

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Settlement Agreement") is made and entered into this day of April 20, 2015, by and among the following parties: Plaintiffs JZ Knight and JZK, Inc. and Defendants Freedom Foundation, Glen Morgan and Lauren Morgan. Plaintiffs and Defendants shall be referred to hereinafter as "the Parties."

RECITALS

- A. Plaintiffs have sued Defendants for alleged copyright violations in the United States District court for the Western District of Washington, Cause number 3:14-CV-05410 BHS. Hereafter and unless otherwise indicated, all references to a "lawsuit," "case," "Complaint," or "action" refer to 3:14-CV-05410 BHS.
- B. Defendants expressly and unequivocally deny Plaintiffs' claims.
- C. Plaintiffs and Defendants desire to enter into this Settlement Agreement and Release in order to provide for the full settlement and discharge of all claims by Plaintiffs which are or might have been made against Defendants through the date of April 8, 2015 and any claims by Defendants which are or might have been made against Plaintiffs through the date of April 8, 2015.

AGREEMENT

The parties therefore agree as follows:

1. Release and Discharge

Each Plaintiff hereby releases and forever discharges each Defendant from any and all claims, known or unknown, which the Plaintiffs have or might later discover to have had against Defendants based on acts occurring through April 8, 2015. Each Defendant hereby releases and forever discharges each Plaintiff from any and all claims, known or unknown, which the Defendants have or might later discover to have had against Plaintiffs based on acts occurring through April 8, 2015. As part of this release, discharge, and settlement, the opposing Parties in this case expressly agree that they will not file any legal action, either on their own behalf or on the behalf of any other entity or person, against the other opposing Party or Parties based on acts occurring through April 8, 2015. This release and discharge applies to the Parties, as collectively defined above, including but not limited to the Parties' past, present and future officers, attorneys, agents, servants, representative, employees, predecessors and successors in interest, and assigns, and all other persons, firms, or corporations with whom any of the former have been, are now, or may hereafter be affiliated. This release and discharge is fully binding upon and among the Parties, including their respective heirs, representatives, assigns, and successors. Nothing in this release and/or this Settlement Agreement shall be construed to release any claim or cause of action for acts occurring after April 8, 2015. Further, nothing in this release and/or this Settlement Agreement shall be construed as a waiver of any Party's rights, including but not limited to copyrights, under state or federal law.

2. Dismissal of Pending Lawsuit

Plaintiffs agree to dismiss the Complaint identified herein by April 24, 2015, with prejudice and with each party paying its own fees or costs. The Parties shall prepare and file with the Court by April 24, 2015, a Stipulation and proposed order agreeing to dismissal of the action with prejudice and without an award of fees, costs or other relief to any party.

3. Effective Date of Agreement

This Agreement's effective date is April 20, 2015.

4. Denial of Liability

It is understood and agreed by the parties that this Settlement is a compromise of a disputed claim and is not to be construed as an admission of liability on the part of the Defendants, who expressly deny liability. It is further agreed that any concession/release made in this Settlement Agreement shall not be construed or asserted as an admission or concession of liability, wrongdoing, or fault by any party, but rather as made to avoid the expense and burden of litigation.

5. Additional Terms

- a. *Attorney's fees in United States District court for the Western District of Washington, Cause number 3:14-CV-05410 BHS.* All parties shall bear their own attorneys' fees and costs in this lawsuit.
- b. *Governing Law.* This Settlement Agreement shall be construed and interpreted in accordance with the laws of the State of Washington.
- c. *Additional Documents.* All parties agree to cooperate fully including in executing any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the terms and intent of this Settlement Agreement.
- d. *No Third-Party Beneficiaries.* Except as may be expressly provided herein, this Settlement Agreement is for the benefit of the parties hereto only and is not intended to benefit any other person or entity, and no person or entity not a party to this Settlement Agreement shall have any third-party beneficiary or other rights whatsoever hereunder.
- e. *Modification by Written Agreement Only.* The obligations in this Settlement Agreement may be modified only by written agreement of the parties, signed by duly authorized representatives of each of the parties.
- f. *Entire Agreement.* This Settlement Agreement is fully integrated and constitutes the entire, complete, and final agreement among the parties. All previous agreements, offers, counteroffers, and negotiations are merged herein. There are no other or further agreements which modify the terms of

this Settlement Agreement. This Settlement Agreement cannot be modified or amended in any way except in writing.

- g. *Authority to Bind.* In executing this Settlement Agreement, each party acknowledges that the person or persons signing on his/her/its behalf have authority to bind the party(ies)/he/it represents. Each party further represents that the person or person signing on her/his/its behalf are competent and of lawful age, have been fully advised by counsel in connection with the executing of this Agreement, and that such persons do so freely and voluntarily.
- h. *Obligation of Good Faith and Fair Dealing.* The parties agree that each of the parties is giving up certain rights, claims and defenses for acts occurring through April 8, 2015 in executing this Settlement Agreement, and each party hereby agrees to act in good faith in carrying out their respective duties and obligations herein.
- i. *Participation in Drafting.* The parties have each participated and had an equal opportunity to participate in the drafting of this Settlement Agreement. No ambiguity shall be construed against any party based upon a claim that such party drafted the ambiguous language.
- j. *Recitals Part of Agreement.* The Recitals are part of this Agreement and may be used in its interpretation.
- k. *Prevailing Party.* The prevailing party in any action arising from or relating to this Settlement Agreement shall be entitled to its reasonable attorneys' fees and costs in that action(s).
- l. *Binding Agreement.* This Settlement Agreement shall be binding upon and inure to the benefit of the Parties and the Parties' legal representatives, heirs, administrators, executors, successors, and assigns.

ACKNOWLEDGEMENT AND SIGNATURES

Plaintiffs and Defendants and their respective counsel acknowledge by their authorized signatures below that each of the parties have had the advice of counsel of their own choosing with regard to the meaning and intent of this Settlement Agreement, and that said counsel have explained the full legal import of this Settlement Agreement.

PLAINTIFF JZK, INC.

By JZ Knight
JZ Knight [Name]
PRES. [Title]

Authorized Agent for JZK, Inc.

Dated this 21 day of April, 2015

PLAINTIFF JZ KNIGHT

By JZ Knight

JZ Knight

Dated this 21 day of April, 2015

DEFENDANT FREEDOM FOUNDATION

By _____
[Name]

[Title]

Authorized Agent for Freedom Foundation

Dated this __ day of April, 2015

DEFENDANT GLEN MORGAN

By _____
Glen Morgan

Dated this __ day of April, 2015

DEFENDANT LAUREN MORGAN

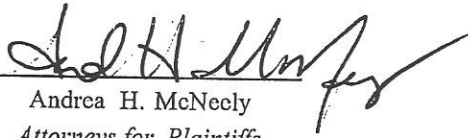
By _____
Lauren Morgan

Dated this __ day of April, 2015

SETTLEMENT AGREEMENT AND RELEASE

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By 
Andrea H. McNeely
Attorneys for Plaintiffs

By _____
Michele Earl-Hubbard
Attorney for Defendants