

Receiver's Supplemental Settlement Agreement

This SETTLEMENT AGREEMENT ("Agreement") made this 31st day of July, 2019 by and among Bruce H. Matson as Receiver and Special Master (the "Receiver"), and each party executing this Agreement as shown on the signature pages to this Agreement below (collectively, the "Parties").

Recitals:

A. Between 2013 and June 2018 Todd Hitt ("TH") was involved in ostensibly raising capital for a variety of investments (the "TH/Kiddar Investments") in commercial real estate, residential real estate and technology investment projects, typically utilizing one or more of the Kiddar Entities, as that term is defined in paragraph C of these recitals).

B. The TH/Kiddar Investments consisted generally of commercial real estate projects known generally as "Herndon Station," "Broad & Washington," "Stratford Motor Lodge," "Church Road," and "Kiddar Triangle," technology projects known generally as "Kiddar AQ," "WishWould," "1776," and residential real estate projects known generally as the "Home Building Fund."

C. For purposes of this Agreement, "Kiddar Entities" shall mean any and all entities and/or business ventures (whether legitimate or otherwise and whether represented by a valid legal entity or otherwise) promoted or used, in any manner, by TH (or any Kiddar Entity), including but not limited to "1776," 2940 Penny Lane LLC, "ESA Emerson LLC", "ESA Highwood LLC", "ESA, LLC", "Kiddar 2901 LLC", "Kiddar AQ LLC a/k/a Kiddar Aquicore LLC", "Kiddar Capital Homebuilding Fund I LLC", "Kiddar Capital LLC", "Kiddar Capital Partners LLC", "Kiddar Capital Venture Fund I LP", "Kiddar Commercial Real Estate LLC", "Kiddar Employees Group LLC", "Kiddar Group Holdings, Inc.", "Kiddar Herndon Station LLC", "Kiddar Kingpin LLC", "Kiddar Management LLC", "Kiddar Mass Ave LLC", "Kiddar Metz LLC", "Kiddar Operating Group LLC", "Kiddar Ridgeview LLC", "Kiddar State LLC", "Kiddar Triangle LLC", "Melbourne Retreat LLC", or "Wish Would".

D. On or about October 5, 2018, an FBI investigation resulted in the Securities and Exchange Commission ("SEC") filing an action against TH and various of the Kiddar Entities in the U.S. District Court, Eastern District of Virginia (the "Court") – Civil Action No. 1:18-cv-01262 (the "Civil Action") alleging, among other things, that TH misrepresented the investment opportunities concerning, and misappropriated funds relating to, the TH/Kiddar Investments (generally, the "TH Conduct").

E. In the Civil Action the Court entered an order (i) establishing a receivership over certain assets and certain of the Kiddar Entities (collectively, the "Receivership") and (ii) appointing Bruce H. Matson as receiver in and for those receiverships (the "Receiver").

F. In addition to the Civil Action, the United States commenced a criminal proceeding in the Court against TH arising out of the TH Conduct (Criminal No. 1:19-CR-43, the "Criminal Action").

G. On February 13, 2019 the Court entered an order in the Criminal Action appointing the Receiver also as Special Master and imposing certain additional duties and obligations concerning the identification and payment of victim claims.

H. On March 8, 2019, the Court entered an order approving the Receiver's resolution of various issues concerning Herndon Station, the TH Conduct relating to Herndon Station, and various creditor claims arising out of those matters (the "HS Settlement"). Any person having claims relating to Herndon Station, unless reserved expressly by the HS Settlement, were addressed fully in the HS Settlement and shall not have any claim or receive any payment from the receivership.

I. The Receiver has met with and continues to meet with investors, employees, creditors and other the parties involved in and/or impacted by the various TH Investments in an effort to identify the claims and interests of various claimants involved in or related to the Receivership.

J. The Receiver assisted in arranging for the Hitt Family (the "HF") to participate in helping to resolve and satisfy the claims of investors and creditors relating to the Receivership by making a significant monetary contribution to the Receivership for the purpose of satisfying claims in the Receivership and/or claims of victims of the TH Conduct. The HF Settlement was approved June 12, 2019.

K. Because many claims in the Receivership being considered by the Receiver and the Special Master involve entities and assets that are not currently part of the Receivership, the Receiver believes that an efficient and proper administration (including the payment of claims) of the Receivership estates requires the resolution of various claims and issues concerning those entities and assets that are not currently part of the Receivership.

L. Many of the individuals and entities adversely impacted by the TH Conduct have agreed to settle various outstanding issues and disputes relating to assets and entities outside the Receivership to assist the Receiver in the process of limiting and determining the identity and amount of claims arising out of the TH Conduct.

M. Due to the nature of the TH Conduct and numerous interrelated parties and transactions, the Receiver believes this broad or "global" resolution of most of those interrelated matters will substantially advance the goals and objectives of the Receivership as well as the parties adversely affected by the TH Conduct. Moreover, to further advance this process, simultaneously with the filing of the Receiver's Motion to Approve Supplemental Settlement ("Supplemental Settlement Motion") seeking approval of this Agreement, the Receiver has also filed the Receiver's Motion to Establish Claim Distribution Priorities ("Priorities Motion") to aid in the payment of claims, the administration of the Receivership, and the Receiver's obligations as Special Master.

Agreement:

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

1. **Nature of Settlement.** This Agreement confirms the terms and conditions of numerous related settlements by, between and/or among the Parties arising out of or related to the Receivership and the resolution of the rights of the Parties concerning TH, the Kiddar Entities, the TH/Kiddar Investments, the Receivership and/or the related entities, assets, and claims. To the extent that settlement terms are repeated in different sections of this Agreement, such repetition is intentional for both clarity and ease of review by each Party affected.

2. **Definitions & Interpretation.** Except for the Receiver, whenever the name of an individual, natural person is used herein such capitalized term shall include broadly a reference to any and all entities and/or unincorporated associations owned or controlled by such person concerning in any respect the assets and/or transactions referenced in this Agreement so as to fully incorporate and capture the intentions of the Parties. Similarly, whenever the name of an entity is used herein such capitalized term shall include broadly a reference to any and all individual, natural persons who own or control such entities and/or unincorporated associations concerning in any respect the assets and/or transactions referenced in this Agreement so as to fully incorporate and capture the intentions of the Parties.

Individual Settlements

3. **Broad & Washington Settlement.** The B&W Parties agree to resolve all matters between or among themselves concerning the office building property at Broad & Washington in Falls Church, Virginia (the "Office Building") and/or concerning Broad & Washington, LLC ("B&W, LLC") and GT Broad, LLC ("GT Broad") as follows:

- a. The Receiver, Matthew Bullock ("Bullock") and Glenn Ferguson ("Ferguson") will transfer (or cause to be transferred or confirm prior transfers) to Richard Hausler ("Hausler") any and all interest either may have in GT Broad or B&W, LLC or otherwise concerning the Office Building.
- b. Hausler will transfer (or cause to be transferred) to Bullock an interest in HS, LLC consisting of \$1,600,000 of Class A shares in HS, LLC.
- c. Hausler has previously transferred to Ferguson an interest in HS, LLC in exchange for Ferguson's interest in GT Broad.
- d. The Receiver acknowledges that Bullock has a valid, allowed claim in the Receivership in the amount of \$1,026,750 a supposed investment in GT Broad

and/or B&W, LLC (the "Bullock B&W Claim"). The Ferguson B&W Claim will be treated in the Receivership as an Allowed Victim Claim (as that term is defined in paragraph 25 below).

- e. The Receiver acknowledges that Ferguson has a valid, allowed claim in the Receivership in the amount of \$500,000 concerning the deposit of a guaranty escrow concerning an Eagle Bank loan to B&W, LLC (the "Ferguson B&W Claim"). The Ferguson B&W Claim will be treated in the Receivership as an Allowed Victim Claim.
- f. The Receiver acknowledges that Robert Rucks and/or 729, LLC (individually and collectively, "Rucks") has a valid, allowed claim in the Receivership in the amount of \$650,000 for the amount of his supposed investment in Broad & Washington (the "Rucks B&W Claim"). The Rucks B&W Claim will be treated in the Receivership as an Allowed Victim Claim.
- g. Each of the Parties to this Broad & Washington Settlement (the "B&W Parties") will execute releases as provided below in the "Releases" section of this Agreement.
- h. Hausler will obtain consent of Eagle Bank to this Agreement, including as necessary to guarantee personally the Eagle Bank loan to BW, LLC. Furthermore, Hausler will obtain a written release of the Receiver by Eagle Bank substantially in the form of the Release of Receiver provided below in paragraph 14.
- i. Hausler, Ferguson, and Bullock agree that upon the final transfer of the interests in GT Broad to Hausler that Hausler will own (i) 100% of Insight Broad & Washington, LLC, which owns 50% of BW, LLC and (ii) 100% of GT Broad, which owns 50% of BW, LLC.

4. **Motor Lodge Settlement.** The Parties agree to resolve all matters between or among themselves concerning the motor lodge property at 300 West Broad Street in Falls Church, Virginia (the "Motor Lodge Property") and/or concerning 300 West Broad Street, LLC and/or 300 West Broad Partners, LLC (collectively, "WBS") as follows:

- a. The Receiver acknowledges that Tai Chao ("Chao") and/or An Ping Corporation ("An Ping") has a valid, allowed claim in the amount of \$4,900,000 in the Receivership arising out of its sale of the Motor Lodge Property (the "An Ping Claim"). The An Ping Claim will be treated in the Receivership as an Allowed Victim Claim, ~~however, such Allowed Victim Claim shall be subordinated to the prior payment of all other Allowed Victim Claims, but shall be paid prior to all Allowed Creditor Claims.~~ For the sake of clarity, in establishing the allowed amount of the An Ping claim, Chao and An Ping are being released from any liability for any obligations to any of the Kiddar Entities, including promissory notes in the amounts of \$500,000 and \$300,000.

- b. The Receiver acknowledges that David Mark ("Mark") has a valid, allowed claim in the Receivership in the amount of \$502,500 concerning a supposed investment in Broad & Washington (the "Mark WBS Claim"). The Mark WBS Claim will be treated in the Receivership as an Allowed Victim Claim.
- c. The Receiver acknowledges that James & Donna Campbell and/or 6651, LLC (collectively, the "Campbells") have a valid, allowed claim in the Receivership in the amount of \$1,250,000 concerning a supposed investment in Broad & Washington and/or other Kiddar Entities (the "Campbells WBS Claim"). The Campbells WBS Claim will be treated in the Receivership as an Allowed Victim Claim.
- d. Each of the Parties to this Motor Lodge Settlement (the "WBS Parties") will execute releases as provided below in the "Releases" section of this Agreement.
- e. Upon completion of the conveyance described in Section 4 (g) below, Ferguson will forego any claim for and release the Receivership from any liability for the \$2.7 million loan owed to him by WBS, provided however, if the Parties are unable to complete the transaction after notice to the Receiver and reasonable diligence to resolve any impediments to completing the transaction, Ferguson shall have an Allowed Victim Claim in the amount of \$2,700,000.
- f. Ferguson will pay to the Receivership the sum of ~~\$550,000~~^{\$500,000}, which Ferguson may satisfy and the Receiver may realize for the benefit of the Receivership by reducing the amount of any valid claim that Ferguson has against the Receivership.
- g. Ferguson will obtain consent of Eagle Bank to this Agreement. Furthermore, Ferguson will obtain a written release of the Receiver by Eagle Bank substantially in the form of the Release of Receiver provided below in paragraph 14.
- h. The Receiver will cooperate with Ferguson to cause fee simple title to the Motor Lodge Property (and/or the entity owning the Motor Lodge Property) to be transferred by April 1, 2020, to such additional or other entity as determined by Ferguson, such that Ferguson or his entity will own fee simple title to 100% of the Motor Lodge Property, subject only to the Eagle Bank debt, but free of any claims of An Ping, Tai Chao, Mark, the Kiddar Entities and the Receivership. Simultaneously with the foregoing conveyance, any unpaid real estate taxes or liens shall be satisfied prior to such conveyance, first from the operating accounts of the Motor Lodge and, if insufficient funds exist in such accounts, the Receivership shall pay any remaining unpaid real estate taxes, provided however that to the extent that the Receivership is obligated to pay more than \$50,000 (the "Overage") for such taxes the Allowed amount of the An Ping Claim shall be reduced dollar-for-dollar to the extent of such Overage for unpaid real estate taxes accruing on the Motor Lodge Property prior to December 5, 2019, or the date fee

simple title to the Motor Lodge Property is transferred to the entity determined by Ferguson, or the Motor Lodge Property is otherwise transferred, whichever first occurs.

5. **Kiddar AQ Settlement.** The Parties agree to resolve all matters between or among themselves concerning investments in and/or claims concerning Kiddar AQ as follows:

- a. The Receiver will have legal counsel prepare appropriate agreements, instruments and/or other documents reasonably necessary to assign and/or re-title the ownership interests of Kiddar AQ, LLC in Aquicore as interest owned directly and individually as follows:
 - i. Bullock – 40%
 - ii. Ferguson – 20%
 - iii. Hausler – 26%
 - iv. Christopher David – 10%
 - v. William Quinby – 4%
- b. The Receiver acknowledges that each of the following individuals have valid, allowed claims in the Receivership in the following amounts, each of which claims will be treated in the Receivership as an Allowed Victim Claim:
 - i. Bullock – \$600,000
 - ii. Ferguson – \$300,000
 - iii. Hausler – \$390,000
 - iv. Christopher David – \$150,000
 - v. William Quinby – \$60,000
- c. Each of the Parties to this Kiddar AQ Settlement (the “KAQ Parties”) will execute releases as provided below in paragraph 14 of this Agreement.

6. **WishWould Settlement.** The Parties agree to resolve all matters between or among themselves concerning investments in and/or claims concerning the “WishWould” technology investment as follows:

- a. The Receiver acknowledges that Ferguson has a valid, allowed claim in the Receivership in the amount of \$500,000 concerning a supposed investment in WishWould (the “Ferguson WW Claim”). The Ferguson WW Claim will be treated in the Receivership as an Allowed Victim Claim in the amount of \$250,000 *and* an Allowed Creditor Claim in the amount of \$250,000.
- b. The Receiver acknowledges that Hausler has a valid, allowed claim in the Receivership in the amount of \$500,000 concerning a supposed investment in WishWould (the “Hausler WW Claim”). The Hausler WW Claim will be treated in the Receivership as an Allowed Victim Claim in the amount of \$250,000 *and* an Allowed Creditor Claim in the amount of \$250,000.

- c. The Receiver acknowledges that Brian Casey ("Casey") has a valid, allowed claim in the Receivership in the amount of \$100,000 concerning a supposed investment in WishWould (the "Casey WW Claim"). The Casey WW Claim will be treated in the Receivership as an Allowed Victim Claim in the amount of \$50,000 *and* an Allowed Creditor Claim in the amount of \$50,000.
- d. The Receiver acknowledges that Rucks has a valid, allowed claim in the Receivership in the amount of \$250,000 concerning a supposed investment in WishWould (the "Rucks WW Claim"). The Rucks WW Claim will be treated in the Receivership as an Allowed Victim Claim in the amount of \$125,000 *and* an Allowed Creditor Claim in the amount of \$125,000.
- e. Each of the parties to this WishWould settlement (the "WW Parties") will execute releases as provided below in the paragraph 14 of this Agreement.

7. **Church Road Settlement.** The Parties agree to resolve all matters between or among themselves concerning investments in and/or claims concerning the Church Road real property investment as follows:

- a. The Receiver acknowledges that Mark has a valid, allowed claim in the Receivership in the amount of \$250,172.50 concerning an investment in the "Church Road" real estate (the "Mark CR Claim"). The Mark CR Claim will be treated in the Receivership as an Allowed Victim Claim.
- b. The Receiver acknowledges that Casey has a valid, allowed claim in the Receivership in the amount of \$204,969 concerning an investment in the "Church Road" real estate (the "Casey CR Claim"). The Casey CR Claim will be treated in the Receivership as an Allowed Victim Claim.
- c. Each of the CR Parties to this CR Settlement (the "CR Parties") will execute releases as provided below in the "Releases" section of this Agreement.

8. **Kiddar Triangle Settlement.** The Parties agree to resolve all matters between or among themselves concerning investments in and/or claims concerning the Triangle real property investment as follows:

- a. The Receiver will have legal counsel prepare appropriate documentation transferring pro rata to Casey and Mark any interest that TH and/or the Receivership has in Kiddar Triangle, LLC or the Triangle property as decided by the Triangle Parties.
- b. Each of the Casey and Mark will execute releases as provided below in the paragraph 14 of this Agreement.

9. **Supplemental Bullock Settlement.** In addition to the other agreements and provisions of this Agreement, but as a condition to this Agreement, the Receiver and Bullock agree to resolve the following additional matters concerning the Receivership and the TH Conduct as follows:

- a. The Receiver acknowledges that Bullock has a valid, allowed claim in the Receivership in the amount of \$900,000 concerning investments in Home Building Fund (the "Bullock HBF Claim"). The Bullock HBF Claim will be treated in the Receivership as an Allowed Victim Claim.
- b. The Receiver acknowledges that Bullock has a valid, allowed claim in the Receivership in the amount of \$102,000 concerning the supposed purchase of Washington Wizards basketball season tickets (the "Bullock BB Claim"). The Bullock BB Claim will be treated in the Receivership as an Allowed ~~Victim~~ Creditor Claim.
- c. Bullock agrees to cooperate with each and every aspect of this Agreement as it relates to any interest he may have and where necessary or appropriate agrees to provide such consents and/or waivers and/or estoppels as useful or necessary to complete any terms of the settlements.
- d. Bullock acknowledges that (a) he previously settled any and all claims and interests he may have concerning or against the Receivership relating to HS, LLC, (b) he is settling or has otherwise settled any and all claims and interests that he has or may have against the Kiddar Entities, the Receiver, the Receivership, BW LLC, WBS, Kiddar AQ, HBF, LLC, and/or the HF as well as Ferguson and Hausler, (c) he will no longer have any claims against or investments in any of the Kiddar Entities, and (d) he will no longer have any claims against the Receivership except as expressly provided herein.

10. **Supplemental Ferguson Settlement.** In addition to the other agreements and provisions of this Agreement, but as a condition to this Agreement, the Receiver and Ferguson agree to resolve the following additional matters concerning the Receivership and the TH Conduct as follows:

- a. The Receiver acknowledges that Ferguson has a valid, allowed claim in the Receivership in the amount of \$1,093,534 concerning investments in Home Building Fund (the "Ferguson HBF Claim"). The Ferguson HBF Claim will be treated in the Receivership as an Allowed Victim Claim.
- b. The Receiver will have legal counsel prepare appropriate documents, subject to the reasonable approval of counsel for Ferguson, transferring to Ferguson any and all interest that TH, any Kiddar Entity or the Receivership has or may have in an TH/Kiddar Investment known generally as "1776."

- c. The Receiver acknowledges that Ferguson has a valid, allowed claim in the Receivership in the amount of \$40,000 concerning an unrefunded deposit concerning the Tru hotel project (the "Ferguson Tru Claim"). The Ferguson Tru Claim will be treated in the Receivership as an Allowed Victim Claim.
- d. Ferguson agrees to cooperate with each and every aspect of this Agreement as it relates to any interest he may have and where necessary or appropriate agrees to provide such consents and/or waivers and/or estoppels as useful or necessary to complete any aspect of the settlements.
- e. Ferguson acknowledges that (a) he previously settled any and all claims and interests he may have concerning or against the Receivership relating to HS, LLC, (b) he is settling or has otherwise settled any and all claims and interests that he has or may have against the Kiddar Entities, the Receiver, the Receivership, BW LLC, WBS, Kiddar AQ, HBF, LLC, and/or the HF as well as Bullock and Hausler, (c) he will no longer have any claims against or investments in any of the Kiddar Entities, and (d) he will no longer have any claims against the Receivership except as expressly provided herein.

11. **Supplemental Hausler Settlement.** In addition to the other agreements and provisions of this Agreement, but as a condition to this Agreement, the Receiver and Hausler agree to resolve the following additional matters concerning the Receivership and the TH Conduct as follows:

- a. The Receiver acknowledges that Hausler has a valid, allowed claim in the Receivership in the amount of \$300,000 concerning an unrefunded deposit relating to a "State Theater" investment opportunity (the "Hausler ST Claim"). The Hausler ST Claim will be treated in the Receivership as an Allowed Victim Claim.
- b. The Receiver acknowledges that Hausler has a valid, allowed claim in the Receivership in the amount of \$250,000 concerning investment in the Home Building Fund (the "Hausler HBF Claim"). The Hausler HBF Claim will be treated in the Receivership as an Allowed Victim Claim.
- c. The Receiver acknowledges that Hausler has a valid, allowed claim in the Receivership in the amount of \$250,000 concerning a January 26, 2017 supposed Kiddar Venture Fund (?) investment (the "Hausler Venture Claim"). The Hausler Venture Claim will be treated in the Receivership as an Allowed Victim Claim.
- d. The Receiver acknowledges that Hausler has a valid, allowed claim in the Receivership in the amount of \$250,000 concerning a personal loan made to TH (the "Hausler Loan Claim"). The Hausler Loan Claim will be treated in the

Receivership as an Allowed Creditor Claim (as that term is defined in paragraph 25 below).

- e. Hausler agrees to cooperate with each and every aspect of this Agreement as it relates to any interest he may have and where necessary or appropriate agrees to provide such consents and/or waivers and/or estoppels as useful or necessary to complete any terms of the settlements.
- f. Hausler acknowledges that (a) he previously settled any and all claims and interests he may concerning or against the Receivership relating to HS, LLC, (b) he is settling or has otherwise settled any and all claims and interests that he has or may have against the Kiddar Entities, the Receiver, the Receivership, BW LLC, WBS, Kiddar AQ, HBF, LLC, and/or the HF as well as Ferguson and Bullock, (c) he will no longer have any claims against or investments in any of the Kiddar Entities, and (d) he will no longer have any claims against the Receivership except as expressly provided herein.

12. **Supplemental Mark Settlement.** In addition to the other agreements and provisions of this Agreement, but as a condition to this Agreement, the Receiver and Mark agree to resolve the following additional matters concerning the Receivership and the TH Conduct as follows:

- a. The Receiver acknowledges that Mark has a valid, allowed claim in the Receivership in the amount of \$200,000 concerning investments in Home Building Fund (the "Mark HBF Claim"). The Mark HBF Claim will be treated in the Receivership as an Allowed Victim Claim.
- b. Mark agrees to cooperate with each and every aspect of this Agreement as it relates to any interest he may have and where necessary or appropriate agrees to provide such consents and/or waivers and/or estoppels as useful or necessary to complete any terms of the settlements.
- c. Mark acknowledges that (a) he does not hold any and all claims and interests concerning HS, LLC, (b) he is settling or has otherwise settled any and all claims and interests that he has or may have against the Kiddar Entities, Ferguson, the Receiver, or the Receivership, (c) he will no longer have any claims against or investments in any of the Kiddar Entities, and (d) he will no longer have any claims against the Receivership except as expressly provided herein.

13. **Supplemental David Settlement.** In addition to the other agreements and provisions of this Agreement, but as a condition to this Agreement, the Receiver and David agree to resolve the following additional matters concerning the Receivership and the TH Conduct as follows:

- a. The Receiver acknowledges that David has a valid, allowed claim in the Receivership in the amount of \$200,000 concerning investments in Home Building Fund (the "David HBF Claim"). The David HBF Claim will be treated in the Receivership as an Allowed Victim Claim.
- b. David agrees to cooperate with each and every aspect of this Agreement as it relates to any interest he may have and where necessary or appropriate agrees to provide such consents and/or waivers and/or estoppels as useful or necessary to complete any terms of the settlements.
- c. David acknowledges that (a) he does not hold any and all claims and interests concerning HS, LLC, (b) he is settling or has otherwise settled any and all claims and interests that he has or may have against the Kiddar Entities, Ferguson, the Receiver, or the Receivership, (c) he will no longer have any claims against or investments in any of the Kiddar Entities, and (d) he will no longer have any claims against the Receivership except as expressly provided herein.

Releases

14. **Releases.** The Parties hereto agree to the following releases:

a. **Release by the Receiver.**

By executing this Agreement (subject to the Agreement becoming Effective as provided in paragraph 25 below) and subject to paragraph 14(f) below, the Receiver hereby releases each Party from any claim of any nature that the Receiver could bring against any Party for any matter relating to the Receivership, the TH Conduct, or otherwise concerning the subject matter of this Agreement, *provided however* that nothing about this Release by the Receiver shall release any claim or right of the Receiver as specifically provided herein.

b. **Release of the Receiver.**

By executing this Agreement (subject to the Agreement becoming effective on the Effective Date as provided in paragraph 25 below) each Party hereto hereby releases the Receiver, the Receivership, each of the Kiddar Entities, and the HF (the "Released Parties") from any claim of any nature that such Party could bring against any of the Released Parties for any matter relating to the Receivership, the TH Conduct, or otherwise concerning the subject matter of this Agreement, *provided however* that nothing about this Release of the Receiver shall release any claim or right specifically provided herein.

For purposes of this Release of the Receiver, "Receiver" shall expressly include any of Receiver's agents, employees, and/or professionals (and their employees),

including but not limited to the Receiver's attorneys, financial advisors, sales agents, and appraisers.

c. B&W Releases.

By executing this Agreement (subject to the Agreement becoming effective on the Effective Date as provided in paragraph 25 below) each of the B&W Parties, as applicable, hereby releases the Receiver, the Receivership, B&W, LLC, the Office Building, GT Broad, Bullock, Ferguson, Hausler, and Rucks (the "B&W Released Parties") from any claim of any nature that such Party could bring against any of the B&W Released Parties concerning in any manner B&W, LLC and/or the Office Building, *provided however* that nothing about these B&W Releases shall release any claim or right specifically provided herein.

d. Motor Lodge Releases.

By executing this Agreement (subject to the Agreement becoming effective on the Effective Date as provided in paragraph 25 below) each of the WBS Parties, as applicable, hereby releases the Receiver, the Receivership, WBS, the Motor Lodge, Ferguson, Rucks, Mark, Chao, An Ping and the Campbells (the "WBS Released Parties") from any claim of any nature that such Party could bring against any of the WBS Released Parties concerning in any manner WBS and/or the Motor Lodge, *provided however* that nothing about these Motor Lodge Releases shall release any claim or right specifically provided herein.

e. HF Releases.

By executing this Agreement (subject to the Agreement becoming effective on the Effective Date as provided in paragraph 25 below) each of the Parties agrees to release the HF by executing and delivering the HF Release (substantially in the form of Exhibit A to this Agreement) to the Receiver (for redelivery to the HF). Accordingly, the Receiver may withhold any payment due hereunder to any Party in the event that such Party fails or refuses to execute and deliver the HF Release to the Receiver prior to any such payment.

f. Limitation on Receiver's Release and Claim Allowance.

Notwithstanding any herein to the contrary, in the event that the Receiver does not have sufficient funds to pay each holder of an Allowed Victim Claim one hundred percent of the principal amount of that claim, the Receiver reserves the right to adjust any Allowed Claim to the extent that the holder of any such Allowed Claim received payments or other transfers of value from or on account of "ill-gotten gains" arising from the TH Conduct. For sake of clarity, payments received by a

holder of an Allowed Claim from the T Trust shall not be considered "ill gotten gains."

15. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of each of the Parties successor and assigns.

16. **Further Assurances.** Each Party agrees to cooperate (including the execution of miscellaneous documents, instruments and/or supplemental agreements) with each other Party to the extent necessary or appropriate to implement fully the intention of the Parties in this Agreement.

17. **Governing Law.** This Agreement shall be governed by the laws of the Commonwealth of Virginia without reference to the choice or conflict of law principles thereof.

18. **Waiver of Breach.** The waiver by any Party of a breach of any condition or provision of this Agreement to be performed by such other Party shall not operate or be construed to be a waiver of a similar or dissimilar provision or condition at the same or any prior or subsequent time.

19. **Dispute Resolution.** Any controversy or claim arising out of or relating to this Agreement, or any breach thereof, shall be resolved by the Court, provided however, that prior to initiating any proceeding before the Court the Parties involved in any claim, controversy, breach or other dispute shall first attempt to resolve such matter through mediation.

20. **Notices.** All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when mailed by registered or certified mail, or the next business day if sent for next day delivery by a reputable special courier such as Federal Express or United Parcel Service addressed to the Party concerned at the address indicated below.

If to the Receiver:

Christopher L. Perkins
Eckert Seamans Cherin & Mellott, LLC
919 East Main Street, 13th Floor
Richmond, Virginia 23219
cperkins@eckertseamans.com

Formatted: Superscript

Bruce H. Matson
117 Thomashire Court
Richmond, Virginia 23229

bruce.matson@leclairryan.com

With a copy to:

LeClairRyan LLP
919 East Main Street, 23rd Floor
Richmond, Virginia 23219
Attn: Christopher L. Perkins, Esq.

christopher.perkins@leclairryan.com

If to any other Party: See address information as part of the signature pages.

21. **Taxes/Withholding.** Any Party that is the recipient of any payment or transfer from the Receiver is solely liable for the reporting thereof and/or the payment of any applicable withholdings or other tax obligations. Notwithstanding the foregoing, the Receiver may withhold any payment due hereunder to any Party in the event that such Party fails or refuses to provide the Receiver, prior to any such payment, with a W-9 or other necessary information.

22. **Severability.** If any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, the remaining provisions or portions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law.

23. **Legal Counsel.** Each Party represents that it has either consulted independent legal counsel or elected, notwithstanding the advisability of seeking such independent legal counsel, not to consult with such independent legal counsel. Each Party hereby agrees that in the interpretation or construction of this Agreement, the Agreement shall not be construed against any Party on the basis that such Party was the drafter of this Agreement or on any other basis.

24. **Court Approval.** This Agreement is subject to entry of an order by the Court approving the terms hereof and the notice given in respect of the approval process relating to this Agreement (the "Settlement Approval Order").

25. **Effectiveness.** This Agreement shall become effective (the "Effective Date") upon the expiration of any appeal period following the later of (i) the entry of the Settlement Approval Order, or (ii) the entry of an order approving the Priorities Motion (the "Claims Priority Approval Order"). Notwithstanding the foregoing, this Agreement shall not become effective unless the Claims Priority Approval Order establishes the following claims payment distribution plan:

From the funds available to the Receiver in the Receivership (including all proceeds of the HF Settlement), the Receiver shall pay all of the "Allowed" claims in the following priorities:

- a. First, all Allowed fees, costs and claims relating to the administration of the Receivership, including the Receiver's responsibilities as Receiver and as Special Master (the "Allowed Administrative Claims");
- b. Second, all Allowed claims of the former employees of the Kiddar Entities (the "Allowed Employee Claims");
- c. Third, all Allowed claims of the victims of the TH Conduct (the "Allowed Victim Claims"); and
- d. Fourth, all Allowed claims of creditors, vendors or other claimants of TH and our the Kiddar Entities (the "Allowed Creditor Claims").

For the avoidance of doubt, no Allowed claim will be paid anything until all Allowed claims of any higher priority class above is paid in full. For example, the Receiver will use all funds available to him to pay all of the Allowed Victim Claims in full before any payment is made with respect to any Allowed Creditor Claim.

Upon the Effective Date, any Party may take any action required, approved and/or authorized by this Agreement unless or until the Settlement Approval Order is stayed by a court of competent jurisdiction.

26.25. **Entire Agreement.** This Agreement contains all the understandings and representations between and/or among the Parties hereto pertaining to the matters referred to herein and the subject matter of the Agreement (including each of the specific individual settlements contained herein), and supersede all undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto. This Agreement may only be modified by an instrument in writing signed by the Party against whom it will be enforced.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the date first above written.

[signatures appear on the following separate page]

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BRUCE H. MATSON, RECEIVER

By: 
Bruce H. Matson

GLENN A. FERGUSON

Address:

Email: _____

MATTHEW BULLOCK

Address:

Email: _____

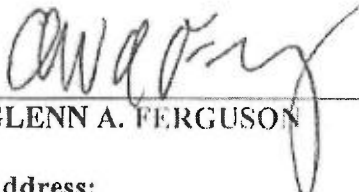
RICHARD W. HAUSLER

Address:

Email: _____

BRUCE H. MATSON, RECEIVER

By: _____
Bruce H. Matson



GLENN A. FERGUSON

Address:

3120 N Inglistwood St
Arlington VA 22207

Email: gferg e clarkealty.com

MATTHEW BULLOCK

Address:

Email: _____

RICHARD W. HAUSLER

Address:

Email: _____

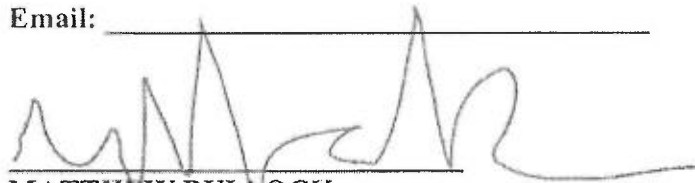
BRUCE H. MATSON, RECEIVER

By: _____
Bruce H. Matson

GLENN A. FERGUSON

Address: _____

Email: _____



MATTHEW BULLOCK

Address: _____

6314 GEORGETOWN PIKE
MCLEAN, VA 22101

Email: bullock@ty-gard.com _____

RICHARD W. HAUSLER

Address: _____

Email: _____

BRUCE H. MATSON, RECEIVER

By: _____
Bruce H. Matson

GLENN A. FERGUSON


Address:

Email: _____

MATTHEW BULLOCK

Address:

Email: _____



RICHARD W. HAUSLER

Address:

8713 DUNN ST
FAIRFAX VA 22031

Email: rick@vwhausler.com



ROBERT R. RUCKS

Address:

1916 Bentley Road
Vienna, Va. 22182

Email: brucks@Hjeanings.com

DAVID R. MARK

Address:

Email: _____

WILLIAM P. QUINBY

Address:

Email: _____

CHRISTOPHER F. DAVID

Address:

ROBERT R. RUCKS

Address:

Email: _____



DAVID R. MARK

Address:

2524 N. JEFFERSON ST
ARLINGTON VA 22207

Email: laverymarkfamily.com



WILLIAM P. QUINBY

Address:

8400 Honeywood Court
McLean, VA. 22102

Email: bquinby@savills.us

CHRISTOPHER F. DAVID

Address:

Email: _____

ROBERT R. RUCKS

Address:

Email: _____

DAVID R. MARK

Address:

Email: _____



WILLIAM P. QUINBY

Address:

8400 Honeywood Court
McLean, VA. 22102

Email: bquinby@savills.us



CHRISTOPHER F. DAVID

Address:

6809 LEMON ROAD
MCLEAN VA 22101

Email: _____

Email: _____

Brian V. Casey
BRIAN V. CASEY

Address:

3014 WHITMAN Rd.
ANNANDALE, VA 22003

Email: bvcaseybusiness@gmail.com

AN PING CORPORATION

By: _____
Tai Chao, President

Address:

Email: _____

BRIAN V. CASEY

Address:

Email: _____

AN PING CORPORATION

By: _____

Tai Chao
Tai Chao, President

TAI CHAO

Address:

6617 BRIDECROFT ST
Clifton, VA 20124

Email: TJCHIAO@gmail.com

JAMES & DONNA CAMPBELL

Address:

Email: _____

(Signature)

BRIAN V. CASEY

Address:

Email: _____


AN PING CORPORATION

By: _____
Tai Chao, President

TAI CHAO

Address:

Email: _____

 + Donna Campbell by James M. Sack, Counsel
JAMES & DONNA CAMPBELL

Address:

109 Grand Harbor Point
Rockwood, Tennessee 37854

Email: JCAMPBELL @ CampbellFerrara .com
D CAMPBELL @ CampbellFerrara .com