

SETTLEMENT AGREEMENT

IT IS HEREBY AGREED, by and between Plaintiff Booklocker.com, Inc. ("Booklocker") and Defendant Amazon.com, Inc. ("Amazon") (each a "Party" and, together the "Parties"), acting through their undersigned attorneys, that the matter *Booklocker.com, Inc. v. Amazon.com, Inc.*, CV-08-00160-JAW (the "Action"), pending in United States District Court for the District of Maine (the "Court"), is settled and will be dismissed with prejudice, pursuant to Federal Rule of Civil Procedure 41(a)(1)(ii), subject to the terms contained in this Settlement Agreement ("Agreement"):

WHEREAS, Amazon sells print-on-demand ("POD") books on its website, Amazon.com;

WHEREAS, on March 31, 2008, Amazon posted a letter on its web site (the "Open Letter") that stated Amazon would require POD books it sold to either be part of the Amazon Advantage program or be printed in Amazon-owned fulfillment centers for reasons of efficiency;

WHEREAS, on November 20, 2009, Amazon posted a second letter on its website confirming, among other things, that it would "continue to work with partners on a non-exclusive, case-by-case basis to provide them with the POD services that work best for them."

WHEREAS, on May 19, 2008, Plaintiff commenced a putative class action against Amazon (the "Action"), alleging that the requirements and terms explained in the Open Letter constitute an unlawful tying arrangement in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1, and seeking injunctive relief and damages, penalties and other monetary relief under the Clayton Act, 15 U.S.C. §§ 15, 26;

WHEREAS, Plaintiff acknowledges that it has not to date been forced to comply with the requirement explained in the Open Letter, but alleges it has lost business as a result of the Open Letter;

WHEREAS, Amazon represents that it will not force Plaintiff to comply with the requirement explained in the Open Letter;

WHEREAS, Plaintiff has examined the benefits to be obtained under the settlement set forth in this Agreement and has considered the risks and costs associated with the continued prosecution of the Action;

WHEREAS, Amazon denies the allegations in the Amended Complaint and has not conceded or admitted any liability or the applicability of any of the statutes cited therein, and has asserted defenses to Plaintiff's claims;

WHEREAS, the Parties want to avoid the continuing expense and distraction of litigating the Action, and

WHEREAS, each of the Parties and counsel believes, after fully investigating the facts and analyzing the legal issues, in consideration of all the circumstances and after arms' length settlement negotiations between counsel, that its interests are best served by entering into the settlement set forth in this Agreement;

NOW, THEREFORE, it is agreed by the undersigned on behalf of Booklocker and Amazon that all Claims (as defined below) of Plaintiff against Amazon be settled, compromised and released for good and valuable consideration, and that the Action be dismissed with prejudice, without costs to any Party (except as provided below), on the following terms and conditions:

1. Amazon agrees that it will not take any action or refrain from taking any action with respect to Booklocker by reason of Booklocker's commencing of the Action, except as provided in this Agreement. Amazon further specifically agrees that it will not do any of the following things by reason of Booklocker's commencing of the Action: decline to list or sell Booklocker

books on the Amazon.com website; change the terms on which it purchases Booklocker books; remove Booklocker books from the Amazon.com website; remove the "Add to Shopping Cart" or other substantially similar buttons from pages for Booklocker books on Amazon.com; or take other action to disadvantage the sale of Booklocker's books. Nothing in this Agreement, however, shall restrict Amazon from negotiating in good faith the terms on which it purchases books for resale from any vendor, including Booklocker.

2. Amazon will pay Booklocker's actual and reasonable attorneys' fees and costs of \$300,000.

3. Other than as set forth herein, Amazon shall not be liable for any fees or expenses of Booklocker or Booklocker's attorneys in connection with the Action, nor shall Booklocker be liable for any fees or expenses of Amazon or Amazon's attorneys in connection with the Action.

4. Booklocker agrees that, to the fullest extent permitted by law, neither this Agreement nor the fact of it, nor any act performed concerning this Agreement, nor any statements made publicly or otherwise concerning this Agreement in responding to concerns raised by Booklocker, nor any document negotiated or executed pursuant to or in furtherance of this Agreement, is or may be deemed to be or may be used as an admission or concession of, or evidence of any liability or violation of any law by Amazon in any court, administrative agency or other tribunal.

5. As of the date on which the Action is finally dismissed with prejudice and without further action, Booklocker, by entry of the Order of Dismissal with Prejudice, fully, completely and generally forever, to the fullest extent permitted by law, releases Amazon and all of its subsidiaries, including but not limited to On Demand Publishing LLC, affiliates and joint ventures, and each and all of its and their agents, employees, representatives, predecessors,

successors, assigns, officers, directors, and attorneys, from any and all claims, rights, demands, obligations, agreements, contracts, representations, promises, liens, accounts, debts, liabilities, expenses, damages, costs, interest, attorney's fees, judgments, orders, and causes of action of every kind and nature, whether known or unknown, suspected or unsuspected, existing or claimed to exist, legal or equitable, including, but not limited to, all claims for damages and other forms of relief that Booklocker ever had, now has, or may have through the date hereof that were or could have been asserted in the Action (collectively, the "Claims").

6. As of the date on which the Action is finally dismissed with prejudice and without further action, Amazon, by entry of the Order of Dismissal with Prejudice, fully, completely and generally forever, to the fullest extent permitted by law, releases Booklocker and all of its subsidiaries, affiliates and joint ventures, and each and all of its and their agents, employees, representatives, predecessors, successors, assigns, officers, directors, and attorneys from any and all claims, rights, demands, obligations, agreements, contracts, representations, promises, liens, accounts, debts, liabilities, expenses, damages, costs, interest, attorney's fees, judgments, orders, and causes of action of every kind and nature, whether known or unknown, suspected or unsuspected, existing or claimed to exist, legal or equitable, including, but not limited to, all claims for damages and other forms of relief that Amazon ever had, now has, or may have through the date hereof that were or could have been asserted in the Action.

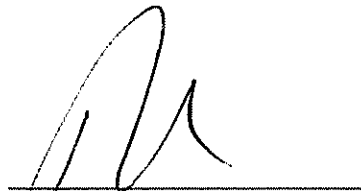
7. This Agreement contains the entire agreement among the Parties and supersedes any prior agreements or understandings between them. It shall be construed as if drafted by all the Parties.

8. Having obtained the express permission and consent of their respective clients, the undersigned attorneys hereby consent to the terms and conditions set forth above by signing

below. The undersigned signatories represent that they are fully authorized to execute and enter into the terms and conditions of this Agreement on behalf of the respective persons or entities for whom they have signed it.

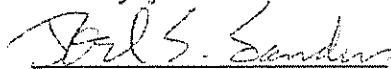
9. The terms and conditions of this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Maine or the United States of America, as applicable, without regard to any applicable choice of law or conflicts rules.

DATED: December 16, 2009



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