

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into this 30th day of August, 2003 by and among plaintiff ABC, Inc., and defendant XYZ, Inc.

RECITALS

ABC, Inc. ("ABC") is the plaintiff in a lawsuit in King County Superior Court, Cause No. 00-0-00000-0SEA, in which XYZ, Inc. ("XYZ") is the defendant ("Lawsuit").

A dispute has arisen between plaintiff and defendant concerning defendant's failure to pay contract compensation to plaintiff. Plaintiff contends that it is owed a principle balance of \$26,025.93, plus interest. Plaintiff also contends that it is owed attorney fees incurred by it as a result of defendant having stopped payment on two checks, causing plaintiff to pursue this Lawsuit. Those fees and costs will, by the time this agreement is executed, exceed \$3,000.00. The parties agree that, in the event of defendant's default in any payment provided herein when due, plaintiff shall be entitled to enter a Confession of Judgment with the Court for \$30,000.00 less any sum paid by defendant pursuant to this agreement.

The parties have determined that it is mutually advantageous to compromise and settle all of the disputes which have arisen between them on the terms and conditions set forth below. The parties intend that this Agreement encompass a full settlement and compromise of any and all claims, disputes, or agreements which any of the foregoing parties may have against each other.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties as set forth in this Agreement, the parties represent, warrant, covenant, and agree as follows:

AGREEMENT

1. Mutual Release. Except as specifically set forth in this Agreement, plaintiff, on the one hand, and defendant, on the other hand, hereby mutually release each other and fully and forever discharge each other, and their respective heirs, personal representatives, executors, administrators, employees, agents, successors, and assigns, from any and all claims, damages, demands, accidents, causes of actions, and suits of any kind or nature whatsoever, known or unknown, which are now extant or may in the future develop, arising out of,

relating to, or evolving from the facts underlying the Lawsuit excepting the obligation created by this Agreement.

2. Payments by Defendant. Defendant agrees to pay plaintiff \$20,000.00 (\$1,000.00 of which was paid by John Doe on behalf of defendant), \$4,750.00 of which will be paid by August 31, 2003, \$4,750.00 by September 30, 2003, \$4,750.00 by October 31, 2003 and \$4,750.00 by November 30, 2003. All payments will be in the form of a cashier's check payable to ABC and delivered to ABC no later than the payment due dates above. To secure payment of the settlement amount, defendant will sign a Confession of Judgment in the form attached hereto as **Exhibit A** to be held by the plaintiff and which will be filed in the event defendant fails to make any payment when due. The Confession of Judgment will include an award of attorney fees to the plaintiff for any fees incurred in filing and enforcing the Confession of Judgment. Upon any default by defendant resulting in the filing of the Confession of Judgment, credit will be given to defendant for all payments made hereunder. Upon payment of the final installment, plaintiff will file a dismissal with prejudice in the King County Superior Court.

3. Warranties. All of the individuals and entities signing this Agreement warrant that he/she has the authority to sign the Agreement and thereby bind the party on whose behalf he/she signs. The parties each warrant that none of them has assigned or transferred any claim or any portion of a claim released herein. Each party further warrants that if such a assignment or transfer has occurred, it will defend, indemnify and hold harmless the other from and against any claim based on or arising out of any such assignment or transfer purported or claimed. This includes the obligation to pay reasonable attorneys' fees, expenses, and costs actually incurred, including attorneys' fees, expenses, and costs on appeal, whether or not litigation is commenced.

4. Parties Bound. This Agreement shall be binding on the heirs, successors and assigns of the parties.

5. Integration. This Agreement contains the entire understanding between the parties in connection with the subject matter, and it supersedes and replaces all prior negotiations, agreements or representations, whether oral or written.

6. Choice of Law. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Washington.

7. Construction of Agreement. This Agreement has been jointly drafted by the parties following negotiations between them. It shall be construed according to the fair intent of the language as a whole, and not for or against any party.

8. Representation by Counsel. In connection with the disputes between the parties and the negotiations, drafting and execution of this Agreement, the parties have been represented by legal counsel of their choice and agree and acknowledge that they have carefully read this Agreement, that they have had the opportunity to discuss it with their counsel, and that they have entered into this Agreement knowingly, willingly, and voluntarily.

9. Execution and Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall be deemed a single document.

10. Attorney Fees and Costs. In the event of any dispute arising under this Agreement, the prevailing party shall be awarded their reasonable attorney fees and costs incurred.

11. Expenses. Each party shall bear all costs, charges and expenses incurred by the party in connection with arbitrating, negotiating, and executing this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement on the day and year first written above.

DATED this _____ day of August, 2014.

XYZ, INC.

By: _____
John Smith
Its: President

DATED this _____ day of August, 2003.

ABC, INC.

By: _____

John Anderson

Its: Vice President