

SETTLEMENT AGREEMENT AND RELEASE OF CLAIM
BETWEEN
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
AND
SHUTTLE EXPRESS, INC.

SECTION 1. PARTIES

The parties to this agreement are the Washington Utilities and Transportation Commission (WUTC), Richard Hemstad Building, 1300 S Evergreen Pk Dr SW, Olympia, WA, 98504, and Shuttle Express, Inc, 800 SW 16th St., Renton WA, 98057. Shuttle Express currently holds Auto Transportation (Certificated Bus) and Charter and Excursion operating authority granted by the WUTC.

SECTION 2. EFFECTIVE DATE

This agreement is effective on the date of the final signature below in Section 9.

SECTION 3. BACKGROUND AND PURPOSE OF AGREEMENT

The purpose of this agreement is to resolve the following matters without admission by either party as to the merits of any claims or defenses that have been asserted or could have been asserted in any matter resolved hereby:

A. WUTC Penalty in consolidated dockets TC-143691, TC-160516, and TC-161257.

On November 17, 2017, following an adjudication, the WUTC entered Order 20/13/10 (Final Order) in the above dockets. The Final Order penalized Shuttle Express \$120,000 for 35,351 violations of WAC 80-30-213. Pg. 27, ¶ 90. Shuttle Express was ordered to pay the full penalty within 30 days. *Id.*

On December 8, 2017, the WUTC entered Order 22/15/12 in the above dockets authorizing an alternative payment arrangement. The order allowed Shuttle Express to pay the \$120,000 penalty in nine monthly installments, of varying amounts, beginning on January 15, 2018.

On December 14, 2017, Shuttle Express appealed the Final Order by filing a petition for judicial review in Thurston County Superior Court. The petition was assigned cause number 17-2-06582-34. The petition is pending as of the effective date of this agreement.

As of the effective date of this agreement, Shuttle Express has paid \$20,000 of the \$120,000 penalty, leaving a balance of \$100,000.

The parties wish to resolve this matter without the additional delay, uncertainty, and expense associated with further litigation in the Washington State courts.

B. Shuttle Express notice of tort claim.

On December 14, 2017, Shuttle Express filed a notice of tort claim with the Washington State Department of Enterprise Services, Office of Risk Management. The notice alleged, among other things, that the WUTC was responsible for damages arising from the WUTC's negligent and/or unlawful imposition of a \$60,000 penalty against Shuttle Express in Docket TC-120323.

The parties wish to resolve this matter without the additional delay, uncertainty, and expense associated with further litigation in the Washington State courts.

SECTION 4. SETTLEMENT OBLIGATIONS

To resolve the matters described above in Section 3, each party promises to take certain actions in consideration of the actions agreed to by the other party.

A. WUTC obligations.

Upon execution of this agreement, the WUTC agrees that \$50,000 of Shuttle Express's \$100,000 penalty balance arising from the Final Order in consolidated dockets TC-143691, TC-160516, and TC-161257 is suspended for a period of two years provided Shuttle Express commits no violations of any applicable WUTC law or regulations as set forth in Section 4.B.1. The WUTC further agrees that the payment schedule in paragraph 3 of Order 22/15/12 is modified as follows:

January 15, 2018	\$5,000 (paid)
February 15, 2018	\$5,000 (paid)
March 15, 2018	\$5,000 (paid)
April 15, 2018	\$5,000 (paid)
May 15, 2018	\$5,000 \$2,500
June 15, 2018	\$15,000 \$7,500
July 15, 2018	\$20,000 \$10,000
August 15, 2018	\$30,000 \$15,000
September 15, 2018	\$30,000 \$15,000

All other provisions of Order 22/15/12 are unchanged.

B. Shuttle Express obligations.

1. Compliance with applicable laws and regulations for two years. Upon execution of this agreement, Shuttle Express agrees that, during the two-

year period commencing on the effective date of this agreement, the company will comply with all applicable WUTC laws and regulations. Shuttle Express will be in material breach of this agreement if, during the two-year compliance period, the WUTC enters a final order, or an initial order that becomes final by operation of law, finding that Shuttle Express has committed any violation of any law in RCW Title 81.68 and/or of any regulation in WAC-30, as those laws and regulations currently exist or as they may be amended during the two-year period. The remedy for such breach will be imposition of the suspended \$50,000 penalty at the time of the WUTC's order. The non-suspended penalty, if any remains, is still due as provided in Section 4.A.

2. Agreement to withdraw judicial review petition. Shuttle Express further agrees that it will withdraw its pending petition for judicial review in (Thurston County Superior Court cause number 17-2-06582-34), by filing on behalf of the parties, or by agreeing that the WUTC will file on behalf of the parties, a stipulated motion and order of dismissal or other appropriate procedure for terminating the petition with prejudice. If no such filing is made within 30 days after the effective date of this agreement, Shuttle Express will be in material breach of the agreement. The remedy for such breach will be nullification of this agreement.
3. Release of tort claim. Shuttle Express further agrees that it releases and forever discharges all existing and future claims and causes of action for damages against the State of Washington and its officers, agents, employees, agencies and departments that were described in or contemplated by the notice of tort claim filed by Shuttle Express with the Department of Enterprise Services, Office of Risk Management, on December 14, 2017. This is a final, conclusive, and complete release of all unknown and unanticipated damages, including attorney fees, costs, and any adverse tax consequences, arising from the occurrence(s) alleged to have occurred in the December 14, 2017 tort claim notice.

SECTION 5. PUBLIC INTEREST

The parties agree that this agreement is in the public interest because, among other reasons, it allows each party to avoid the additional delay, uncertainty, and expense associated with further litigation in the Washington State courts of Shuttle Express's petition for judicial review and its potential civil damages lawsuit.

SECTION 6. ENTIRE AGREEMENT

This agreement constitutes the entire agreement of the parties. No other understandings regarding this agreement, oral or otherwise, shall bind either of the parties.

SECTION 7. GOVERNING LAW

This agreement shall be construed and interpreted in accordance with the laws of the state of Washington. In the event of a lawsuit arising from or pertaining to this agreement, venue shall be proper only in Thurston County Superior Court. Shuttle Express, by execution of this agreement, acknowledges the jurisdiction of the courts of the state of Washington.

SECTION 8. ATTORNEY FEES

If either party initiates litigation to enforce any provision of this agreement, or initiates litigation as a result of this agreement, each party shall pay its own attorney fees, expenses, and costs incurred at any stage of the litigation.

SECTION 9. SIGNATURES

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Date: April 30, 2018.


DAVID W. DANNER, Chairman


ANN E. RENDAHL, Commissioner


JAY M. BALASBAS, Commissioner

Approved as to form:

ROBERT W. FERGUSON
Attorney General


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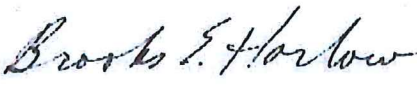
SHUTTLE EXPRESS, INC.

Date: April 29, 2018.


JIMMY STIERKRELL, President

Approved as to form:

LUKAS, LAFURIA, GUTIERREZ & SACHS,
LLP


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