

SETTLEMENT AND RELEASE AGREEMENT

PARTIES

This Settlement and Release Agreement (hereinafter this "Agreement"), is entered into by and among Jesse Garrett, an individual (hereinafter referred to as "Garrett"), and Pacific Theatres Exhibition Corp., a California corporation (hereinafter referred to as "Pacific" and, together with Garrett, the "Settling Parties").

RECITALS

1. Garrett alleges he visited Pacific's theatre located at 15301 Ventura Blvd., Sherman Oaks, CA 91403 (the "Theatre"), and alleges that he documented violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986 codified at Cal. Health & Safety Code §25249.5 *et seq.* (hereinafter referred to as "Proposition 65"). Specifically Garrett alleges Pacific sells alcohol to its customers without first giving clear and reasonable warning to them as required by Proposition 65. Pacific denies these allegations and asserts that at all times it has and continues to have a Proposition 65 warning that gives clear and reasonable warnings to customers who purchase alcohol at the Restaurant.
2. Garrett sent a 60-Day Notice of Violation to Pacific regarding the alleged violations under Proposition 65 on December 14, 2012 (hereinafter referred to as the "Notice").
3. The Settling Parties wish to settle any and all disputes between them.

SETTLEMENT

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Settling Parties agree as follows:

4. Pacific agrees to make a payment in the total amount of five thousand dollars (\$5,000 USD) as follows: eight hundred dollars (\$800 USD) in civil penalties and four thousand two hundred dollars (\$4,200) for attorney's fees, by check, cashier's check, or money order made payable to the Law Offices of Miguel A. Custodio, Jr. Payment is to be made within 7 days of Pacific's receipt of

Garrett's signature on this Agreement and an executed W-9 from the Law Offices of Miguel A. Custodio, Jr., and payment is to be delivered to The Law Offices of Miguel A. Custodio, Jr., 766 E. Colorado Blvd., Suite 108, Pasadena, CA 91101.

5. Pacific warrants that a Proposition 65 warning that gives clear and reasonable warnings to customers who purchase alcohol is posted at the Restaurant and will not be removed unless otherwise permitted by law.

6. Garrett's attorneys will report the settlement to the California Attorney General's office as required by Proposition 65.

7. Within twelve (12) months of the execution of this Agreement, Pacific may request in writing that Garrett's attorneys draft and file a complaint incorporating the terms of this Agreement into a proposed consent judgment, and seek the court approval of the consent judgment pursuant to Health & Safety Code § 25249.7. If requested, Garrett and his attorneys agree to reasonably cooperate with Pacific and use best efforts to support the entry of the terms of this Agreement as a consent judgment by a superior court in California in a timely manner.

If so requested by Pacific in writing, pursuant to Code of Civil Procedure §§ 1021 and 1021.5, then Pacific will reimburse Garrett and his counsel for their reasonable fees and costs incurred drafting and filing the complaint, converting this Agreement into a proposed consent judgment, and seeking judicial approval of the settlement in an amount not to exceed \$1,000, exclusive of court costs. Pacific shall remit payment to the Law Offices of Miguel A. Custodio, Jr., at the payment address provided in Paragraph 4 of this Agreement within ten (10) business days of receiving an invoice from Garrett's counsel for work performed under this section.

RELEASES

8. This private, out-of-court settlement is on behalf of Garrett acting solely in his individual capacity. In order for this settlement to bind other members of the public, a complaint and consent agreement must be filed and approved by a superior court in California, in the manner described in Paragraph 7 of this Agreement.

9. Each of the Settling Parties hereby forever releases and discharges each of the other Settling Parties and each and all of their respective heirs, executors, administrators, successors, assigns, partners, affiliated or related entities, directors, officers, agents, employees, servants, representatives, indirectly or on behalf of the corporation, all other persons, firms associations, or corporations connected with each and all of the above, including, but not limited to their insurers and attorneys (the "Released Parties") and from any and all claims, demands, causes of action, liens, damages, loss, costs, attorneys' fees or expenses of any kind or nature whatsoever, known or unknown which any of the parties may now have or may hereafter have against any and all of them by reason of any matter, cause or thing, arises out of or connected to the Notice including any and all allegations of violations under Proposition 65. This Agreement is intended to discharge the Settling Parties and the Released Parties from any liability, known or unknown, present or future, in connection with the claims and disputes embodied in the Notice including any and all allegations of violations under Proposition 65 and stated in this Agreement, pursuant to the full performance of the terms and conditions in the manner prescribed herein.

This Release, however, does not otherwise relieve any of the Settling Parties from fulfilling any obligation under this Agreement

CONDITIONS

10. Civil Code Section 1542 Waiver. The Settling Parties expressly waive all rights under the provisions of Section 1542 of the Civil Code of the State of California. Section 1542 of the Civil Code of the State of California reads as follows:

"A general release does not extend to claims which the creditor does not know or expect to exist in his or her favor at the time of executing the release which, if known by him or her, must have materially affected his or her settlement with the debtor."

The Settling Parties waive all rights under Section 1542 or any other law or statute of similar effect in any jurisdiction with respect to the released claims. The Settling Parties acknowledge that they understand the significance and specifically assume the risk regarding the consequences of such release and such specific waiver of Section 1542. The Settling Parties acknowledge and

agree that this Agreement releases all claims existing or arising prior to the effective date of this Agreement that the Settling Parties have or may have against the each other whether such claims are known or unknown and suspected or unsuspected by the Settling Parties, who forever waive all inquiries and investigations into any and all such claims.

11. Claims Not Assigned. The Settling Parties represent and warrant that he/she/it has not sold, assigned, transferred, conveyed, or otherwise disposed of any claim, demand, or cause of action relating to any matter covered by this Agreement.

12. No Admission of Liability. It is expressly understood and agreed that this Agreement is entered into solely for the purpose of avoiding the expense and inconvenience of further litigation, and that this Agreement is not to be construed as an admission by any of the Settling Parties of any liability whatsoever.

13. Counsel. The Settling Parties further acknowledge and represent that they have been given an opportunity to consult and be represented by, and have consulted and been represented by, attorneys of their own choice in connection with the execution of this Agreement, and have relied upon the advice of such attorneys in executing this Agreement.

14. Construction of Agreement. The Settling Parties further acknowledge that they, by and through attorneys of their choice, have participated in the construction and drafting of this Agreement and acknowledge that none of the Settling Parties participated more than any other with respect to the construction and drafting of this Agreement.

15. Binding on Successors, Affiliates, and Subsidiaries. The provisions of this Agreement shall inure to the benefit of, and shall be binding upon the heirs, executors, administrators, assigns, affiliated or related entities, subsidiaries, and successors in interest of each of the undersigned.

16. Integration. This Agreement constitutes an integration of the entire understanding and agreement of the Parties with respect to the subject matter hereof. Any representations, warranties, promises, or conditions, whether written or oral, not specifically incorporated in this Agreement shall not be binding on any of the Settling Parties, and the Settling Parties acknowledge that they have not relied, in entering into this Agreement, on any representation, warranty, promise,

condition not specifically set forth in this Agreement. All prior discussions, negotiations, and writings have been, and are, merged and integrated into, and are superseded by, this Agreement.

17. Assumption of Risk of Differences in Facts. Other than the representations and warranties made herein, the Settling Parties acknowledge that, if the facts with respect to which this Agreement are executed are found hereafter to be different from the facts in that connection now believed by them to be true, each expressly accepts and assumes the risk of such possible differences in facts, and agrees that this Agreement shall be, and shall remain, effective, notwithstanding such differences in facts.

18. Counterparts and Facsimile Signatures. This Agreement may be executed in counterparts and via facsimile signatures, each of which, when solely executed, shall be deemed an original, but all of which counterparts shall constitute one and the same instrument.


19. Headings. The headings within this Agreement are for the purpose of reference only, and shall not limit or otherwise affect any of the terms or provisions of this Agreement.

20. Writing Required for Modification. This Agreement may not be modified or amended except by a written agreement signed by all of the Settling Parties.

21. Governing Law. The laws of the State of California shall govern the interpretation of this Agreement, as well as any disputes, controversies, claims, actions, or lawsuits arises out of, or related to this Agreement.

22. The Release shall be deemed to be effective, and the effective date shall be when this Agreement is formally executed by all Settling Parties.

Dated: 4/17/13



Jesse Garrett

Dated: 4.19.13



Pacific Theatres Exhibition Corp.
Authorized Officer

APPROVED AS TO CONTENT AND FORM:



Miguel A. Custodio, Jr.
Law Offices Miguel A. Custodio, Jr.
Attorneys for Jesse Garrett



William W. Funderburk, Jr.
Castellon & Funderburk LLP
Attorneys for Pacific Theatres
Exhibition Corp.