

# EXHIBIT C

## SETTLEMENT AND RELEASE AGREEMENT

1. **Parties; Effective Date.** This Settlement and Release Agreement ("Agreement") is entered into by and between Bloosky Interactive, LLC, a Nevada limited liability company ("Bloosky") and Pacific WebWorks, Inc. a Nevada corporation ("Pacific"). This Agreement is effective on the date last signed by the parties ("Effective Date").
2. **Nature of Agreement.** Bloosky is engaged in the business of providing online advertising and marketing-related services and products. Pacific is engaged in the business of selling products directly to consumers. On or about August 2007, the parties, either directly or through their respective affiliates and/or predecessors entered into that certain Master Advertising Agreement (which is incorporated herein by reference), under which Bloosky agreed to provide certain online advertising and marketing-related services and/or products to Pacific (the "Advertising Agreement"). As of November 2009, Pacific owed Bloosky approximately \$180,000 for products and/or services provided by Bloosky pursuant to the terms of the Advertising Agreement and other insertion orders, agreements and/or understandings between the parties directly and expressly related to the Advertising Agreement entered into by and between Bloosky and Pacific ("Related Agreements").
3. **Payment.** In consideration of the compromise of their respective claims and contentions, and the mutual promises, representations and warranties contained in this Agreement, Pacific hereby agrees to pay to Bloosky by wire transfer, on or before November 19, 2009 at 3:00 p.m. PST, the sum of ONE HUNDRED AND EIGHTY THOUSAND DOLLARS (\$180,000).
4. **Bloosky Release.** Bloosky now and forever releases and discharges Pacific from any and all claims which directly arises from Pacific's failure to pay amounts owed as of the Effective Date directly arising under the terms of the Advertising Agreement and the Related Agreements entered into by and between Bloosky and Pacific.
5. **Pacific Release.** Pacific, on behalf of itself and its respective parent, subsidiaries, affiliates, successors, and assigns now and forever releases and discharges Bloosky and its respective parent, subsidiaries, affiliates, successors, assigns, principals, officers, directors, shareholders, partners, agents, employees, attorneys and contractors from any and all claims, liabilities, damages, and causes of action of any nature which directly arises from the Advertising Agreement and the Related Agreements entered into by and between Bloosky and Pacific. Moreover, Pacific expressly agrees that there are no amounts owed to Pacific as of the Effective Date arising under the terms of the Advertising Agreement and the Related Agreements entered into by and between Bloosky and Pacific.
6. **Future Claims.** The preceding releases provided Paragraphs 4 and 5 above extends to and includes any and all claims, liabilities, injuries, damages, and causes of action either party does not presently anticipate, know, or suspect to exist but that may develop, accrue or be discovered in the future directly related to and/or arising out of the Advertising Agreement or the Related Agreements. **BOTH PARTIES KNOWINGLY, VOLUNTARILY, AND EXPRESSLY WAIVES ALL RIGHTS UNDER CALIFORNIA CIVIL CODE SECTION 1542 (AND ANY OTHER SIMILAR FEDERAL OR STATE STATUTES IN ANY OTHER JURISDICTION), WHICH PROVIDES:**

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Both parties represent and warrant that it has considered the possibility that claims, liabilities, injuries, damages, and causes of action that it does not presently know or suspect to exist in its favor may develop, accrue, or be discovered in the future, and that Pacific voluntarily assumes that risk as part of the consideration for this Agreement.
7. **Contingency of Release.** The release and provisions contained in this Agreement are expressly conditioned upon the following: (a) Pacific must pay Bloosky the sum of ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) pursuant to Paragraph 3 above by wire transfer so that the money is received by Bloosky on or before November 19, 2009 at 3:00 p.m. PST; (b) both parties to this Agreement must execute and deliver an executed copy of this Agreement by facsimile or other electronic transmission.

to the other party on or before November 19 2009 at 3:00 p.m. PST; and (c) both parties to this Agreement must have all requisite power and authority to execute deliver and perform its obligations under this Agreement. If any of the preceding three conditions do not occur, such action or non-action shall be considered a material breach of this Agreement and this Agreement and all provisions contained herein shall be void, and the parties shall be returned to their original respective legal positions as if this Agreement was never contemplated or entered into

8. **Attorneys' Fees.** The parties each waive the right to recover any attorneys' fees, costs of suit, or other expenses incurred in connection with any claims or liabilities directly arising out of the Advertising Agreement or the Related Agreements. If any legal action is commenced to interpret, enforce, or recover damages for the breach of any term of this Agreement the prevailing party shall be entitled to recover reasonable attorneys' fees incurred in connection with that action, in addition to costs of suit
9. **Representations.** Each party represents and warrants that: (a) it has all requisite power and authority to execute deliver and perform its obligations under this Agreement; (b) the execution, delivery and performance of this Agreement has been duly authorized by such party; and (c) no approval, authorization or consent of any court or any government or regulatory authority or other person or entity is required to be obtained or made by it in order for it to enter into and perform its obligations under this Agreement.
10. **No Admission of Liability.** This Agreement is entered into for the purposes of compromising disputed claims and avoiding the expense, inconvenience and uncertainty of litigation. Nothing contained in this Agreement, nor any consideration given pursuant to it shall constitute or be deemed to be an admission of any breach, liability, or damages of any party
11. **Indemnification.** In addition to the indemnification provided in the Advertising Agreement and the Related Agreements, both parties will, at their expense, indemnify, defend, and hold harmless the other party and their respective parent, subsidiaries, affiliates, officers, directors, members, shareholders, employees, contractors, representatives, agents, successors and assigns from and against any and all losses, liabilities, damages, and claims, and all costs and expenses relating to such losses, liabilities, damages, and claims by a third party (including, without limitation, costs and/or expenses of investigation, litigation or other dispute resolution proceedings, settlement, judgment and interest and reasonable attorneys' fees and paralegals' fees (whether or not suit is instituted and, if instituted, at the trial or appellate court levels in a probate, administrative, bankruptcy or other proceeding, or otherwise)) directly arising out of or relating to a material breach of this Agreement, the Advertising Agreement, and/or the Related Agreements
12. **Entire Agreement.** This Agreement contains the entire understanding between the parties concerning the settlement of this dispute. Any and all prior negotiations that are not contained in this Agreement are superseded and are of no force or effect. Each party represents and warrants that no promise or inducement to enter into this settlement has been made to him or her that is not set forth in this Agreement
13. **Further Documents.** Each party covenants and agrees to execute such further documents and perform such further acts as may be reasonable and necessary to effectuate the purposes of this Agreement
14. **Controlling Law; Venue; Severability; Construction.** This Agreement shall be interpreted in accordance with the laws of the State of California. Any litigation shall be brought in a court of competent jurisdiction in the County of Orange, California, or in the U.S. District Court for the Central District of California (Southern Division) and the parties hereby expressly consent to personal jurisdiction and venue in such forums. Where the context requires the masculine, feminine, and neuter genders shall be construed to include each other as shall the singular and the plural and the past present and future tenses. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder shall be construed and enforced so as to best effectuate the intention of the parties at the time this Agreement was entered into. This Agreement was drafted jointly by or on behalf of the parties, and shall not be interpreted against any party on the basis that the party or the party's attorney drafted any of its provisions
15. **Modification.** This Agreement may not be orally superseded, modified, or amended. No waiver, modification or amendment shall be valid unless signed by all parties
16. **Counterparts; Facsimile.** This Agreement may be executed and delivered in two or more counterparts, and/or delivered by facsimile or other electronic transmission, each of which shall be deemed an original and all of which together shall be deemed to constitute one and the same agreement. This Agreement must

be executed by a handwritten signature and not by an electronic signature, notwithstanding that it may be electronically transmitted or delivered. Where a party has delivered this Agreement by facsimile or other electronic transmission, it shall forthwith deliver an originally executed copy of this Agreement to the other party, but the failure to do so shall not affect the validity or enforceability of this Agreement

AGREED AND ACCEPTED:

BLOOSKY INTERACTIVE, LLC

By: [Signature]  
(signature)

Name: MATT COOK  
(printed)

Title: CEO

Date: 11/17/09

PACIFIC WEBWORKS, INC.

By: [Signature]  
(signature)

Name: Bennett W. Bell  
(printed)

Title: CEO

Date: 11/19/09