

**SETTLEMENT AGREEMENT**

The parties to this Settlement Agreement (hereinafter referred to as “Agreement”) are Plaintiffs MacDonald Hoague & Bayless’ (hereinafter referred to as “MHB”) on the one hand, and the Sheridan Law Firm, P.S., John “Jack” Sheridan, and Jane Doe Sheridan (collectively referred to as, “SLF”) on the other hand. MHB and SLF (including John “Jack” Sheridan, Jane Doe Sheridan, and their marital community) shall hereinafter be collectively referred to as the “Parties.”

**RECITALS**

1. WHEREAS the parties have been engaged in litigation in King County Superior Court, No. 16-2-04055-1 SEA (the “Action”), having both claims and counterclaims.
2. WHEREAS, in light of recent events, the parties wish to put aside their differences and focus their attention on larger issues involving civil rights.

**AGREEMENT**

NOW, THEREFORE, in consideration of the terms, mutual covenants and promises of the Parties, and other good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged, the Parties agree as follows:

1. **CONSIDERATION.**

In consideration of executing this Agreement, MHB and its officers, directors, agents, and assigns, agree to forever release, dismiss and/or withdraw any and all pending Complaints, claims and/or demands related to Jack Sheridan’s time as a director and employee at MHB.

In return, SLF shall provide the following consideration to MHB:

(A) SLF shall pay MHB the total sum of SEVENTY-THREE THOUSAND DOLLARS AND NO CENTS (\$73,000.00) by releasing funds now held in the Registry of the Court as provided in paragraph (1)(B) below.

(B) The Parties shall immediately execute a joint stipulation to release the monies held in the Registry of the Court as follows:

- \$73,000.00 to be paid to Smith & Hennessey PLLC client trust account;
- \$25,000.00 to be paid to MacDonald Hoague & Bayless;
- \$180,045.00 to be paid to the Sheridan Law Firm, P.S.

(C) MHB will pay any costs or fees charged by the clerk in connection with the release of funds to MHB and Smith & Hennessey PLLC; SLF will pay any costs and fees charged by the clerk in connection with the release of funds to SLF.

(D) Following the release of funds, MHB will promptly dismiss with prejudice all claims pending in the Action.

(E) Following the release of funds, SLF will promptly dismiss with prejudice all counterclaims pending in the Action.

(F) For any and all pending SLF cases in which MHB holds a fee interest, MHB's interest shall be limited to the fee value of MHB's time (calculated as hours worked multiplied by the hourly rates of the MHB attorneys and staff), plus unpaid costs, which may be further limited by rulings of the court, if any, in each respective matter, as to reasonableness. The parties agree that MHB will not seek a multiplier on any fees. The currently pending SLF cases in which MHB holds a fee interest are:

1. Johnson v. City
2. Monroe v. City
3. Swanson v. City

4. MMdS v. State (PRA case after appeal and remand)
5. Nelson v. ENW
6. Farah v. Hertz
7. Woodbury v. City

2. **TAXATION.**

Each Party shall be responsible for the tax implications and consequences of the payments set forth above only to the extent that monies are paid to that party.

3. **MUTUAL RELEASES.**

(A) Except for the specific covenants elsewhere in this Agreement, and to the extent consistent with law, MHB, and its officers, directors, agents, assigns, administrators, successors, and assigns (hereinafter “Releasers”), hereby fully and forever release, acquit, discharge, and dismiss SLF for any alleged acts or omissions that gave rise to the allegations in the Complaint or counterclaim up to the date of this Agreement. This release of SLF includes its past, present, and future parent and/or subsidiary corporations, divisions, affiliates, and any past, present, or future partners, owners, joint venturers, stockholders, predecessors, successors, officers, directors, administrators, employees, agents, representatives, attorneys, heirs, executors, assigns, retirement plans and/or their trustees, and any other person or firm with whom any of them is now or may hereafter be affiliated, and includes Jack Sheridan and his marital community, and Jane Doe (hereinafter “Releasees”).

(B) Except for the specific covenants elsewhere in this Agreement, and to the extent consistent with law, SLF, for itself, its officers, administrators, successors, agents, and assigns, including Jack Sheridan, and Jane Doe hereby fully and forever release, acquit, discharge, and promise not to sue MHB for any alleged acts or omissions that gave rise to allegations in the Complaint or counterclaim up to the date of this Agreement. For the avoidance of any doubt,

this release is provided by Jack Sheridan personally, as well as in his capacity as the principal of The Sheridan Law Firm, P.S.

(C) The releases in Paragraphs 3(A) and 3(B), above, cover any and all claims, demands, obligations, losses, causes of action, costs, expenses, attorneys' fees, liabilities, and/or indemnities related to the Parties' claims described above, except as otherwise set forth in this Agreement (e.g., MHB attorneys' fees and costs which are the subject of Paragraph 1(F), above, are not within the scope of the releases in Paragraphs 3(A) and 3(B)).

4. **NO ADMISSION.**

The Parties agree that their entry into or performance of the terms and covenants of this Agreement is not and shall not in any way be construed as an admission by any Party as to the merits of any Party's positions, claims and/or defenses raised in the Action, and shall not be construed as an admission of liability to any person, or of any wrongful acts, violations of any federal, state, or local law or court rule, or that any treatment of the Parties hereunder, or any other person, was unwarranted, unjustified, discriminatory, or otherwise unlawful. The Parties acknowledge they have entered into this Settlement Agreement for the sole purpose of resolving the aforementioned dispute in order to avoid the burden, expense, delay, and uncertainties of litigation and so the Parties may buy their peace.

5. **CONSEQUENCES OF BREACH.**

To the extent consistent with law, should either party breach Paragraph 3 of this Agreement and institute any legal, equitable, or administrative proceeding or file a lawsuit based on legal claims or rights that are the subject matter of this Agreement, that Party will indemnify and hold the other harmless from all fees, costs, and expenses, including reasonable attorney's

fees, incurred and all liability imposed in pursuing or defending any such proceeding, including any and all appeals.

6. **REPRESENTATIONS.**

Each Party represents and agrees that it has not relied upon any representations by the other or Releasees concerning the terms or effects of this Agreement other than those expressly contained in this Agreement.

7. **UNKNOWN FACTS OR CLAIMS REGARDING THE MATTERS RELEASED.**

Each Party expressly acknowledges its understanding there may exist damages or claims in that Party's favor pertaining to the matters released of which that Party has no knowledge, reason to know, or suspicion at the time of signing of this Agreement. Each Party acknowledges further that it may discover facts different from or in addition to those it now knows or believes to be true with respect to the matters released prior to the date of this Agreement. Each Party acknowledges this Agreement shall apply to all such unknown and unanticipated facts or damages as well as to those now known or disclosed, and, further, that this Agreement shall remain in full force and effect in all respects notwithstanding any such different or additional facts.

8. **ASSIGNMENT/TRANSFER.**

The Parties represent and warrant that they have not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity not a signatory to this Agreement any claim or matter herein released, disclaimed, or discharged.

9. **USE/PARTICIPATION.**

Other than the above described Action, the Parties represent that they have no lawsuits, claims, charges, complaints or demands related to employment retaliation currently pending

against each other with any local, state, or federal government agency occurring prior to and including the date of signing of this Agreement.

10. **RESOLUTION OF ANY DISPUTE REGARDING THE LANGUAGE OF THIS AGREEMENT.**

Should there be any dispute(s) regarding the meaning of the language and/or essential terms of this Agreement, the Parties agree that such dispute(s) will be resolved by Teresa Wakeen, and her decision will be final and binding.

11. **ENFORCEMENT.**

This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington, as applicable, and the parties expressly consent to the jurisdiction of the courts located in the State of Washington in King County, provided that any dispute with respect to the meaning of the language of this Agreement shall be resolved as set forth in Paragraph 10, above.

12. **SEVERABILITY.**

If any portion, provision, or part of this Agreement is held, determined, or adjudicated to be invalid, unenforceable, or void for any reason whatsoever, each such portion, provision, or part of this Agreement shall be severed from the remaining portions, provisions, or parts of this Agreement and shall not affect the validity or enforceability of such remaining portions, provisions or parts.

13. **MERGER.**

This Agreement constitutes a single integrated contract expressing the entire agreement of the Parties hereto. There are no other agreements, written or oral, express or implied, between the Parties hereto concerning the subject matter hereof except the agreements as set forth in this

Agreement. No amendment of, addition to, or modification of this Agreement shall be effective unless the same is in writing and signed by the Parties.

14. **AMBIGUITY.**

Each party to this Agreement and her or its attorneys have reviewed this Agreement, and accordingly the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in any interpretation of this Agreement.

15. **COUNTERPARTS.**

This Agreement may be executed as one or more counterparts, and each such counterpart shall be deemed an original as to the party to be charged. Signatures transmitted by facsimile or via e-mail with a .pdf attachment shall be deemed valid and binding.

16. **HEADINGS.**

The headings of the Paragraphs of this Agreement are for convenience only and shall not affect the construction or interpretation of any of its provisions.

17. **REVIEW/UNDERSTANDING OF AGREEMENT.**

The Parties acknowledge that they have carefully read this Agreement, have had the opportunity for their counsel to read and review it, have had its provisions fully explained by counsel, and the only promises made between them to sign the Agreement are those stated above, and they are signing this Agreement freely, voluntarily, and with full knowledge of its terms and consequences.

18. **AUTHORITY TO EXECUTE.**


Each person executing this Agreement on behalf of another person or organization represents and warrants to all other Parties that he or she is fully authorized to execute and deliver this Agreement on behalf of such person or organization.

**19. ATTORNEYS' FEES AND EXPENSES IN THE ACTION.**

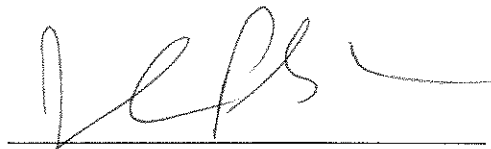
The Parties agree to bear their own costs and expenses, including attorneys' fees, incurred by each Party in connection with the Action.

IN WITNESS HEREOF, the Parties have duly executed this Agreement effective as of November 30, 2016.

**MACDONALD HOAGUE & BAYLESS**


By:   
Name: *Andrew T. Chan*  
Title: *Managing Director*  
Date: November 30, 2016

**THE SHERIDAN LAW FIRM, P.S.**

By:   
Name: John P. Sheridan  
Title:  
Date: November 30, 2016

**JOHN P. SHERIDAN**

Personally, and on behalf of Jane Doe and the marital community consisting of John P. Sheridan and Jane Doe

  
Date: November 30, 2016