

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

The City of Roanoke Rapids (the "City") on the one hand, and Randy Parton ("Parton") and Moonlight Bandit Productions LLC, a North Carolina limited liability company ("MLB"), on the other hand, do hereby fully and finally enter this Settlement Agreement and Release of all Claims ("Release") on this 29th day of February, 2008, as more particularly described below.

1. **Consideration.** In consideration of the compromise of certain disputed claims identified in paragraph 2 herein and in further consideration of the payment by the City to Parton and MLB of the sum of \$750,000, the receipt and sufficiency of which is hereby acknowledged, and the other agreements of the parties contained herein, the parties do hereby voluntarily and knowingly execute this Release with the expressed intention of effecting the extinguishment of all claims or obligations herein designated that either party hereto has asserted or could have asserted against the other party relating to the Economic Development Agreement and all documents referenced therein (collectively, the "EDA") executed by them on or about June 30, 2005 (as supplemented or amended); the Performance and Management Agreement and all documents referenced therein (collectively, the "PMA") executed by them on or about November 20, 2007; and the creation, ownership, management, promotion of, and operation of the Randy Parton Theatre (now the Roanoke Rapids Theatre) (the "Theatre") in Roanoke Rapids, North Carolina, as further described herein.

The consideration specified herein shall be paid in the following manner: (a) the City shall and hereby does release in favor of Parton and MLB all of its right, title, and interest in and to the following bank accounts, with total deposits as of the date of settlement of two hundred three thousand thirteen and 38/100 dollars (\$203,013.38): (i) Citizens Community Bank account number 23327760; (ii) Citizens Community Bank account number 23327752; and RBC Centura Bank account number 0002031494; (b) the City's check in the amount of five hundred forty-six thousand nine hundred eighty-six and 62/100 dollars (\$546,986.62). The City hereby authorizes and directs Citizen Community Bank and RBC Centura Bank immediately to release all funds held in the aforementioned accounts to Parton and MLB without any further acknowledgement or notice to the City. The City's check in the amount specified above shall be delivered to Parton and MLB within five (5) business days of the approval of this Release by the City Council.

2. **Escrow of Certain Settlement Funds.** The parties agree and acknowledge that all bills, obligations, and other sums due and owing to third parties by MLB relating to the operation of the Theatre arising on or prior to November 20, 2007, including all sales, employment-related, or other taxes, shall be the sole obligation of MLB. All bills, obligations, and sums due and owing related to the operation of the Theatre arising after November 20, 2007 shall be the sole obligation of the City. The parties agree that the sum of seventy thousand and no/100 dollars (\$70,000) shall be set aside from the settlement proceeds and deposited into the trust account of Poyner & Spruill LLP, as an escrow for the purpose of satisfying the outstanding claims of vendors for goods supplied or services rendered to MLB relating to the operation of the Theatre on or prior to November 20, 2007. For a period of ninety (90) days from the date of the approval of this Release by the City Council, counsel for Parton/MLB and the City Attorney

shall cooperate in good faith to identify, verify, and pay all valid and qualifying invoices from such escrow account. In the event counsel for Parton/MLB and the City Attorney cannot agree whether a particular invoice should be paid, they shall agree on a third person, who shall be either a certified public accountant or an attorney, to decide such matter, and such person's decision shall be final. The cost of such third person's services shall be borne by Parton/MLB if the invoice is ordered to be paid out of the escrowed funds and by the City if the invoice is not ordered to be paid therefrom. At the end of ninety (90) days, all monies remaining in such escrow account shall be disbursed to Parton/MLB; except, however, that a balance sufficient to pay any invoices submitted to a third person for a payment determination shall be maintained until such time as that payment determination shall be made as described above.

3. **Termination of Prior Agreements.** The parties hereto agree that in entering this Release, they hereby confirm that all prior agreements between and among them, including without limitation the EDA, as supplemented and amended, and the PMA, are dissolved, terminated, and rendered null and of no continuing effect, that the parties shall have no further duties or obligations under such agreements, and that such rights and duties as they may have toward each other relating to the Theatre from and after the date of their execution of this Release are governed solely by this Release.

4. **Releases.** Each party hereto does for itself and its agents, representatives, officers, managers, members, successors, successors in title, and assigns, hereby promises and covenants not to sue or demand arbitration and does release, acquit, and forever discharge the other party and its agents, assigns, insurers, sureties, servants, employees, representatives, attorneys, owners, officers, managers, members, affiliates, predecessors, and successors, and each of them, of and from any and all claims, actions or causes of action, demands, damages (both actual and punitive), costs, judgments, expenses, liabilities, attorneys' fees and legal costs, injunctive or declaratory relief, whether asserted or unasserted, whether in law or in equity, whether in tort or contract, including without limitation claims to recover damages from whatsoever cause arising or from whatsoever act or omission and claims for reimbursement or indemnity (except as hereafter specified), which each party now has or might otherwise have asserted against the other allegedly arising out of or relating to the EDA, the PMA, or the creation, ownership, management, promotion of, or operation of the Theatre, whether known or presently unknown, of any type or kind whatsoever. all to the end that all claims, issues, or matters relating the EDA, the PMA, or the creation, ownership, management, promotion of, or operation of the Theatre that are or might be in controversy between the parties may be forever put at rest, it being the parties' clear intention to forever discharge and release all of their past, present, and future claims against each other concerning or relating to the EDA, the PMA, or the creation, ownership, management, promotion of, or operation of the Theatre.

In no event shall this Release in any way release, acquit, discharge, or otherwise provide any benefit to United Group Limited, UNICCO Service Company, UGL Unicco, or to any subsidiary, parent company, affiliate, officer, director, shareholder, agent, employee, representative, predecessor, or successor thereof, with regard to any claim or cause of action that may be brought by Parton, MLB, or the City against any of them.

5. **Indemnification.** The City does hereby agree to indemnify and hold harmless Parton and MLB for any repayment or restitution required of Parton or MLB by the North Carolina Local Government Commission from the sum of \$254,000 advanced to Parton/MLB by the City on or about September 15, 2005 from the Reserve Fund (as defined in the FIDA), up to the amount of \$254,000.

6. **No Admission of Liability.** Each party agrees that the other has admitted no liability of any sort with regard to the EDA, the PMA, or the creation, ownership, management, promotion of, or operation of the Theatre, or their other dealings with each other. Each party specifically understands that the monetary consideration offered and paid and to be paid by the City to Parton and MLB and the other consideration recited herein is not intended to be, and is not deemed to be, an admission of liability of any sort by any party, and such consideration is given by the parties solely in order to terminate further controversy between the parties hereto concerning the EDA, the PMA, or the creation, ownership, management, promotion of, or operation of the Theatre.

7. **Execution of Documents and Other Actions.** The parties agree to execute and deliver such other or additional documents and instruments and to take such other or further actions as may be reasonably necessary to fully and completely carry out the intent and terms of this Release. For example and without limitation, Parton and MLB agree to (a) take all actions and execute all documents necessary to fully and completely transfer the Theatre phone system and related systems and agreements at or relating to the Theatre to the City, with the exception that Parton/MLB will retain all rights, title, interests, and ownership in, to, and of the phone number "1-877-6Parton"; and (b) take all actions and execute all documents necessary to transfer to the City any remaining warranties or related agreements for existing equipment or property located at the Theatre.

8. **No Further/Other Representations and Related Documents.** Each party hereby warrants that no representations other than those contained in this Release about the nature or extent of any claims, demands, damages or rights that it may have against the other party have been made to it or to anyone acting on its behalf to induce it to execute this Release, and it relies on no such representations in entering this Release.

9. **Tax Consequences.** The City makes no representation regarding the taxable consequences of the consideration paid by it to Parton and MLB under the terms of this Release, and the City shall have no liability for any tax, penalty, or similar liability, if any, incurred by Parton and MLB as a result of the payment by the City referred to in paragraph 1 herein or under this Release. Parton and MLB shall have no recourse against the City in the event such consideration may have tax consequences adverse to Parton or MLB or different from those Parton or MLB contemplated at the time they agreed to this settlement or at the time Parton and MLB execute this Release.

10. **Severability.** In the event that any provision or portion of this Release shall be found to be void or invalid for any reason, then such portion or provision shall be deemed severable from the remaining provisions or portions of this Release, and it shall not effect the

validity of the remaining provisions, which shall be given full effect as if the void or invalid provision had not been included herein.

11. Attorneys' Fees, Costs and Expenses. Each party shall bear its own attorneys' fees, costs, and expenses in connection with this Release.

12. Governing Law. North Carolina law shall govern the interpretation of this Release, without regard to its conflicts of laws or choice of laws principles. This Release is intended to be effective as an instrument executed under seal.

13. Entire Agreement. This Release contains the entire agreement by the parties, and the terms hereof are contractual and not a mere recital.

14. Survival of Obligations. The City, Parton, and MLB further agree that the other covenants and agreements set forth herein shall survive the releases and agreements not to sue given herein.

15. Review and Signing. By executing this Release, each party represents that it has read and reviewed this Release, that the party has had the opportunity to discuss and has discussed the terms of this Release with the party's attorneys, and that the party has voluntarily executed this Release.

16. Authority. The representative of each entity executing this Release hereby represents and warrants that he or she is authorized to enter into this Release and that any appropriate corporate or other resolution or authorization allowing such person to so execute this Release on behalf of such entity has been duly passed and obtained, and that this Release shall be the legal, valid, and binding obligation of such party.

17. Counterparts. This Release may be signed in one or more counterparts, each of which shall be considered an original.

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Executed this the 29 day of February, 2008.

THE CITY OF ROANOKE RAPIDS

By: *Dwight N. Beale* (SEAL)

Printed Name: *Dwight N. Beale*

Title: *Mayor*

MOONLIGHT BANDIT PRODUCTIONS, LLC

By: _____ (SEAL)

Printed Name: _____

Title: _____

Randy Parton (SEAL)

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Name: *Myra Smith*
Finance Officer, City of Roanoke Rapids,
North Carolina

Executed this the _____ day of February, 2008.

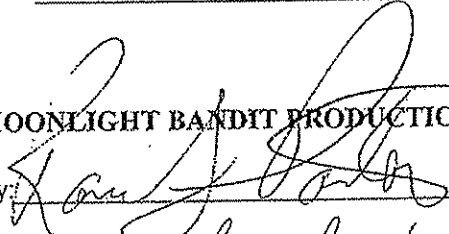
THE CITY OF ROANOKE RAPIDS

By: _____ (SEAL)

Printed Name: _____

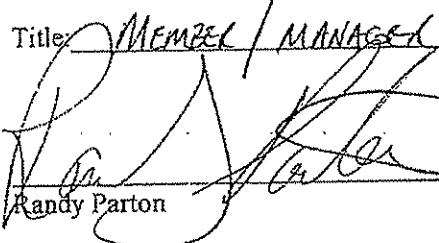
Title: _____

MOONLIGHT BANDIT PRODUCTIONS, LLC

By:  (SEAL)

Printed Name: RANDY PARTON

Title: MEMBER / MANAGER

 (SEAL)
Randy Parton

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Name: _____
Finance Officer, City of Roanoke Rapids,
North Carolina