standards for Rehabilitation (36 CFR 67) for use in the Federal Historic Preservation Tax Incentives program in accordance with the Evaluation of National Register Nomination Huntridge Theater, 06.10.20 (Exhibit 5). The City agrees to assume all responsibility for compliance with City codes, ordinances and laws throughout the Historic Preservation Tax Incentives rehabilitation of the Huntridge Theater.

(d) Dapper agrees to expend at least \$1,390,000 for the rehabilitation of the Huntridge following the acquisition of the property. Dapper agrees to provide proof of expenditures to Plaintiff upon completion of the rehabilitation. This verification is a condition precedent to full and final satisfaction of this Agreement. If both the expenditures and the verification of said sums are not demonstrated to the Plaintiff during the time period of the rehabilitation following the execution of this Agreement, this Agreement is rendered null and void, and Dapper agrees to a Stipulated Judgment in the amount due the Defendants under the Consent Judgment, of \$389,925 (plus legal interest from the date of the Consent Judgment).

(e) The City agrees to assume all responsibilities for supervision and monitoring of the rehabilitation of the Huntridge Theatre for compliance with City codes, ordinances and laws, upon execution of this Agreement as long as the City remains a Certified Local Government (as defined in 54 U.S.C. § 300302). All obligations for supervision and monitoring of the property by the Plaintiff except for those that are part of process under The Standards for Rehabilitation (36 CFR

67) will cease and transfer to the City of Las Vegas at that time. The City understands and agrees that the Huntridge Theatre received listing on the National Register of Historic Places in 1993. As part of this agreement all obligations for supervision and monitoring of the property by the Plaintiff will cease and transfer to the City of Las Vegas. The Plaintiff is delegating authority to the City and its designee Dapper or his assigns who agrees to comply with the rehabilitation of the Huntridge Theater in accordance 36 CFR 67 – Historic Preservation Certifications under the Internal Revenue Code Investment Tax Credit program summarized in the Technical Preservation Services Application Process (Exhibit 6) as Part 1 documenting the historic features to demonstrate that the building remains eligible for the tax credits; Part 2 with plans, specifications and written description describing the proposed work, no work for which will be undertaken until approved by the state and National Park Service.

(f) The parties recognize that approval and adoption of sections 3(c) – 3(f), above, by the Plaintiff and Las Vegas City Council are necessary for the approval of this Agreement. The Parties agree that as each party executes this Agreement, a copy of the Agreement, executed in counterpart, shall be deposited in escrow at Fidelity National Title Insurance Company.

Once all items and contingencies above are satisfied, within five (5) business days, the Parties shall execute a stipulation and order to dismiss the Litigation with prejudice. The stipulation shall be filed as soon as practicable following execution of the stipulation, and in any event no later than five (5) business days after execution.

4. Fees and Costs

Each Party will bear its own fees and costs related to this Agreement and the Litigation.

5. Entire Agreement

This Agreement, including exhibits, memorializes the entire Agreement and understanding

among the Parties in connection with the resolution of their dispute and the related Litigation. This Agreement may be altered only by a written instrument executed by all Parties after the date of this Agreement.

6. No Release of Third Parties.

This Agreement shall not affect claims against any other third parties.

7. Construction

This Agreement is jointly drafted, and negotiated, and shall be construed as a whole. Any rule or construction that ambiguities are to be resolved against the drafting Party shall not apply to the Settlement Documents.

8. Additional Acts

Each of the Parties shall execute any and all documents or take other such action necessary and proper to effectuate the provisions and intent of this Agreement.

9. Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, with the same effect as if each Party had executed all counterparts. Moreover, this Agreement may be executed by facsimile or electronic signatures, which shall be deemed as effective and binding as original signatures.

10. Notices

To Plaintiff: Craig M. Burkett, Esq.
 ATTORNEY GENERAL'S OFFICE
 100 North Carson Street
 Carson City, NV 89701-4717
 Email: cburkett@ag.nv.gov

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To Defendants: Sigal Chattah, Esq.
CHATTAH LAW GROUP
5875 South Rainbow Boulevard, #204
Las Vegas, NV 89118
Email: chattahlaw@gmail.com

To Dapper: Andrew J. Glendon
Santoro Whitmire, LTD
10100 W. Charleston Boulevard, #250
Las Vegas, NV 89135
Email: aglendon@santoronevada.com

To City: Bradford R. Jerbic, Esq.
LAS VEGAS CITY ATTORNEY'S OFFICE
495 South Main Street, Sixth Floor
Las Vegas, Nevada 89101
Email: bjerbic@lasvegasnevada.gov

Each Party shall give the other Parties prompt notice of any change in the identity or contact information for the above designees. Notices shall be effective and be deemed to have been given upon sending the notice by email, facsimile, and/or regular mail under this Section.

11. Independent Understanding

The Parties acknowledge that they have been fully advised and represented by legal counsel of their selection in the negotiation and execution of this Agreement, and that they understand the meaning and significance of its various terms. In executing this Agreement, the Parties are relying solely upon their own independent judgment and not on any representation, statement, or action by any of the other Parties released under this Agreement.

THE SIGNATURES BELOW ACKNOWLEDGE THAT EACH EXECUTING PARTY HAS READ AND UNDERSTANDS THE FOREGOING PROVISIONS AND THAT SUCH PROVISIONS ARE REASONABLE AND ENFORCEABLE. EACH SIGNATURE BELOW ALSO ACKNOWLEDGES THAT THE RESPECTIVE PARTY HAS SIGNED THIS AGREEMENT AS HER/HIS/ITS OWN FREE AND VOLUNTARY ACT. EACH PARTY FURTHER ACKNOWLEDGES THAT THIS IS AN IMPORTANT AND BINDING LEGAL CONTRACT, AND THAT EACH PARTY HAS HAD AN OPPORTUNITY TO REVIEW THIS AGREEMENT WITH HER/HIS/ITS LEGAL COUNSEL.

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12. Jurisdiction, Venue, and Law

This Agreement is intended to be performed in the State of Nevada and the laws of the State of Nevada shall govern its interpretation and effect. Any lawsuit to interpret or enforce the terms of this Agreement shall be brought in Clark County, Nevada.

13. Prevailing Party

Each Party shall bear its own attorneys' fees and costs incurred in connection with the Litigation and/or the preparation and execution of this Agreement. However, in the event any dispute arises between any of the Parties arising out of or in connection with this Agreement such as the breach or enforcement of this Agreement, the prevailing party in said action shall be entitled to an award of reasonable attorney's fees, costs of suit and necessary disbursements in addition to whatever other relief such prevailing party may be awarded in connection with such dispute.

STATE OF NEVADA, COMMISSION FOR CULTURAL CENTERS AND HISTORIC PRESERVATION, f/k/a COMMISSION FOR CULTURAL AFFAIRS

ELI MIZRACHI
By: _____
Name: _____

By: _____
Name: _____
Dated this ____ day of _____, 2020.

Dated this ____ day of _____, 2020.

J DAPPER
By: _____
Name: _____
Dated this ____ day of _____, 2020.

ECT HOLDING, LLC
By: _____
Name: _____
Dated this ____ day of _____, 2020.

CITY OF LAS VEGAS

By: _____

Name: _____

Dated this ____ day of _____, 2020.

KING GEORGE, LLC

By: _____

Name: _____

Dated this ____ day of _____, 2020.