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15 JAN 13 PM 2:49

KING COUNTY
SUPERIOR COURT CLERK
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CASE NUMBER: 14-2-07669-0 SEA

HONORABLE JOHN CHUN
Noted for Consideration: January 22, 2015
ORAL ARGUMENT REQUESTED

SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR KING COUNTY

MOVE, INC., a Delaware corporation,
REALSELECT, INC., a Delaware
corporation, TOP PRODUCERS
SYSTEMS COMPANY, a British
Columbia unlimited liability company,
NATIONAL ASSOCIATION OF
REALTORS®, an Illinois non-profit
corporation, and REALTORS®
INFORMATION NETWORK, INC., an
Illinois corporation,

Plaintiffs,

v.

ZILLOW, INC., a Washington corporation,
ERROL SAMUELSON, an individual, and
DOES 1-20,

Defendants.

No. 14-2-07669-0 SEA

DECLARATION OF SPENCER RASCOFF
IN SUPPORT OF DEFENDANT ZILLOW,
INC.'S MOTION TO INCREASE BOND

I, SPENCER RASCOFF, hereby declare:

RASCOFF DECLARATION IN SUPPORT OF
DEFENDANT ZILLOW INC.'S MOTION TO
INCREASE BOND – 1

LEGAL124383107.4

Perkins Coie LLP
1201 Third Avenue, Suite 4900
Seattle, WA 98101-3099
Phone: 206.359.8000
Fax: 206.359.9000

1 1. I am Zillow’s Chief Executive Officer and a Director. I have personal
2 knowledge of the facts stated below and am competent to testify regarding the same.
3

4 2. From the entry of the court’s preliminary injunction on July 1, 2014 until the
5 present, Zillow has placed Errol Samuelson on leave from the company. It is the company’s
6 opinion that the preliminary injunction order, in its current form, has effectively prevented
7 Errol from performing any of the work that he was hired for. This problem has been
8 exacerbated by the fact that Zillow has not yet been allowed to see the full injunction terms.
9

10 3. For example, core to Zillow’s business is the sale of leads to real estate
11 agents and the listings that generate those leads. Yet, the preliminary injunction order
12 prohibits Errol from “directly or indirectly” engaging in “[e]fforts to sell leads” (PI ¶ 4(a)) or
13 “[e]fforts to obtain direct feeds of listing data.” (PI ¶ 6(h)). Additionally, ListHub supplies
14 Zillow with a listing feed that makes up almost 60% of all of its listings and the agreement
15 between Zillow and ListHub explicitly allows Zillow to generate leads from those listings.
16 Yet, the injunction prohibits Errol from “[e]fforts to obtain access to leads generated by
17 listings syndicated by ListHub.” (PI ¶ 6(e)). Thus, Errol cannot engage in any activity to
18 enhance the system that already supplies Zillow with over half of its listings. And because
19 the ListHub listings are pooled with listings generated by other means, Errol effectively
20 cannot participate in any endeavor to leverage Zillow’s listings, regardless of source.
21

22 4. Additionally, the injunction prohibits Errol from even talking about generic
23 or common subjects untethered to whether they would disclose any trade secret. For
24 example, Paragraph 4(g) prohibits discussions regarding “the distribution or sale of leads to
25 real estate agents, brokers, or franchisors. ” Paragraph 5(b) prohibits “[d]iscussions of
26 advertising strategy.” And Paragraph 6(f) and (g) broadly prohibit discussions regarding
27 certain ListHub activities, regardless of whether the topic is public and despite the fact that
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1 ListHub is the 900 pound Gorilla in the space and is omnipresent when it comes to listings.
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3 Similarly, Paragraph 5(c) prohibits any discussion of Move's industry relations strategy and
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5 Paragraph 4(f) prohibits discussion of "Move's business to business lines." Yet, Move is
6
7 one of Zillow's largest competitors. In the context of Zillow's business it is difficult to
8
9 imagine how Errol can participate in an office environment without violating these
10
11 restrictions.

12
13 5. Attached as **Exhibit A** is a true and correct copy of an email Kathleen Philips
14
15 sent to Errol confirming earlier instructions that Errol was to "refrain from providing any
16
17 services in your capacity as an employee of Zillow" as a result of the July 1, 2014
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19 preliminary injunction. Errol was first given these instructions orally on June 30, 2014.

20
21 6. I have continued to explore productive ways in which Zillow can use Errol,
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23 but in view of the broad provisions of the injunction extending until at least January 1, 2015,
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25 I have been unable to do so.

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27 7. Because some of the preliminary injunction restrictions apply indefinitely
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29 until this matter is adjudicated, Errol will not be able to perform any of the core
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31 responsibilities for which he was hired as long as this litigation is not resolved and the
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33 preliminary injunction order remains in effect. Errol has been effectively useless to Zillow
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35 despite being one of our highest paid employees. I haven't been able to talk with him
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37 substantively about Zillow since June 30, 2014. He has been isolated, at home, and
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39 detached completely from work. For all practical purposes, Errol has ceased to exist at
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41 Zillow since June 30, 2014, despite having cost Zillow \$1,010,375.86 in direct
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43 compensation and cost Zillow immeasurably in terms of lost productivity and distraction.
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1 8. Pursuant to the Amended and Restated Executive Employment Agreement (a
2 true and correct copy of which is attached as **Exhibit B**), Errol's compensation is divided
3 into three categories.
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5
6 9. First, Zillow awarded Errol a signing bonus of \$395,000. This bonus was
7 paid out in two installments, the first on April 15, 2014 and the second on June 30, 2014.
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10 10. Second, Errol is compensated by an annual salary of \$350,000. The company
11 has paid \$171,397 in salary to Errol since the preliminary injunction took effect on July 1,
12 2014 and December 31, 2014.
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15 11. Finally, Zillow awarded Errol an initial grant of 59,320 restricted stock units
16 ("Initial RSUs") that will settle in shares of Zillow stock upon vesting. The Initial RSUs
17 were granted to Errol on April 4, 2014. The RSUs vest quarterly over the course of four
18 years subject to Errol's continued employment. Since June 30, 2014, while Errol has been
19 on leave, 3,708 shares of Errol's Initial RSU grant vested on September 26, 2014 and an
20 additional 3,707 shares of the Initial RSU grant vested on December 26, 2014. Based on the
21 closing price of shares of Zillow, Inc. at the time of vesting, the shares that vested on
22 September 26 and December 26 have a value of \$838,978.86. Zillow routinely grants equity
23 awards at the end of each year of service to act as an incentive for continued employment.
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25 12. The company has compensated Errol on these three levels without, as of July
26 1, 2014, receiving the value of the services for which we hired him.
27

28 13. In addition, Zillow has lost the bargained-for value of Errol's services. This
29 value is significant. Errol is a coveted executive in this field with over 20 years of
30 experience. Zillow hired him to be a new face of the company and to use his extensive
31 professional relationships to negotiate deals with MLSs across the country. Errol is a
32 uniquely talented executive, one who Zillow could not easily replace even if we were
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1 callous enough to simply release him. And since July 1, 2014 Zillow has entirely lost the
2 benefit of his services, thus significantly delaying the projects he was responsible for and
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4 setting Zillow back substantially in a highly competitive market.
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6

7 **I declare under penalty of perjury of the State of Washington that the**
8 **foregoing is true and correct.**
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11
12 Signed at Seattle, Washington, this 13th day of January, 2015.
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17 _____
18 Spencer Rascoff
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CERTIFICATE OF SERVICE

On January 13th, 2015, I caused to be served upon counsel of record, at the address stated below, via the method of service indicated, a true and correct copy of the following document: **DECLARATION OF SPENCER RASCOFF IN SUPPORT OF DEFENDANT ZILLOW INC.'S MOTION TO INCREASE BOND.**

Jack M. Lovejoy, WSBA No. 36962 Lawrence R. Cock, WSBA No. 20326 Cable, Langenbach, Kinerk & Bauer, LLP Suite 3500, 1000 Second Avenue Building Seattle, WA 98104-1048 Telephone: (206) 292-8800 Facsimile: (206) 292-0494 jlovejoy@cablelang.com LRC@cablelang.com kalbritton@cablelang.com jpetersen@cablelang.com	<input type="checkbox"/> Via Hand Delivery <input type="checkbox"/> Via U.S. Mail, 1st Class, Postage Prepaid <input type="checkbox"/> Via Overnight Delivery <input type="checkbox"/> Via Facsimile <input checked="" type="checkbox"/> Via E-filing <input checked="" type="checkbox"/> Via E-mail
Clemens H. Barnes, Esq., WSBA No. 4905 Esteria Gordon, WSBA #12655 Miller Nash Graham & Dunn LLP Pier 70 2801 Alaskan Way, Suite 300 Seattle, WA 98121-1128 Telephone: (206) 624-8300 Facsimile: (206) 340-9599 clemens.barnes@millernash.com connie.hays@millernash.com esteria.gordon@millernash.com	<input type="checkbox"/> Via Hand Delivery <input type="checkbox"/> Via U.S. Mail, 1st Class, Postage Prepaid <input type="checkbox"/> Via Overnight Delivery <input type="checkbox"/> Via Facsimile <input checked="" type="checkbox"/> Via E-filing <input checked="" type="checkbox"/> Via E-mail
Brent Caslin, WSBA No. 36145 Jenner & Block LLP 633 West 5th Street, Suite 3600 Los Angeles, CA 90071 Telephone: (213) 239-5150 bcaslin@jenner.com	<input type="checkbox"/> Via Hand Delivery <input type="checkbox"/> Via U.S. Mail, 1st Class, Postage Prepaid <input type="checkbox"/> Via Overnight Delivery <input type="checkbox"/> Via Facsimile <input checked="" type="checkbox"/> Via E-filing <input checked="" type="checkbox"/> Via E-mail

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED this 13th day of January, 2015.

s/ Sherri Wyatt

Sherri Wyatt
Legal Secretary

EXHIBIT A

Galipeau, Katherine G. (Katie) (Perkins Coie)

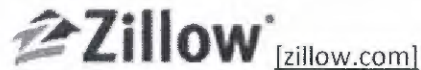
From: Kathleen Philips <kathleenp@zillow.com>
Sent: Tuesday, July 08, 2014 5:20 PM
To: Errol Samuelson
Cc: Brad Owens
Subject: Follow Up to Our Past Discussion

Errol - consistent with our previous conversations regarding the injunctive order signed by the court on 6/30/14, as a result of the broad and ambiguous restrictions included in the injunctive order, pending further clarification please refrain from providing any services in your capacity as an employee of Zillow.

kp

Kathleen Philips
Chief Operating Officer

M (415) 412-2422



This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized use or disclosure is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message.

EXHIBIT B

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amended and Restated Executive Employment Agreement ("*Agreement*") is entered into as of April 2, 2014 by and between Errol Samuelson ("*Executive*") and Zillow, Inc., a Washington corporation (the "*Company*").

RECITALS

WHEREAS, as of March 5, 2014 (the "*Effective Date*"), Executive and the Company entered into an Executive Employment Agreement (the "*Original Agreement*") regarding the employment of Executive by the Company as its Chief Industry Development Officer;

WHEREAS, Executive and the Company wish to amend Section 2.3(b) of the Original Agreement to provide that the number of shares of the Company's Class A common stock to be delivered upon vesting of the Annual Restricted Units (as defined herein) shall be determined by dividing the number of Annual Restricted Units by the closing price of the Company's Class A common stock during regular session trading as of the trading date immediately preceding the applicable vesting date of the Annual Restricted Units; and

WHEREAS, pursuant to Section 5 of the Original Agreement, Executive and the Company wish to amend and restate the Original Agreement to read as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises described below, the Original Agreement is hereby amended and restated to read in its entirety, and Executive and the Company agree, as follows:

Certain capitalized terms in this Agreement have the meanings set forth in *Appendix A* attached to this Agreement, which is incorporated into this Agreement in its entirety.

EMPLOYMENT

The Company agrees to employ Executive, and Executive agrees to accept employment by the Company as its Chief Industry Development Officer and report to the Company's Chief Executive Officer. Executive's employment with the Company will commence on the business day following issuance to Executive of a United States work visa that authorizes Executive to provide the services contemplated hereunder for a period of no less than twelve (12) months from the date of issuance of the visa. Company and Executive agree to cooperate and expend best efforts to obtain such a visa as soon as practicable following Executive's execution of this Agreement. Company will provide Executive with legal representation in connection with Executive's application for such visa at Company's expense. In the event the Executive is not able to secure a United States work visa, the Executive and the Company will engage in their commercially reasonable best efforts to seek alternative employment or other contractual arrangements to satisfy the terms of the Agreement. Company and Executive agree that Executive will continue to live in Vancouver, Canada, but that Executive will agree to (1) travel to the Company's headquarters in Seattle and (2) travel to other United States locations on Company business, in each case as the CEO deems necessary for Executive to perform his duties hereunder. Subject to Sections 3.3 and 3.4, changes may be made from time to time by the Company in its sole discretion to the duties, reporting relationships and title of Executive. Executive will perform the duties as are commensurate and consistent with Executive's position and will devote Executive's full working time, attention and efforts to the Company and to discharging the responsibilities of Executive's position, and such other duties as may be assigned from time to time by the Company, which relate to the business of the Company and are reasonably consistent with Executive's position. Executive will not have signature authority on

the Company's behalf and will not have authority to bind the Company to any contract obligation. Executive will provide his own working space, computer(s), communication devices, internet and telephone services and other facilities and services in Canada that are reasonably necessary for him to perform his duties. During Executive's employment, Executive will not engage in any business activity that, in the reasonable judgment of the Chief Executive Officer, conflicts with the duties of Executive under this Agreement, whether or not such activity is pursued for gain, profit or other advantage. Executive agrees to comply with the Company's standard policies and procedures, his Confidential Information, Inventions and Nonsolicitation Agreement and Indemnification Agreement, each to be executed by Executive contemporaneously with this Agreement, and with all applicable laws and regulations.

COMPENSATION AND BENEFITS

The Company agrees to pay or cause to be paid to Executive and Executive agrees to accept in exchange for the services rendered hereunder the following compensation and benefits:

Signing Bonus

Executive will received a signing bonus of \$395,000 (USD), payable as follows:

- \$200,000 (USD) paid on the next regular payroll date following the start of his employment; and
- \$195,000 (USD) on the next regular payroll date following the completion of 90 days of employment, provided, however, that Executive remains employed by the Company on that payroll date.

The bonus payments will be subject to normal payroll taxes and withholding.

Annual Salary

Executive's compensation shall consist of an annual base salary (the "***Salary***") of \$350,000 (USD), payable in semi-monthly installments in accordance with the payroll practices of the Company. The Salary shall be reviewed, and shall be subject to change, by the Board of Directors (or the Compensation Committee thereof) at least annually while Executive is employed hereunder.

Bonus And Equity Awards

Executive shall be eligible to participate in the Company's incentive bonus plans as may be adopted from time to time by the Board of Directors (or the Compensation Committee thereof), subject to and in accordance with the terms and conditions of such plans. In connection with commencement of employment, Executive shall be eligible to receive the following equity awards ("***Equity Awards***"):

(a) Initial grant of restricted stock units ("***Initial RSUs***") for that number of shares of Class A common stock of the Company equal to \$5 million (USD) in value, based on the Company's sixty (60) day average stock price immediately preceding the Effective Date of this Agreement, which Initial RSUs shall vest quarterly over four years from Executive's first day of employment with the Company, subject to Executive's continued employment on each vesting date.

(b) Annual grant of 345,000 Restricted Units ("***Annual Restricted Units***"), whereby each Annual Restricted Unit has an initial value of one U.S. dollar (U.S. \$1.00) as of the date of grant and represents the right to receive shares of the Company's Class A common stock on or

following the applicable anniversary of Executive's first day of employment with the Company (such that the grant of Annual Restricted Units approved in 2014 shall vest on the one-year anniversary of Executive's first day of employment and subsequent grants of Annual Restricted Units shall vest on each successive anniversary of Executive's first day of employment), such number of shares to be determined by dividing the number of Annual Restricted Units by the closing price of the Company's Class A common stock during regular session trading as of the trading date immediately preceding the applicable vesting date of such Annual Restricted Units. Upon vesting, the Annual Restricted Units will be settled in shares of Class A common stock. The grant of Annual Restricted Units approved in 2014 will be subject to Executive's employment on the grant date and, for each grant of Annual Restricted Units approved thereafter, continued employment through the applicable grant date, and vesting of Annual Restricted Units will be subject to Executive's continued employment on the applicable vesting date.

(c) All settlement of the Equity Awards in shares of Class A common stock of the Company shall be subject to normal payroll taxes and withholding. The Annual Restricted Units and Initial RSUs shall be subject to the terms and conditions of the Company's Amended and Restated 2011 Incentive Plan or any successor plan thereto and shall be further subject to the terms of a Unit Grant Notice, Restricted Unit Agreement, Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement that shall be provided to Executive to evidence the Annual Restricted Units and Initial RSUs.

Benefits

Executive shall be eligible to participate, subject to and in accordance with applicable eligibility requirements, in such employee benefit plans, policies, programs and arrangements as

are generally provided to the Company's other similarly situated executives, which shall include, at a minimum, basic health, disability, life, dental and vision insurance. In the event Executive does not meet eligibility requirements due to his Canadian citizenship and residency, Company agrees to provide individual coverage that is reasonably equivalent to what he would have received under the group plans.

Vacation and Other Paid Time-Off Benefits

Each calendar year, Executive shall be entitled to that number of weeks of paid vacation per year equal to those provided to similarly situated executives of the Company, in accordance with the plans, policies, programs and arrangements of the Company applicable to similarly situated executives of the Company generally. Executive also shall be provided such holidays and sick leave as the Company makes available to all of its other employees.

TERMINATION

General

Except as expressly provided for in this Agreement, upon any termination of employment, Executive shall not be entitled to receive any payments or benefits under this Agreement other than unpaid Salary earned through the date of termination and unused vacation that has accrued as of the date of Executive's termination of employment that would be payable under the Company's standard policy.

Automatic Termination on Death or Total Disability

This Agreement and Executive's employment hereunder shall terminate automatically upon the death or Total Disability of Executive. "**Total Disability**" shall mean Executive's inability, with reasonable accommodation, to perform the duties of Executive's position for a period or periods aggregating ninety (90) days in any period of one hundred eighty (180) consecutive days as a result of physical or mental illness, loss of legal capacity or any other cause beyond Executive's control. Executive and the Company hereby acknowledge that Executive's ability to perform Executive's duties is the essence of this Agreement. Termination hereunder shall be deemed to be effective (a) at the end of the calendar month in which Executive's death occurs or (b) immediately upon a determination by the Board of Directors (or the Compensation Committee thereof) of Executive's Total Disability. In the case of termination of employment under this Section 3.2, Executive shall not be entitled to receive any payments or benefits under this Agreement other than unpaid Salary earned through the date of termination and unused vacation that has accrued as of the date of Executive's termination of employment that would be payable under the Company's standard policy; provided, however, that Executive shall be entitled to full acceleration of vesting of any Initial RSUs (as defined in Section 2.3) that remain unvested as of the date of Executive's termination of employment by reason of death or Total Disability.

Termination of Employment Without Cause or for Good Reason, Other Than in Connection with a Change of Control

(a) If (1) the Company terminates Executive's employment without Cause (as defined in *Appendix A*), or (2) Executive resigns for Good Reason (as defined in *Appendix A*), then

Executive shall be entitled to receive the following termination payments and benefits; provided, however, that this Section 3.3 shall not apply to, and shall have no effect in connection with, any termination to which Section 3.2 or Section 3.4 of this Agreement applies:

(i) an amount equal to the greater of (i) twelve (12) months' Salary, at the rate in effect immediately prior to termination, or (ii) \$350,000 (USD), payable to Executive in accordance with the terms below ("*Severance Payments*");

(ii) unpaid Salary earned through the date of termination and unused vacation that has accrued and would be payable under the Company's standard policy (collectively, the "*Accrued Obligations*"), payable in a lump sum on the next regularly scheduled payroll date following the date on which Executive's employment terminated;

(iii) benefits continuation coverage paid in full by the Company, so long as Executive has not become actually covered by the medical plan of a subsequent employer during any such month and is otherwise entitled to benefits continuation coverage, with such payments for up to a maximum of twelve (12) months following the date of termination. After such period, Executive is responsible for paying the full cost for any additional benefits continuation coverage to which Executive is then entitled; and

(iv) accelerated vesting by an additional twenty-four (24) months of Executive's then unvested Initial RSUs and any outstanding and unvested Annual Restricted Units.

(b) As a condition to receiving the payments and benefits under this Section 3.3 other than the Accrued Obligations, Executive shall execute (and not revoke within the applicable revocation period) a general release and waiver of all claims against the Company, which release

and waiver shall be in a form acceptable to the Company, and in substantially the form attached hereto as *Appendix B*. Such release and waiver shall be delivered to the Company no later than the date specified by the Company (which date shall in no event be later than twenty-one (21) days or forty-five (45) days, as applicable, after the date on which Executive is presented with the terms of the release and waiver). In addition, payment of the amounts and benefits under this Section 3.3 are contingent on Executive's full and continued compliance with the Company's Confidential Information, Inventions and Nonsolicitation Agreement, as the same may be amended from time to time.

(c) Notwithstanding the foregoing, termination of employment by Executive will not be for Good Reason unless (1) Executive notifies the Company in writing of the existence of the condition which Executive believes constitutes Good Reason within thirty (30) days of the initial existence of such condition (which notice specifically identifies such condition), (2) the Company fails to remedy such condition within thirty (30) days after the date on which it receives such notice (the "*Remedial Period*"), and (3) Executive actually terminates employment within thirty (30) days after the expiration of the Remedial Period and before the Company remedies such condition. If Executive terminates employment before the expiration of the Remedial Period or after the Company remedies the condition (even if after the end of the Remedial Period), then Executive's termination will not be considered to be for Good Reason.

(d) Subject to Section 3.3(b), Severance Payments under Section 3.3(a)(i) shall be paid to Executive through the Company's normally scheduled payroll during the twelve (12) month period commencing within sixty (60) days following the date on which Executive's employment was terminated without Cause or Executive resigned for Good Reason; provided,

however, that in the event such sixty (60) day period begins in one taxable year of Executive and ends in a second taxable year of Executive, the Company shall not make any Severance Payments to Executive until the second taxable year. Each such payment shall be treated as a separate payment for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the “*Code*”), including the rules and regulations thereunder (“*Code Section 409A*”). Notwithstanding the foregoing, if any payments and benefits payable pursuant to Section 3.3(a) constitute a “deferral of compensation” subject to Code Section 409A (after taking into account, to the maximum extent possible, any applicable exemptions), then the applicable provisions of Section 13 hereof shall apply.

Termination of Employment in Connection with a Change of Control

Benefits for Qualified Terminations in Connection with a Change of Control

(a) If (1) during the period commencing on the date the Company enters into a definitive agreement with respect to a transaction that would constitute a Change of Control (as defined in *Appendix A*) and ending on the date the definitive agreement therefor is terminated or the Change of Control is consummated, the Company terminates Executive’s employment without Cause (as defined in *Appendix A*), (2) during the period commencing upon the consummation of the Change of Control and ending eighteen (18) months thereafter, the Company or, if applicable, the surviving or successor employer (“*Successor Employer*”) terminates Executive’s employment without Cause (as defined in *Appendix A*), or (3) during the period commencing upon the consummation of the Change of Control and ending eighteen (18) months thereafter, Executive resigns for Good Reason (as defined in *Appendix A*), then

Executive shall be entitled to receive the following termination payments and benefits and shall not also be eligible to receive the payments and benefits under Section 3.3:

(i) an amount equal to the greater of (i) \$350,000 (USD) or (ii) twelve (12) months' Salary, measured as the higher of the Salary in effect immediately prior to the Change of Control or the Salary in effect immediately prior to termination, payable to Executive in accordance with the terms below ("*CIC Severance Payments*");

(ii) Accrued Obligations, payable in a lump sum on the next regularly scheduled payroll date following the date on which Executive's employment terminated;

(iii) benefits continuation coverage paid in full by the Company, so long as Executive has not become actually covered by the medical plan of a subsequent employer during any such month and is otherwise entitled to benefits continuation coverage, with such payments for up to a maximum of six (6) months following the date of termination. After such period, Executive is responsible for paying the full cost for any additional benefits continuation coverage to which Executive is then entitled; and

(iv) full acceleration of vesting of any Initial RSUs and Annual Restricted Units that remain outstanding and unvested on the date of Executive's termination of employment, including equity awards issued in substitution or replacement of such Initial RSUs and Annual Restricted Units in connection with the Change of Control. Notwithstanding the foregoing, to the extent any agreement evidencing the Initial RSUs or Annual Restricted Units contain terms that provide for greater acceleration of vesting than that set forth in this paragraph, the terms of such agreement shall continue to govern.

(b) As a condition to receiving the payments and benefits under this Section 3.4.1 other than the Accrued Obligations, Executive shall execute (and not revoke within the applicable revocation period) a general release and waiver of all claims against the Company, which release and waiver shall be in a form acceptable to the Company (including any Successor Employer thereto), and in substantially the form attached hereto as *Appendix B*. Such release and waiver shall be delivered to the Company (or any Successor Employer thereto) no later than the date specified by the Company (or any Successor Employer thereto) (which date shall in no event be later than twenty-one (21) days or forty-five (45) days, as applicable, after the date on which Executive is presented with the terms of the release and waiver). In addition, payment of the amounts and benefits under this Section 3.4.1 are contingent on Executive's full and continued compliance with the Company's Confidential Information, Inventions and Nonsolicitation Agreement, as the same may be amended from time to time.

(c) Notwithstanding the foregoing, termination of employment by Executive will not be for Good Reason unless (1) Executive notifies the Company (or a Successor Employer thereto) in writing of the existence of the condition which Executive believes constitutes Good Reason within thirty (30) days of the initial existence of such condition (which notice specifically identifies such condition), (2) the Company (or a Successor Employer thereto) fails to remedy such condition within thirty (30) days after the date on which it receives such notice (the "*Remedial Period*"), and (3) Executive actually terminates employment within thirty (30) days after the expiration of the Remedial Period and before the Company (or a Successor Employer thereto) remedies such condition. If Executive terminates employment before the expiration of the Remedial Period or after the Company (or a Successor Employer thereto)

remedies the condition (even if after the end of the Remedial Period), then Executive's termination will not be considered to be for Good Reason.

(d) Subject to Section 3.4.1(b), the CIC Severance Payments under Section 3.4.1(a) shall be paid to Executive through the Company's (or the Successor Employer's) normally scheduled payroll during the six (6) month period commencing within sixty (60) days following the date on which Executive's employment was terminated without Cause or Executive resigned for Good Reason; provided, however, that in the event such sixty (60) day period begins in one taxable year of Executive and ends in a second taxable year of Executive, the Company will not make any CIC Severance Payments to Executive until the second taxable year. Each such payment shall be treated as a separate payment for purposes of Code Section 409A. Notwithstanding the foregoing, if any payments and benefits payable pursuant to Section 3.4.1(a) constitute a "deferral of compensation" subject to Code Section 409A (after taking into account, to the maximum extent possible, any applicable exemptions), then the applicable provisions of Section 13 hereof shall apply.

Code Section 280G

(a) Notwithstanding anything in this Agreement to the contrary, in the event that Executive becomes entitled to receive or receives any payment or benefit under this Agreement or under any other plan, agreement or arrangement with the Company, or from any person whose actions result in a Change of Control or any other person affiliated with the Company or such person (all such payments and benefits being referred to herein as the "**Total Payments**") and it is determined that any of the Total Payments will be subject to any excise tax pursuant to Code Section 4999, or any similar or successor provision (the "**Excise Tax**"), the Company shall pay

to Executive either (1) the full amount of the Total Payments or (2) an amount equal to the Total Payments, reduced by the minimum amount necessary to prevent any portion of the Total Payments from being an “excess parachute payment” (within the meaning of Code Section 280G) (the “*Capped Payments*”), whichever of the foregoing amounts results in the receipt by Executive, on an after-tax basis, of the greatest amount of Total Payments notwithstanding that all or some portion of the Total Payments may be subject to the Excise Tax. For purposes of determining whether Executive would receive a greater after-tax benefit from the Capped Payments than from receipt of the full amount of the Total Payments, (i) there shall be taken into account any Excise Tax and all applicable federal, state and local taxes required to be paid by Executive in respect of the receipt of such payments and (ii) such payments shall be deemed to be subject to federal income taxes at the highest rate of federal income taxation applicable to individuals that is in effect for the calendar year in which the effective date of the Change of Control occurs, and state and local income taxes at the highest rate of taxation applicable to individuals in the state and locality of Executive’s residence on the effective date of the Change of Control, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes (as determined by assuming that such deduction is subject to the maximum limitation applicable to itemized deductions under Code Section 68 and any other limitations applicable to the deduction of state and local income taxes under the Code).

(b) All computations and determinations called for by this Section 3.4.2 shall be made by a reputable independent public accounting firm or independent tax counsel appointed by the Company (the “*Firm*”). All determinations made by the Firm under this Section 3.4.2 shall be conclusive and binding on both the Company and Executive, and the Firm shall provide its determinations and any supporting calculations to the Company and Executive within ten (10)

business days after Executive's employment terminates under any of the circumstances described in Section 3.4.1, or such earlier time as is requested by the Company. For purposes of making its determinations under this Section 3.4.2, the Firm may rely on reasonable, good faith interpretations concerning the application of Code Sections 280G and 4999. The Company and Executive shall furnish to the Firm such information and documents as the Firm may reasonably request in making its determinations. The Company shall bear all fees and expenses charged by the Firm in connection with its services.

(c) In the event that Section 3.4.2(a) applies and a reduction is required to be applied to the Total Payments thereunder, the Total Payments shall be reduced by the Company in its reasonable discretion in the following order: (1) reduction of any Total Payments that are subject to Code Section 409A on a pro-rata basis or such other manner that complies with Code Section 409A, as determined by the Company, and (2) reduction of any Total Payments that are exempt from Code Section 409A.

ASSIGNMENT

This Agreement is personal to Executive and shall not be assignable by Executive. The Company may assign its rights hereunder to (a) any Successor Employer; (b) any other corporation resulting from any merger, consolidation or other reorganization to which the Company is a party; (c) any other corporation, partnership, association or other person to which the Company may transfer all or substantially all of the assets and business of the Company existing at such time; or (d) any subsidiary, parent or other affiliate of the Company. All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

AMENDMENTS IN WRITING

No amendment, modification, waiver, termination or discharge of any provision of this Agreement, or consent to any departure therefrom by either party hereto, shall in any event be effective unless the same shall be in writing, specifically identifying this Agreement and the provision intended to be amended, modified, waived, terminated or discharged and signed by the Company and Executive, and each such amendment, modification, waiver, termination or discharge shall be effective only in the specific instance and for the specific purpose for which given. No provision of this Agreement shall be varied, contradicted or explained by any oral agreement, course of dealing or performance or any other matter not set forth in an agreement in writing and signed by the Company and Executive.

NOTICES

Every notice relating to this Agreement shall be in writing and shall be given by personal delivery, by a reputable same-day or overnight courier service (charges prepaid), by registered or certified mail (postage prepaid, return receipt requested) or by facsimile to the recipient with a confirmation copy to follow the next day to be delivered by personal delivery or by a reputable same-day or overnight courier service to the appropriate party's address or email address below (or such other address and email address as a party may designate by notice to the other parties):

If to the Company:	Zillow, Inc. 1301 Second Avenue, Floor 31 Seattle, Washington 98101 Email: legal@zillow.com Attn: Legal Department
If to the Executive:	Errol Samuelson PO Box 19014, 4 th Ave. RPO Vancouver, BC CANADA V6K4R8

Email: samuelson@gmail.com

APPLICABLE LAW

This Agreement shall in all respects, including all matters of construction, validity and performance, be governed by, and construed and enforced in accordance with, the laws of the State of Washington, without regard to any rules governing conflicts of laws.

ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Company and Executive with respect to the subject matter hereof, and all prior or contemporaneous oral or written communications, understandings or agreements between the Company and Executive with respect to such subject matter are hereby superseded in their entirety, except as otherwise provided herein.

SEVERABILITY

If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any action in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

WAIVERS

No delay or failure by any party hereto in exercising, protecting, or enforcing any of its rights, titles, interests, or remedies hereunder, and no course of dealing or performance with

respect thereto, shall constitute a waiver thereof. The express waiver by a party hereto of any right, title, interest, or remedy in a particular instance or circumstance shall not constitute a waiver thereof in any other instance or circumstance. All rights and remedies shall be cumulative and not exclusive of any other rights or remedies.

HEADINGS

All headings used herein are for convenience only and shall not in any way affect the construction of, or be taken into consideration in interpreting, this Agreement.

COUNTERPARTS

This Agreement, and any amendment or modification entered into pursuant to Section 5 hereof, may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same instrument.

CODE SECTION 409A

The Company makes no representations or warranties to Executive with respect to any tax, economic or legal consequences of this Agreement or any payments or other benefits provided hereunder, including without limitation under Code Section 409A, and no provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with Code Section 409A from Executive or any other individual to the Company or any of its affiliates. Executive, by executing this Agreement, shall be deemed to have waived any claim against the Company and its affiliates with respect to any such tax, economic or legal consequences. However, the parties intend that this Agreement and the payments and benefits

provided hereunder be exempt from the requirements of Code Section 409A, and the rules and regulations issued thereunder, to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4), the involuntary separation pay plan exception described in Treasury Regulation Section 1.409A-1(b)(9)(iii), or otherwise. To the extent Code Section 409A is applicable to this Agreement, the parties intend that this Agreement and any payments and benefits hereunder comply with the deferral, payout and other limitations and restrictions imposed under Code Section 409A so as to avoid the imputation of any tax, penalty or interest under Code Section 409A. Notwithstanding anything herein to the contrary, this Agreement shall be construed, interpreted, operated and administered in a manner consistent with such intentions. Without limiting the generality of the foregoing, and notwithstanding any other provision of this Agreement to the contrary:

(a) To the extent Code Section 409A is applicable to this Agreement, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits upon or following a termination of employment unless such termination constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder (a "*Separation from Service*"), and, for purposes of any such provision of this Agreement, references to "terminate," "termination," "termination of employment," "resigns" and like terms shall mean Separation from Service.

(b) If Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of Executive's Separation from Service, Executive shall not be entitled to any payment or benefit on account of Executive's Separation from Service, until the

earlier of (1) the date which is six (6) months after Executive's Separation from Service for any reason other than death or (2) the date of Executive's death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Code Section 409A on Executive. Any amounts otherwise payable to Executive upon or in the six (6) month period following Executive's Separation from Service that are not so paid by reason of this Section 13(b) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after Executive's Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of Executive's death).

(c) With regard to any provision in this Agreement that provides for reimbursement of expenses or in-kind benefits (except for any expense, reimbursement or in-kind benefit provided pursuant to this Agreement that does not constitute a "deferral of compensation," within the meaning of Treasury Regulation Section 1.409A-1(b)), (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any calendar year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (ii) such payment shall be made within thirty (30) days following the submission of appropriate documentation required by the Company and in no event later than the last day of the calendar year following the calendar year in which the expense was incurred, and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement effective on the date first set forth above.

ERROL SAMUELSON



ZILLOW, INC.

By 

Its Chief Executive Officer

APPENDIX A

DEFINITIONS

Capitalized terms used below that are not defined in this *Appendix A* have the meanings set forth in the Executive Employment Agreement (“*Agreement*”) to which this *Appendix A* is attached. As used in the Agreement.

1. “*Cause*” means the occurrence of one or more of the following events:

(a) willful misconduct, insubordination or dishonesty in the performance of Executive’s duties or a knowing and material violation of the Company’s or the Successor Employer’s policies and procedures in effect from time to time which results in a material adverse effect on the Company or the Successor Employer;

(b) the continued failure of Executive to satisfactorily perform his duties after receipt of written notice that identifies the areas in which Executive’s performance is deficient;

(c) willful actions in bad faith or intentional failures to act in good faith by Executive with respect to the Company or the Successor Employer that materially impair the Company’s or the Successor Employer’s business, goodwill or reputation;

(d) conviction of Executive of a felony or misdemeanor, conduct by Executive that the Company reasonably believes violates any statute, rule or regulation governing the Company, or conduct by Executive that the Company reasonably believes constitutes unethical practices, dishonesty or disloyalty and that results in a material adverse effect on the Company or the Successor Employer;

(e) current use by Executive of illegal substances; or

(f) any material violation by Executive of this Agreement or the Company's

Confidential Information, Inventions and Nonsolicitation Agreement.

2. "**Change of Control**" means the occurrence of any of the following events:

(a) an acquisition by any Entity of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "**Outstanding Company Voting Securities**"); provided, however, that the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege where the security being so converted was not acquired directly from the Company by the party exercising the conversion privilege, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Related Company, (iv) any acquisition by a Founder Shareholder, provided that this clause (iv) shall terminate and be of no effect with respect to a Founder Shareholder at such time as such Founder Shareholder's beneficial ownership of the Outstanding Company Voting Securities is less than 25%, or (v) any acquisition by any Entity pursuant to a transaction that meets the conditions of clauses (i), (ii) and (iii) set forth in the definition of Company Transaction;

(b) a change in the composition of the Board of Directors of the Company during any two-year period such that the individuals who, as of the beginning of such two-year period, constitute the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this definition, any individual

who becomes a member of the Board subsequent to the beginning of the two-year period, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; and provided further, however, that any such individual whose initial assumption of office occurs as a result of or in connection with an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Entity other than the Board shall not be considered a member of the Incumbent Board; or

(c) the consummation of a Company Transaction.

3. "*Company Transaction*" means consummation of:

(a) a merger or consolidation of the Company with or into any other company;

(b) a statutory share exchange pursuant to which all of the Company's outstanding shares are acquired or a sale in one transaction or a series of transactions undertaken with a common purpose of all of the Company's outstanding voting securities; or

(c) a sale, lease, exchange or other transfer in one transaction or a series of related transactions undertaken with a common purpose of all or substantially all of the Company's assets,

excluding, however, in each case, any such transaction pursuant to which

(i) the Entities who are the beneficial owners of the Outstanding Company Voting Securities immediately prior to such transaction will beneficially own, directly or indirectly, at least 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the Successor Company in substantially the same proportions as their ownership, immediately prior to such transaction, of the Outstanding Company Voting Securities;

(ii) no Entity (other than the Company, any employee benefit plan (or related trust) of the Company, a Related Company or a Successor Company) will beneficially own, directly or indirectly, more than 50% of the combined voting power of the outstanding voting securities of the Successor Company entitled to vote generally in the election of directors unless such ownership resulted solely from ownership of securities of the Company prior to such transaction; and

(iii) individuals who were members of the Incumbent Board will immediately after the consummation of such transaction constitute at least a majority of the members of the board of directors of the Successor Company.

Where a series of transactions undertaken with a common purpose is deemed to be a Company Transaction, the date of such Company Transaction shall be the date on which the last of such transactions is consummated.

4. “*Entity*” means any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act).

5. “*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

6. “**Founder Shareholder**” means any holder of record of the Class B common stock, par value \$0.0001 per share, of the Company as of July 25, 2011.

7. “**Good Reason**” means that Executive, without Executive’s express, written consent, has:

(a) incurred a material reduction in authority, duties or responsibilities at the Company or a Successor Employer (with respect to a reduction in connection with a Change of Control, the Change of Control, by itself, or a change of title will not constitute Good Reason; only a reduction in authority, duties or responsibilities, compared to those immediately prior to the Change of Control, will constitute Good Reason);

(b) incurred a material reduction in Executive’s annual Salary or bonus opportunity (except for reductions in connection with a general reduction in annual Salary for all executives of the Company by an average percentage that is not less than the percentage reduction of Executive’s annual Salary);

(c) suffered a material breach of this Agreement by the Company or a Successor Employer; or

(d) been required to relocate more than fifty (50) miles from Vancouver, BC, or in the event the parties mutually agree that Executive would reside elsewhere, Executive’s then current place of residence, in order to continue to perform the duties and responsibilities of Executive’s position (not including expected travel as described in Section 1 above and customary travel as may be required by the nature of Executive’s position).

8. ***“Parent Company”*** means a company or other entity which as a result of a Company Transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more intermediaries.

9. ***“Related Company”*** means any entity that is directly or indirectly controlled by, in control of or under common control with the Company.

10. ***“Successor Company”*** means the surviving company, the successor company or Parent Company, as applicable, in connection with a Company Transaction.

APPENDIX B

FORM OF RELEASE

In consideration for the payments and benefits to be provided pursuant to Section 3 of the Executive Employment Agreement ("***Agreement***") entered into by and between ("***Executive***") and Zillow, Inc., a Washington corporation (the "***Company***"), dated _____, 2014, Executive agrees to the following:

(a) Executive represents that Executive has not filed any complaints, charges or lawsuits against the Company with any governmental agency or any court.

(b) Executive expressly waives all claims against the Company and releases the Company, and any of the Company's past, present or future parent, affiliated, related, and/or subsidiary entities, and all of the past and present directors, shareholders, officers, general or limited partners, employees, agents, and attorneys, and agents and representatives of such entities, and employee benefit plans in which Executive is or has been a participant by virtue of his or her employment with the Company (collectively, the "***Releasees***"), from any claims that Executive may have against the Company or the Releasees. It is understood that this release includes, but is not limited to, any claims arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever, (1) Executive's employment with the Company or its subsidiaries or the termination thereof or (2) Executive's status at any time as a holder of any securities of the Company, including any claims for wages, stock or stock options, employment benefits or damages of any kind whatsoever arising out of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, any legal restriction on the Company's right to terminate employment, or any federal, state or other governmental statute or ordinance, including, without limitation, the Employee Retirement Income Security Act of

1974, Title VII of the Civil Rights Act of 1964, the federal Age Discrimination in Employment Act, the Americans With Disabilities Act, the Family and Medical Leave Act, the Washington Law Against Discrimination Act, the Washington Family and Parental Leave Act, the British Columbia Employment Standards Act, the British Columbia Human Rights Code, or any other legal limitation on the employment relationship (the “*Release*”); provided, however, notwithstanding anything to the contrary set forth herein, that this Release shall not extend to (i) benefit claims under employee pension benefit plans in which Executive is a participant by virtue of Executive’s employment with the Company or its subsidiaries or to benefit claims under employee welfare benefit plans for occurrences (e.g., medical care, death, or onset of disability) arising after the execution of this Release by Executive, (ii) Executive’s rights to severance pay and benefits under the Agreement; (iii) any claims Executive may have for indemnification pursuant to law, contract or Company policy, (iv) any claims for coverage under any applicable directors’ and officers’ insurance policy in accordance with the terms of such policy, or (v) any claims arising from events that occur after the date Executive signs this Release.

Executive understands that this Release includes a release of claims arising under the Age Discrimination in Employment Act (ADEA). Executive understands and warrants that Executive has been given a period of twenty-one (21) days to review and consider this Release or forty-five (45) days if Executive’s termination is part of a group reduction in force. Executive further warrants that Executive understands that, with respect to the release of age discrimination claims only, Executive has a period of seven days (7) after execution of this Release to revoke the release of age discrimination claims by notice in writing to the Company.

EXECUTIVE ACKNOWLEDGES ALL OF THE FOLLOWING:

**(A) I HAVE CAREFULLY READ AND HAVE VOLUNTARILY SIGNED
THIS RELEASE;**

**(B) I FULLY UNDERSTAND THE FINAL AND BINDING EFFECT OF THIS
RELEASE, INCLUDING THE WAIVER OF CLAIMS UNDER THE AGE
DISCRIMINATION IN EMPLOYMENT ACT; AND**

**(C) PRIOR TO SIGNING THIS RELEASE, I HAVE BEEN ADVISED OF MY
RIGHT TO CONSULT, AND HAVE BEEN GIVEN ADEQUATE TIME TO REVIEW
MY LEGAL RIGHTS, WITH AN ATTORNEY OF MY CHOICE.**

Signature

Errol Samuelson

Date