SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement ("Agreement") is entered into by and between KHADIJAH FARMER ("Plaintiff"), on the one hand, and CALIENTE CAB RESTAURANT COMPANY, INC. ("Defendant"), on the other hand. Plaintiff and Defendant are each a "Party" and collectively "the Parties."

RECITALS

WHEREAS, on or about October 9, 2007, Plaintiff commenced an action ("Action") in the Supreme Court of the State of New York ("Court") captioned *Khadijah Farmer* v. *Caliente Cab Restaurant Company, Inc.*, No. 113540/2007 by filing a complaint ("Complaint") seeking damages for alleged misconduct by Defendant;

WHEREAS, the Parties wish to fully and finally resolve any and all claims that exist between them that were, may have been, or could have been alleged in the Action;

NOW, THEREFORE, in consideration of the promises, terms and provisions hereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. STIPULATION OF DISMISSAL

Upon receipt of an executed version of this Agreement, Plaintiff shall, within five (5) business days execute and forward to Defendant's counsel a Stipulation of Discontinuance of the entire Action substantially in the form attached hereto as Exhibit A (the "Notice").

2. PAYMENTS & ATTORNEYS' FEES

2.1 Within thirty (30) days of the receipt by Defendant's attorney of the executed Agreement and the Notice, Defendant shall pay to Plaintiff the sum of twenty-five thousand dollars and no cents ($25,000) (the "Initial Settlement Payment"). Payment of the foregoing sum shall be made by certified check payable to "Khadijah Farmer".

2.2 In addition to the foregoing, Defendant shall pay to Plaintiff the sum of ten-thousand dollars and no cents ($10,000) (the "Installment Settlement Payments") in four (4) equal installments of two thousand five hundred dollars and no cents ($2,500) which shall be payable, respectively, every thirty (30) days starting on the thirtieth (30th) day following the payment referred to in Paragraph 2.1. Payment of the foregoing sums shall be made by certified checks payable to "Khadijah Farmer".

2.3 In addition to the foregoing, Defendant shall pay to the Transgender Legal Defense & Education Fund, Inc. the sum of fifteen thousand dollars and no cents ($15,000) (the "Installment Attorneys' Fees") in six (6) equal installments of two thousand five hundred dollars and no cents ($2,500) which shall be payable, respectively, every thirty (30) days starting on the thirtieth (30th) day following the second payment referred to in Paragraph 2.2. Payment of the foregoing sums shall be made by certified checks payable to "Transgender Legal Defense & Education Fund, Inc."

2.4 Plaintiff shall give Defendant's attorney written notice in the event Defendant defaults any part of Paragraphs 2.1, 2.2, or 2.3. If Defendant fails to cure the default within ten (10) calendar days of receipt of the written notice, the Plaintiff may accelerate all sums due and owing pursuant to the settlement and enter judgment for that amount.

3. RELEASES

3.1 In consideration of the payments and other valuable consideration called for herein, Plaintiff, on behalf of herself and her attorneys, agents, servants, representatives, predecessors and successors in interest, and assigns ("Plaintiff Releasors"), completely releases and forever discharges Defendant, including its respective past and present officers, directors, stockholders, attorneys, agents, servants, representatives, employees, subsidiaries, affiliates, partners, predecessors and successors in interest, and assigns (collectively, the "Defendant Releasees"), from any and all claims, demands, obligations, actions, causes of action, rights, damages, costs, expenses and compensation of any nature whatsoever, whether based on a tort, contract or other theory of recovery, whether for compensatory or punitive damages, and whether known and unknown, that Plaintiff Releasors now have or which may hereafter accrue or otherwise be acquired against the Defendant Releasees by reason of any matter, cause or thing

whatsoever from the beginning of the world to the date of this Agreement, arising out of or relating to the subject matter of the Action and/or the Complaint, and including but not limited to any claims for costs, expenses or attorneys' fees in connection with the Action; *provided* that nothing herein shall prevent Plaintiff from bringing suit to enforce the terms of this Agreement.

3.2 In consideration of the payments and other valuable consideration called for herein, Defendant, on behalf of itself and its respective past and present officers, directors, stockholders, attorneys, agents, servants, representatives, employees, subsidiaries, affiliates, partners, predecessors and successors in interest, and assigns ("Defendant Releasors"), completely releases and forever discharges Plaintiff, including her respective attorneys, agents, servants, representatives, predecessors and successors in interest, and assigns (collectively, the "Plaintiff Releasees"), from any and all claims, demands, obligations, actions, causes of action, rights, damages, costs, expenses and compensation of any nature whatsoever, whether based on a tort, contract or other theory of recovery, whether for compensatory or punitive damages, and whether known and unknown, that Defendant Releasors now have or which may hereafter accrue or otherwise be acquired against the Plaintiff Releasees by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this Agreement, arising out of or relating to the subject matter of the Action and/or the Complaint, and including but not limited to any claims for costs, expenses or attorneys' fees in connection with the Action; *provided* that nothing herein shall prevent Defendant from bringing suit to enforce the terms of this Agreement.

4. POLICY CHANGES

4.1 Defendant agrees to amend and revise its employment and personnel policies (collectively, the "Policies") to reflect the following:

(a) "Caliente Cab Co. does not tolerate discrimination in regards to race, creed, color, national origin, alienage, citizenship status, disability, marital status, partnership status, sexual orientation, gender (including gender identity or expression), religion, or age in any aspect of its business. Caliente Cab Co. observes a non-discriminatory hiring policy."

(b) Defendant's Employee Handbook shall be revised as follows:

(i) "The NYC Human Rights Law now explicitly protects persons from discrimination on the basis of gender identity or expression. This means that no matter

who a person is they should be treated equally and with respect for how they understand their own gender. This further means that persons patronizing or employed at Caliente have the right to use the bathroom facilities consistent with their gender identity and expression. If any other guests or patrons have any concerns, questions or opinions, they should be directed to an MOD. If you have any questions or concerns, please feel free to speak to Dominick Cappolla Jr. or Michele La Martina in Human Resources at the main office at 61 7th Avenue South. Questions or concerns about Caliente's gender non-discrimination policy and the New York City Human Rights Law may also be directed to the Transgender Legal Defense and Education Fund at (646) 862-9396 or to the New York City Commission on Human Rights at (212) 306-5070."

(c) Defendant's Application for Employment shall allow applicants to designate a preferred name in addition to a legal name.

(d) Defendant shall maintain a gender-neutral dress code for employees. To the extent that Defendant maintains a dress code for patrons, it shall also be gender neutral.

4.2 Defendant's personnel training program shall be revised to include the following:

(a) Training for personnel. A training program provided by NYAGRA (New York Association for Gender Rights Advocacy) will be made available to all personnel at Defendant's expense (the "NYAGRA Program"). Training sessions for new personnel shall be provided via videotape of the NYAGRA Program within the first six (6) weeks of employment.

(b) Annual re-training for existing personnel. Existing employees shall review the NYAGRA Program and the Policies each year before the anniversary date of their initial training.

(c) Documentation of training. Evidence of training and/or re-training will be included in every person's file through a signed acknowledgement form attesting to receipt and review of the Policies and the NYAGRA Program.

4.3 Defendant agrees to develop a formal complaint mechanism for personnel and patrons.

4.4 Defendant agrees to designate at least one employee as responsible for implementing and overseeing the Policies and personnel training. The designated person should

be a direct report to ownership on all compliance matters. Compliance matters shall include, but may not be limited to, the following:

(a) Implementation of the complaint mechanism described in Paragraph 4.3;

(b) Verification that Defendant's personnel training program is adhered to as described in Paragraph 4.2;

(c) Periodic review and updating, as necessary, of the Policies;

(d) Verification that personnel reviews and acknowledges review of the Policies on a periodic basis; and

(e) Periodic written reports to ownership summarizing status of the above.

4.5 Defendant agrees to conduct an annual review of the adequacy of its Policies.

4.6 Defendant agrees to provide an annual report for the next two years to TLDEF in letter form, in which ownership certifies compliance with the changes and monitoring set forth in Paragraph 4.

5. REPRESENTATIONS, WARRANTIES, AND ACKNOWLEDGEMENTS

5.1 For purposes of Rule 3217(a)(2) of the CPLR, the Parties represent and warrant to each other that no Party is an infant or incompetent person for whom a committee has been appointed and that no person not a Party has an interest in the subject matter of the action.

5.2 Plaintiff waives her right under Section 5003-a of the CPLR to payment of the settlement funds within twenty-one (21) days.

5.3 No Party may assign any of its rights under this Agreement, except with the prior written consent of the other Party. That Party shall not unreasonably withhold its consent. All assignments of rights are prohibited under this Paragraph 5.3, whether they are voluntary or involuntary, by merger, consolidation, dissolution, operation of law or any other manner. For purposes of this section, (i) a "change of control" is deemed an assignment of rights; and (ii) "merger" refers to any merger in which a party participates, regardless of whether it is the surviving or disappearing corporation. No Party may delegate any performance under this Agreement. Any purported assignment of rights or delegation of performance in violation of this Paragraph 5.3 is void.

5.4 Plaintiff represents and warrants that there are no liens, claims, or demands on any sum paid herein, or that if any such liens, claims, or demands exists, they will be discharged by the disbursement of these funds in the manner provided in this Agreement. Plaintiff will hold harmless and indemnify Defendant against any third-party's claims against Defendant claiming entitlement to any portion of the sums paid to Plaintiff hereunder.

5.5 The Parties acknowledge that they have been represented by independent legal counsel throughout the negotiations, which culminated in the execution of this Agreement. The Parties further acknowledge that they have been fully advised by their attorneys with respect to their rights and obligations under this Agreement and understand those rights and obligations. The Parties represent and warrant to each other that each of them is competent, authorized and able to execute this Agreement and to perform their respective obligations hereunder. The Plaintiffs also acknowledge that prior to the execution of this Agreement, they or their legal counsel have had an adequate opportunity to make whatever investigation or inquiries were deemed necessary or desirable with respect to the subject matter of the Action or this Agreement.

5.6 This Agreement is a full and complete compromise of all disputed issues, and neither the payments provided for herein nor the negotiations for this settlement (including all statements, admissions or communications) by the Parties, their attorneys, or representatives shall be considered admissions by any of the Parties. This settlement is not, nor shall it be deemed to be, an admission of any past or present wrongdoing on the part of the Defendant, which expressly denies any liability.

6. NON-DISPARAGEMENT

Neither Party will make disparaging or otherwise negative comments about the other Party, including, without limitation, its business or reputation, except that the Parties agree there shall be no breach of this clause through truthful statements about the Settlement Agreement and/or the circumstances leading up to the settlement, including, without limitation, the press release, a form of which is annexed hereto as Exhibit B, or statements relating thereto.

7. EFFECTIVENESS

This Agreement shall become effective immediately following its execution by all Parties. This Agreement may be executed in counterparts, including by facsimile, with the same effect as if all the Parties have signed the same document. All counterparts shall be construed together and shall constitute a single Agreement.

8. CONSTRUCTION BY STATE LAW

8.1 This Agreement is entered into in the State of New York and shall be construed and interpreted in accordance with its laws, without regard to the choice of law provisions thereof.

8.2 The Parties agree that the language of each and all paragraphs, terms, and provisions of this Agreement shall be construed as a whole, according to its fair meaning, and not strictly for or against any Party hereto and without regard whatsoever to the identity or status of any person or persons who drafted all or any portion of the Agreement.

8.3 The Parties further agree that the terms of this Agreement are contractual and not mere recitals.

9. AMENDMENT

This Agreement may be amended only by an instrument in writing signed by all Parties hereto that expressly refers to this Agreement and specifically states that it is intended to amend this Agreement.

10. NOTICES PROVISION

All notices that are required under this Agreement shall be given in writing to the Parties by either (i) personal delivery; (ii) Registered or Certified Mail, in each case, return receipt request and postage prepaid U.S.; or (iii) nationally [or internationally] recognized overnight courier with all fees prepaid, to the following addresses:

If to Plaintiff:

SETTLEMENT AGREEMENT AND RELEASE

Michael Silverman, Esq.
Transgender Legal Defense & Education Fund, Inc.
216 Avenue A
New York, New York 10009
(646) 862-9396

- and –

Damion K.L. Stodola, Esq.
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, New York 10104
(212) 468-8000

If to Defendant, to:

David S. Aronowitz, Esq.
Shapiro, Beilly, Rosenberg & Aronowitz, LLP
225 Broadway - 13th Floor
New York, New York 10007
(212) 267-9020

Another address may be designated by the Party in a notice pursuant to this Section. All notices shall be deemed complete upon receipt by the receiving Party of the first copy of the notice as indicated by the date on the signed receipt, or, if (a) a Party rejects or otherwise refuses to accept the notice, or (b) if the notice cannot be delivered because of a change in address for which no notice was given, then upon the rejection, refusal or inability to deliver the notice.

IT IS SO AGREED.

DATED: _____, 2008

Khadijah Farmer

_____

DATED: May 1, 2008

Caliente Cab Restaurant Company, Inc.

By: _____

Title: Pres

SETTLEMENT AGREEMENT AND RELEASE
Exhibit A

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

KHADIJAH FARMER, Plaintiff, -against- CALIENTE CAB RESTAURANT COMPANY, INC., Defendant.	Index No. 113540/07 STIPULATION OF DISCONTINUANCE

IT IS HEREBY STIPULATED AND AGREED by and between the attorneys of record for all parties herein that whereas no party is an infant, incompetent for whom a committee has been appointed or conservatee, and no person not a party has an interest in the subject matter of the action, the above-entitled action be and hereby is discontinued with prejudice pursuant to CPLR 3217(a), without costs to any party as against another; and

IT IS HEREBY FURTHER HEREBY STIPULATED AND AGREED, that a copy of this Stipulation may be filed with the Clerk of the Court without further notification and court order.

Dated: New York, New York
April ____, 2008

MORRISON & FOERSTER LLP

By: _____

Damion K. L. Stodola
1290 Avenue of the Americas
New York, NY 10104-0050
(212) 468-8000

TRANSGENDER LEGAL DEFENSE & EDUCATION FUND, INC.

By: _____

Michael Silverman
216 Avenue A
New York, NY 10009
(646) 862-9396

Attorneys for Plaintiff

SHAPIRO, BEILLY,ROSENBERG, & ARONOWITZ, LLP

By: _____

David S. Aronowitz
225 Broadway, 13th Floor
New York, NY 10007
(212) 267-9020

Attorneys for Defendant

SETTLEMENT AGREEMENT AND RELEASE
Exhibit B

NEW YORK, NEW YORK, APRIL _____, 2008 - The Transgender Legal Defense & Education Fund (TLDEF) today announced the settlement of a lawsuit brought against Caliente Cab Company in the West Village after the restaurant ejected a lesbian patron following the city's annual Gay Pride march because a bouncer thought she was too masculine to use the women's restroom.

As part of the settlement, Caliente has agreed to, among other things:

- add gender, including gender identity and expression, to its corporate non-discrimination policy;
- amend its employee handbook to state "persons patronizing or employed at Caliente have the right to use the bathroom facilities consistent with their gender identity and expression;"
- adopt a gender-neutral dress code for its employees;
- institute personnel training programs regarding its new policies; and
- pay $35,000 in damages to plaintiff Khadijah Farmer.

According to the Complaint, the facts of which Caliente denies, Khadijah Farmer patronized the Caliente Cab Company restaurant on Seventh Avenue South, in the heart of New York's historically-gay Greenwich Village, on June 24, 2007, after attending the city's annual Gay Pride march. While in the women's restroom, a male bouncer came in and began to pound on the door of the stall she was using. The bouncer insisted Farmer was a man and refused to look at her identification, which she offered as proof she is a woman. The bouncer ejected Farmer from the bathroom and then proceeded to throw her, her girlfriend, and the rest of their party out of the restaurant.

"I'm very happy that the restaurant has taken appropriate steps to ensure that all patrons, regardless of how masculine or feminine they appear, are treated with dignity and respect," Farmer said. "People come in all shapes and sizes, and they shouldn't be discriminated against because they don't match someone's expectations of how masculine or feminine they should be."

"People are routinely harassed and abused when they fail to conform to expectations about gender, especially in places like restrooms," TLDEF executive director Michael Silverman, one of Farmer's lawyers, added. "Today's settlement marks a step forward in ensuring that people have equal access to public accommodations like restrooms and restaurants without regard to their gender identity or expression."