

TC-132144-AT

RECEIVED

NOV 08 2013

1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250
Phone: 360-664-1222
Fax: 360-586-1181
TTY: 360-586-8203
or
1-800-416-5289
E-mail: Transportation@utc.wa.gov



WASH. UT. & TP. COMM

Type of Passenger Transportation Authority Requested (check one box)	Fee Required
Auto Transportation Authority <input type="checkbox"/> New Certificate (auto transportation company certificates include statewide charter and excursion carrier service if marked below). Complete sections 1-8 and Attachment A. Submit a proposed tariff and time schedule. Do you plan on providing charter/excursion service? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, complete Attachment F.	\$200.00
<input type="checkbox"/> <u>Extension of Existing Auto Transportation Certificate C-_____</u> Complete sections 1-8. Submit a proposed tariff and time schedule.	\$150.00
<input checked="" type="checkbox"/> <u>Transfer or Lease Auto Transportation Authority</u> - Complete sections 1-8 and Attachments C & G. Transferring all of Certificate C-1006 _____ - current: <i>San Juan Transit, Inc</i> Transferring a portion of Certificate C-_____	\$200.00
<input type="checkbox"/> <u>Temporary Auto Transportation Authority</u> - New temporary authority or temporary to operate pending a Commission decision on a parallel filed permanent application. Complete sections 1-8 and Attachment B.	\$150.00
<input type="checkbox"/> <u>Mortgage of Certificate</u> - Complete section 1 and Attachment E.	\$35.00
<input type="checkbox"/> <u>Name Change</u> - Change in corporate name, change in trade name; adding or deleting a trade name; or change the surname of an individual owner or partner. Complete section 1 and Attachment D.	\$35.00
<input type="checkbox"/> <u>Reinstatement of Cancelled Certificate</u> - Complete sections 1, 2 and 8.	\$200.00

TYPE OF PAYMENT:

Cash Check Money Order AMEX MasterCard Visa

Credit Card Information (if applicable): _____ Expiration Date Month/Year _____

Amount: \$250.00 _____ Company Name: San Juan Transit, Tours and Charters _____

Cardholder's signature: *Kraig Hansen* _____ Date: 11-5-13 _____

FOR OFFICIAL USE ONLY

Date Filed: <i>11/8/13</i>	Docket #:	ID #: <i>1583</i>	Cert. Issued:
LS Staff Assigned: <i>[Signature]</i>	Insurance:	Map:	Related App:
DOL/SOS	Safety Inspection:	Reception #:	111 0268:
111-0268-232-02:	111-0268-232-01: <i>50.00</i>	111-0268-230-02: <i>200.00</i>	111-0268-230-01:

V110686

047537

SECTION 1 – APPLICANT INFORMATION

Legal Name of Applicant: Kraig Hansen San Juan Transit Tours & Charters, LLC
 Trade Name d/b/a (if applicable) San Juan Transit, Tours and Charters _____
 Unified Business Identifier Number (UBI): 603343453 If you do not know your UBI number or need to request one, contact Business Licensing Services at 1-800-451-7985.
 Phone # 360-378-8887 Fax # _____ E-mail: SJTransit@rockisland.com

*LLC
Per 305*

Physical Address	Mailing Address (if different from physical)
Street: 10 Front Street - Cannery Landing #24	Street: P.O. Box 2809
City: Friday Harbor	City: Friday Harbor
State/Zip: 98250	State/Zip: 98250

Type of Business Structure:

- Individual
 Partnership
 Corporation
 Other (LP, LLP, LLC)

List the name, title, and percentage of partner's share or stock distribution for major stockholders:

Name	Title	Stock Distribution or % of Shares
<u>N/A</u>		

USDOT number 1962141 If you do not have a USDOT number, you can go online to www.fmcsa.dot.gov/online-registration to apply or call 360-596-3812 for assistance.

Labor & Industries #: 873-941-00 Employment Security Department #: 811591-00-2

SECTION 2 – COMPANY INFORMATION

Provide the following documents with your application:

- A map of the proposed line, route, or service territory that meets the standards described in WAC 480-30-051
 Support statements for proposed service authority

What type of service do you plan on providing; door-to-door services, and/or, scheduled service?

- Door-to-door service - Service provided between locations identified by the passengers and points specifically named by the company in its filed tariff and time schedule. Door-to-door service requires a time schedule in compliance with WAC 480-30-281(2)(c) and may be restricted to "by reservation only"; and/or,

Scheduled service - Service provided between locations specifically named by the company (e.g., the X Hotel at 4th and Main) and points specifically named by the company in its filed tariff and time schedule. Scheduled service requires the company to file a time schedule in compliance with WAC 480-30-281 (2)(b) and may be restricted to "by reservation only."

Are you applying for fare flexibility as described in WAC 480-30-420? Yes or No
If yes, complete Attachment H to show your proposed base rate and maximum rate.

Describe the proposed type of service (See WAC 480-30-096) including the line, route, or service territory described in terms such as streets, avenues, roads, highways, townships, ranges, cities, towns, counties, or other geographic description:

Service Territory will be San Juan County, specifically islands serviced by the Washington State Ferry system: San Juan, Orcas, Lopez and Shaw islands. An emphasis will be placed on the town of Friday Harbor and points of interest on San Juan Island. Decisions to include service on Orcas and Lopez Islands will be made via UTC's guidelines and within UTC's time frames pursuant to Chapter 480-30 of the Washington Administrative Code.

This will be the same as current cert C10006

State the conditions that demonstrates this proposed service is for the public convenience and necessity: Vehicle access to San Juan County is limited by the Washington State Ferry System, it's schedules and capacities. Both the San Juan County and Town of Friday Harbor governments have expressed the need to limit congestion due to personal vehicles. Public transportation is necessary for walk-on tourist to visit outlying points of interest. Their tourism dollars are vital for businesses, parks and communities.

State the applicant's prior experience and familiarity with the statues and rules that govern operations it proposes: I've held a Class B CDL with a passenger endorsement for approximately 16 years. As an employee with the City of Everett Parks and Rec. Dept. I adhered to all statues and rules while operating the city owned trolleys, trip vans and para-transit vans. As an assistant trainer I helped ensure new drivers and trip leaders were familiar with the statues and rules and were proficient at vehicle operations.

Do other auto transportation companies currently provide service between any of the points or along any portion of the route you propose to serve?

No Yes If yes, list the names and addresses of companies.

Do you currently hold, or have you ever held, an auto transportation certificate?

No Yes If yes, please indicate your certificate number: C-_____

Have you ever applied for and been denied an auto transportation certificate?

No Yes If yes, please explain _____

Have you ever been cited for violation of state laws or commission rules?

No Yes If yes, please explain _____

SECTION 3 – TARIFF AND TIME SCHEDULE

If this application is for temporary authority, a new certificate, or extension of existing certificated authority, you must include a proposed tariff and time schedule that is in compliance with WAC 480-30-251 through WAC 480-30-436.

If this application is a transfer or a lease of authority from an existing certificated company, you must either file a new tariff and time schedule at the same rate levels as on file, or, you must adopt the current certificate holder's tariff and time schedule. To file a new tariff, use the standard tariff format attached to this application or an approved alternate format. Indicate which option you will use:

Adopt or File new tariff

SECTION 4 – HEARING INFORMATION

If the Commission assigns this application for a formal hearing, estimate the number of witnesses you will present and the amount of time you will need for your presentation.

Number of witnesses: 1	Amount of time: 20 minutes
Will an attorney be representing you? If yes, complete the following:	
Attorney's name: Anthony Vivenzio	Attorney's phone number: 360-378-6860
Attorney's address: 540 Guard St.	Fax number:
City, State, Zip Friday Harbor, WA 98250	E-mail address vivenzilaw@rockisland.com

SECTION 5 – FINANCIAL STATEMENT (see Pro Forma Balance Sheet for 2014 projections)

ASSETS		LIABILITIES	
Cash in Bank	\$300.00	Salaries/Wages Payable	\$
Notes Receivable	\$	Accounts Payable	\$
Accounts Receivable	\$0	Notes Payable	\$
Investments	\$0	Mortgages Payable	\$
Other Current Assets	\$0	Contracts and Bonds Payable	\$
Prepaid Expenses	\$0	TOTAL LIABILITIES	\$0
Land and Buildings	\$0	NET WORTH	
Trucks and Trailers	\$0	Preferred Stock	\$
Office Furniture	\$500.00	Common Stock	\$
Other Equipment	\$500.00	Retained Earnings	\$
Other Assets - Busses	\$35,000.00	Capital	\$
TOTAL ASSETS	\$36,300.00	TOTAL LIABILITIES AND NET WORTH	\$0

In addition: the application must include the following: (See WAC 480-30-096)

- Ridership and Revenue forecasts for the first twelve months of operation.
- A pro forma balance sheet and income statement for the first twelve months of operation.

Describe the equipment that will be used (attach additional sheet if necessary). Vehicles must pass inspection and be issued a valid Commercial Vehicle Safety Alliance inspection decal for each motor vehicle before your application may be granted.

Year	Make	License Number	Vehicle ID number	Seating Capacity
2005	Ford	AED6683	1FDXE45S85HA15349	21
2002	Goshen	B57820P	1FDXE45S52HB56083	19
2004	Diamond	B95161N	1FDXE45S34HB49703	21
1988	Ford	391XOM	1FDKE30G1JHB38752	25
1995	Ford	B85720C	1FDJE30H5SHB97115	14
1993	El Dorado	281 WDJ	1FDKE37MXPHB13496	21

SECTION 7 – SAFETY AND OPERATIONS

In each of the categories shown below, list the person and position responsible for understanding and complying with the Federal Motor Carrier Safety Regulations (FMCSR) and Washington State laws and rules. Please refer to the WAC rules, fact sheets, and publication "Your Guide to Achieving a Satisfactory Safety Rating" for assistance with requirements.

SAFETY RESPONSIBILITIES

COMMERCIAL DRIVER’S LICENSE (CDL) STANDARDS REQUIREMENTS AND PENALTIES (Title 49, Code of Federal Regulations Part 383) Any driver who operates a vehicle that meets the definition of a commercial motor vehicle must have a valid CDL.

Name: Kraig Hansen	Position: Owner
--------------------	-----------------

DRIVER QUALIFICATION REQUIREMENTS (Title 49, Code of Federal Regulations Part 391) Driver’s must meet minimum qualification requirements and each company must maintain driver qualification files for each driver.

Name: Kraig Hansen	Position: Owner
--------------------	-----------------

DRIVERS HOURS OF SERVICE (Title 49, Code of Federal Regulations Part 395) Drivers must maintain logs and each company must maintain true and accurate hours of service records for each driver.

Name: Kraig Hansen	Position: Owner
--------------------	-----------------

CONTROLLED SUBSTANCE AND ALCOHOL USE AND TESTING (Title 49, Code of Federal Regulations Part 382) All persons who drive commercial vehicles requiring a CDL must be in a Controlled Substance and Alcohol Use and Testing program that is in compliance with FMCSR in Title 49, Code of Federal Regulations Part 382 and Title 49, Code of Federal Regulations Part 40. Each company will have in place a system for complying with FMCSR governing alcohol use and controlled substances testing requirements (Title 49 Code of Federal Regulations Part 382 and Title 49 Code of Federal Regulations Part 40).

Name: Kraig Hansen	Position: Owner
--------------------	-----------------

INSPECTION, REPAIR AND MAINTENANCE (Title 49, Code of Federal Regulations Part 396) Every motor carrier shall systematically inspect, repair, and maintain all motor vehicles subject to its control.

Name: Kraig Hansen	Position: Owner
--------------------	-----------------

SAFETY REGULATIONS, GENERAL (Title 49, Code of Federal Regulations Part 390)

Name: Kraig Hansen	Position: Owner
--------------------	-----------------

DRIVING OF COMMERCIAL MOTOR VEHICLES (Title 49, Code of Federal Regulations Part 392)

Name: Kraig Hansen	Position: Owner
--------------------	-----------------

PARTS AND ACCESSORIES NECESSARY FOR SAFE OPERATION (Title 49, Code of Federal Regulations Part 393)

Name: Kraig Hansen	Position: Owner
--------------------	-----------------

OPERATIONAL RESPONSIBILITIES

TARIFFS, TIME SCHEDULES, RATES AND RATE FILINGS (WAC 480-30-251 through WAC 480-30-436)

Companies must file a tariff showing all rates it will impose on its customers, together with rules that govern how rates will be assessed. Companies must also file a time schedule. Charter and excursion only carriers are not required to file tariffs and time schedules per WAC 480-30-251.

Name: Kraig Hansen Position: Owner

ANNUAL REPORTS AND REGULATORY FEES (WAC 480-30-066 through WAC 480-30-081) Auto Transportation companies must file an annual report of its financial and operational activity and pay regulatory fees by May 1 of each year. Charter and excursion carriers must file an annual safety report by May 1; and pay regulatory fees by December 31 of each year.

Name: Kraig Hansen Position: Owner

CUSTOMER SERVICE Person responsible for customer service complaints, and customer notice requirements.

Name: Kraig Hansen Position: Owner

STATE OF WASHINGTON GENERAL LAWS, RULES AND REGULATIONS Individuals and companies doing business in the state of Washington must comply with the regulations of local, state, and federal agencies such as, but not limited to: Department of Labor and Industries (industrial insurance, safety, prevailing wage); Department of Licensing (vehicle and drivers licenses, business licensing, fuel permits, fuel tax); Secretary of State (corporate registrations); Department of Revenue and Internal Revenue Service (taxes); and Employment Security.

Name: Kraig Hansen Position: Owner


SECTION 8 – DECLARATION OF APPLICANT

I understand that filing this application **does not** authorize me to start operations requested or in the territory described until the commission grants the application and issues a certificate.

I understand the responsibilities of a passenger transportation company, and I am in compliance with all local, state, and federal regulations governing business in the state of Washington.

I certify under penalty for false statement, that the information contained in this application is true and correct, and that I am authorized to execute and file this document on behalf of the applicant.

Printed name: Kraig Hansen

Signature: 

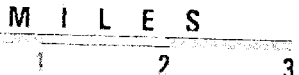
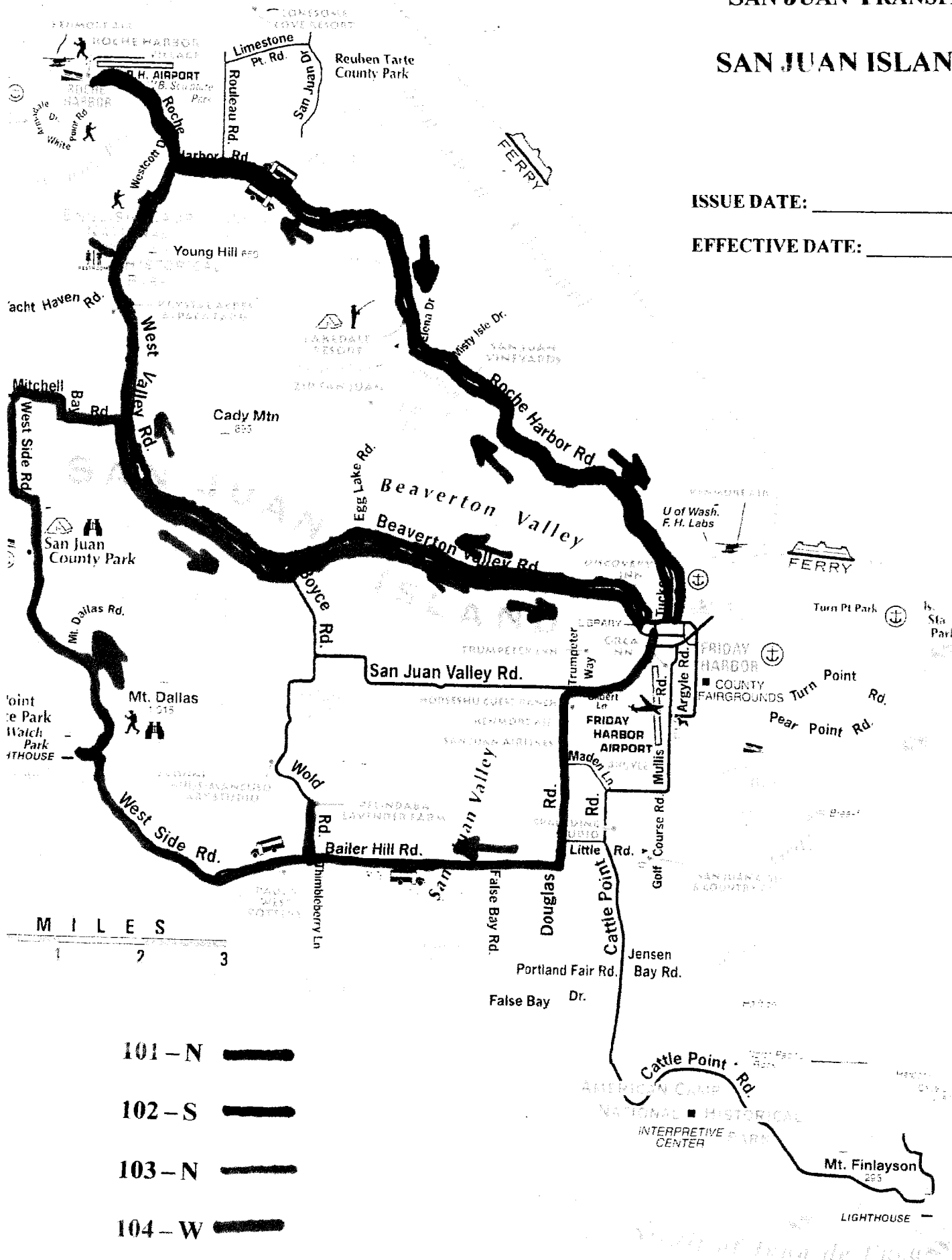
Date, County, State 11-5-13 SAN JUAN, WA

SAN JUAN TRANSIT

SAN JUAN ISLAND

ISSUE DATE: _____

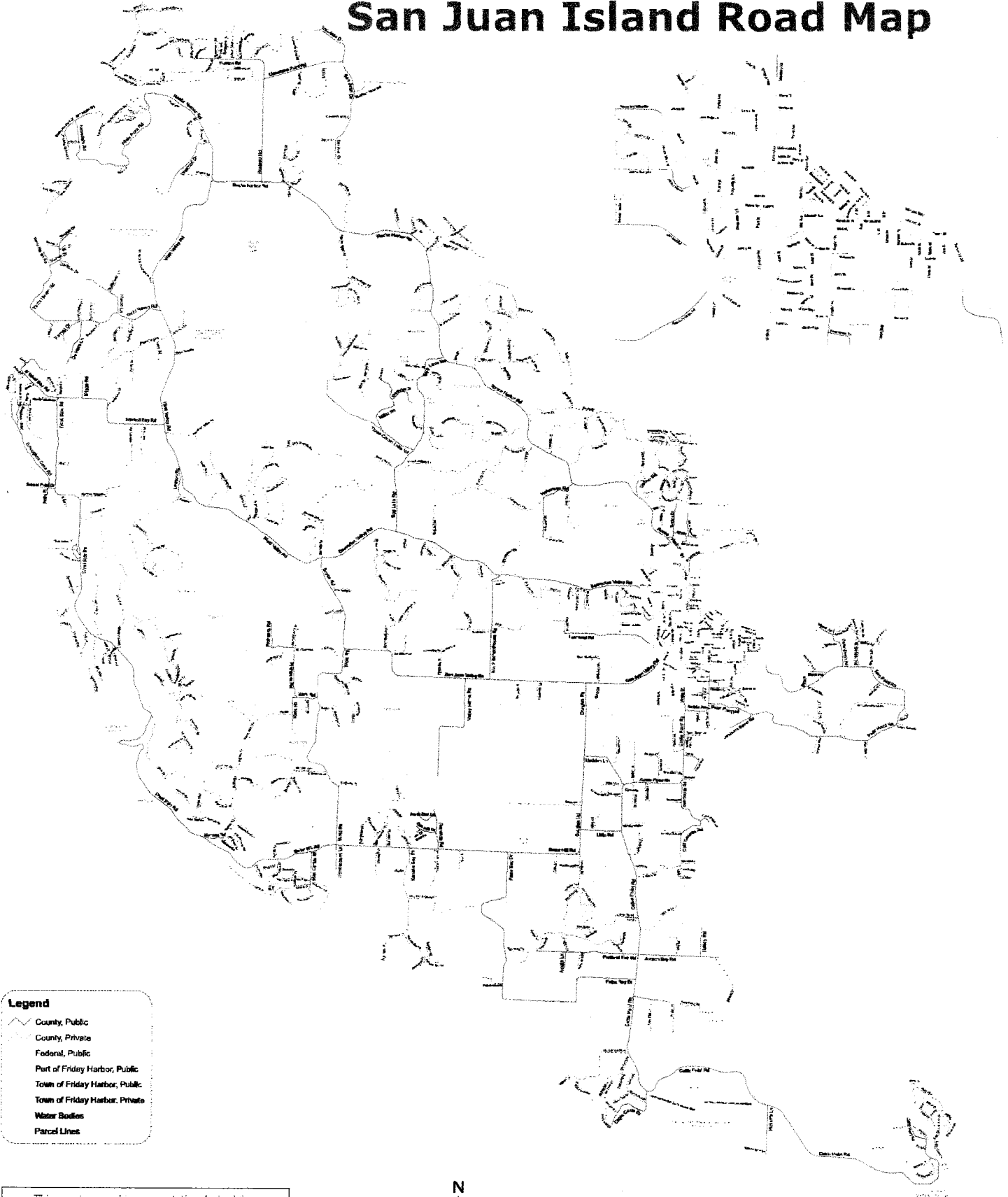
EFFECTIVE DATE: _____



- 101 - N
- 102 - S
- 103 - N
- 104 - W

Map of San Juan Island

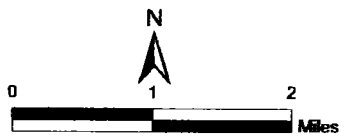
San Juan Island Road Map



Legend

- County, Public
- County, Private
- Federal, Public
- Port of Friday Harbor, Public
- Town of Friday Harbor, Public
- Town of Friday Harbor, Private
- Water Bodies
- Parcel Lines

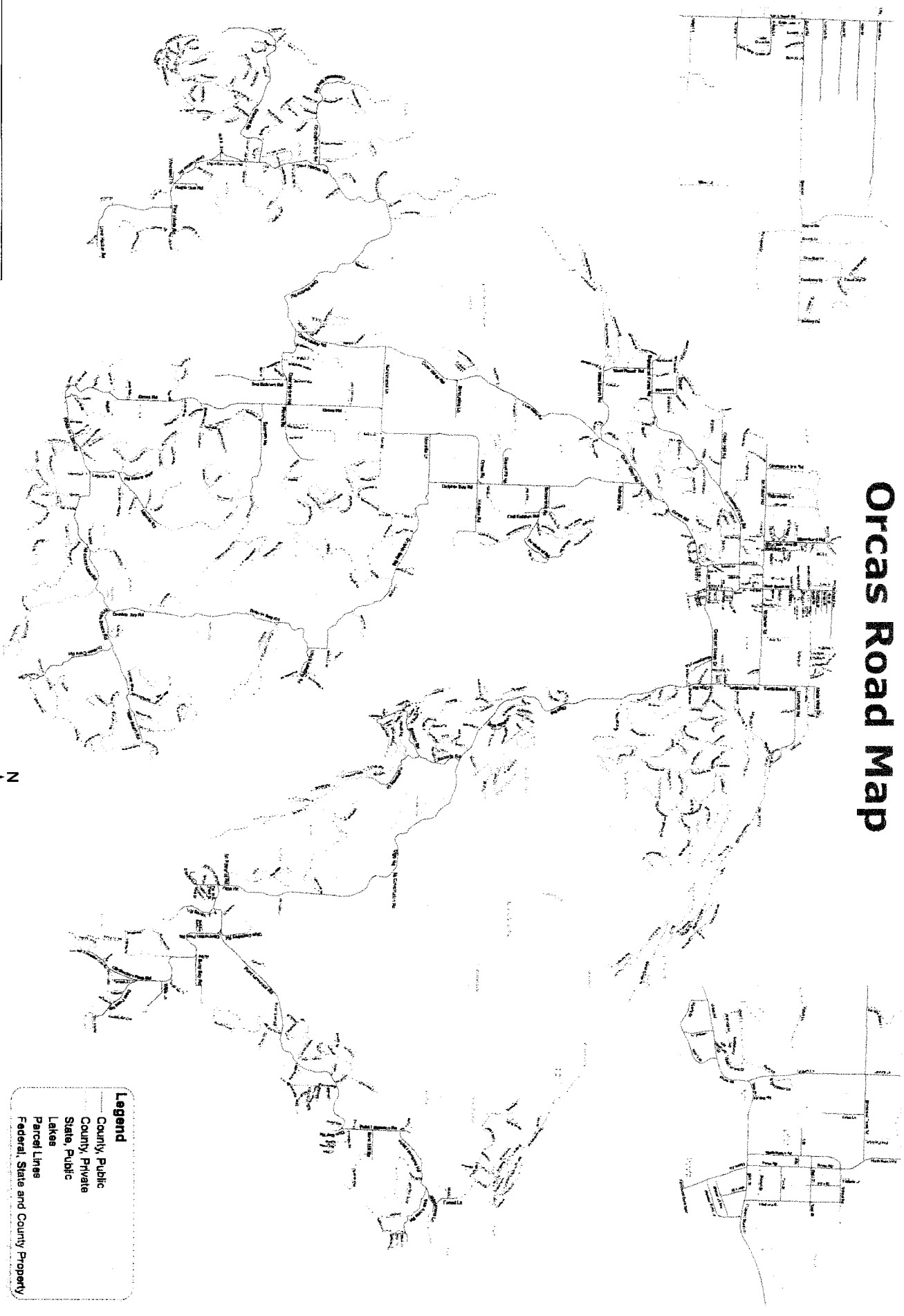
This map is a graphic representation derived from San Juan County's Geographic Information System. It is designed and intended for reference only, and is not guaranteed to survey accuracy. This map is based on the best information available as of the publication date.



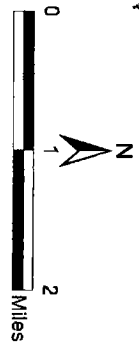
San Juan Island Road Map
 San Juan Island
 San Juan County, Washington

Figure
1

Orcas Road Map



This map is a graphic representation derived from San Juan County's Geographic Information System. It is designed and intended for reference only and is not guaranteed to reflect accuracy. This map is based on the best information available as of the publication date.



Legend

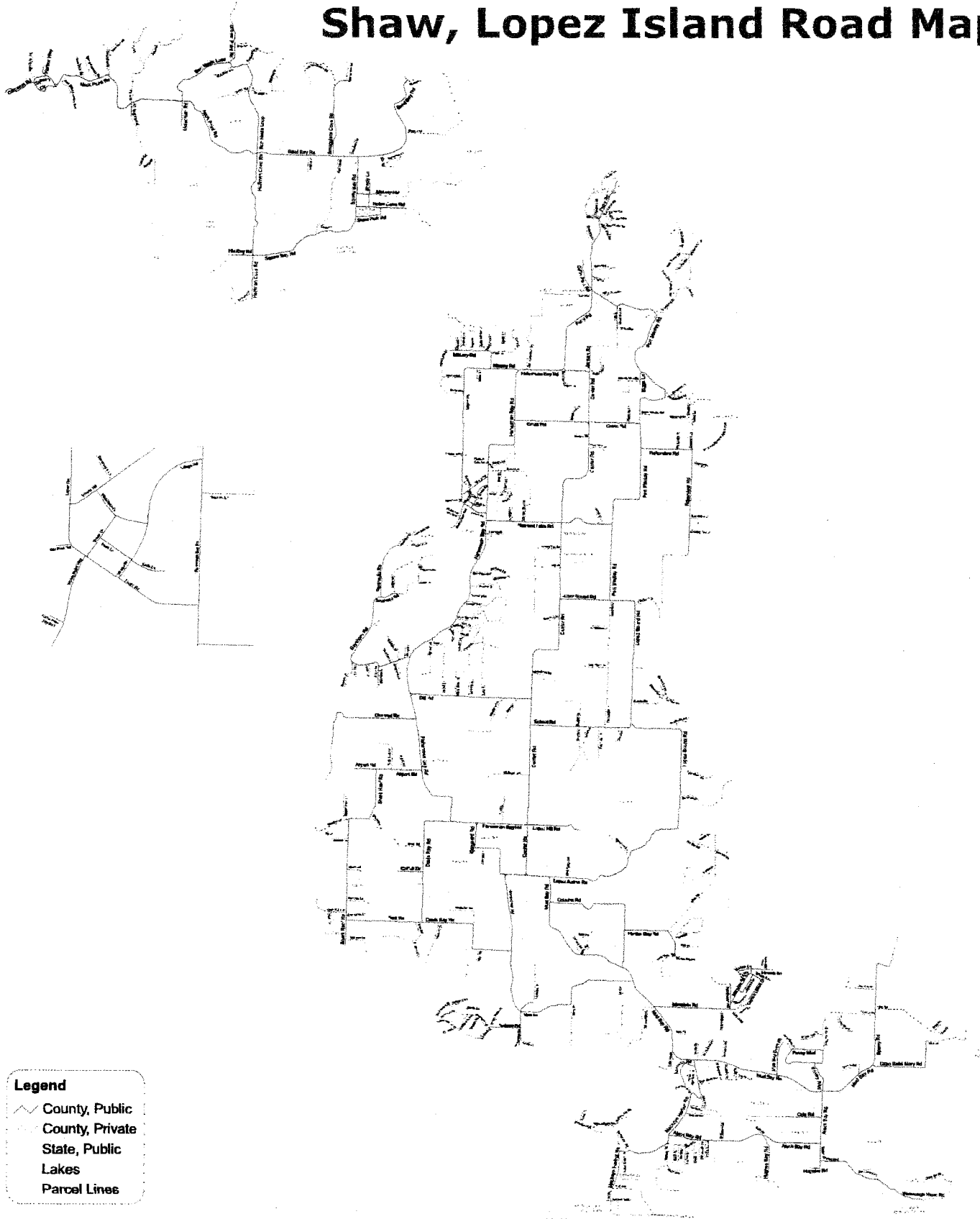
- County, Public
- County, Private
- State, Public
- Lakes
- Parcel Lines
- Federal, State and County Property

Orcas Island Road Map **Figure 1**






Orcas Island
San Juan County, Washington

Drawn By: KW
Date: 3/10
Revised:

Shaw, Lopez Island Road Map



Legend

-  County, Public
-  County, Private
-  State, Public
-  Lakes
-  Parcel Lines

This map is a graphic representation derived from San Juan County's Geographic Information System. It is designed and intended for reference only, and is not guaranteed to survey accuracy. This map is based on the best information available as of the publication date.



Shaw and Lopez Island Road Map Figure

Shaw and Lopez Island
San Juan County, Washington

1

Drawn By: KW

Date: 3/10

Revised:

San Juan Transit

Ridership and Revenue Forecasts

May 15-September 28, 2014

Based on 2013 seasonal ridership and revenue:

Anticipation 110 days of operation.

Forecasting 50,000 riders.

Forecasted revenue before expenses: $50,000 \text{ riders} \times \$5 = \$250,000$

Pro Forma Balance Sheet for San Juan Transit

Projected 2014 Assets	
accounts receivable	250,000
other current assets	300
Total Current Assets	\$ 250,300
Long-Term	
Property & Equipment	
Furniture & Fixtures	1,000
Equipment	35,000
Total Fixed Assets	36,000
Less: Accumulated Depreciation	10,000
Net Property & Equipment	2,600
Total Assets	\$ 252,900
Liabilities & Equity	
Current Liabilities	
Payrole	120,000
Fuel	20,000
Insurance	7,500
Rent	8,500
Advertising	5,000
Printing	5,000
Maintenance	20,000
Legal	5,000
Office	5,000
Total Current Liabilities	\$ 196,000
Long-Term Liabilities	
Buss Replacement	50,000
Total Long-Term Liabilities	\$ 50,000
Total Liabilities	\$ 246,000

ATTACHMENT A

AUTO TRANSPORTATION CERTIFICATE SUPPORT STATEMENT

Auto Transportation certificate applications must include more than one signed and sworn support statements from independent members of the public who need service or a statement by a representative of a city, county or regional transportation planning organization.

Applicant Name: Kraig Hansen, San Juan Transit

Customer Sworn Statement Relating to the need for service:

Customer Name: Duncan C. Wilson, Town Administrator, Friday Harbor

Address: P.O. Box 219 Friday Harbor, WA 98250

Phone Number: 360-378-2810 Fax Number: 360-378-5339 Email: duncanw@fridayharbor.org

Describe the need for the requested service:

San Juan Transit provides valuable and necessary public transportation from the Washington State Ferry and the Town of Friday Harbor. Having San Juan Transit as an option helps to reduce vehicle traffic and congestion and Provides an environmentally friendly option to those wishing to visit San Juan Island's more distant destination.

If there is an existing company providing this service in the territory, please indicate the existing company's name (if applicable) No other public transit exists in the San Juan Islands.

Explain why the current company is not able to provide you service: Owner is retiring.

I certify or declare under penalty of perjury under the laws of the state of Washington that the information contained in this statement is true and correct.

Duncan Wilson
Print Name


Signature

11/4/13 San Juan City, WA
Date, County, State

ATTACHMENT A

AUTO TRANSPORTATION CERTIFICATE SUPPORT STATEMENT

Auto Transportation certificate applications must include more than one signed and sworn support statements from independent members of the public who need service or a statement by a representative of a city, county or regional transportation planning organization.

Applicant Name: Kraig Hansen, San Juan Transit

Customer Sworn Statement Relating to the need for service:

Customer Name: Brent Snow, General Manager

Address: P.O. Box 4001 Roche Harbor, WA 98250

Phone Number: 360-378-2155 Fax Number: 360-378-9899 Email: bsnow@rocheharbor.com

Describe the need for the requested service:

San Juan Transit is a valuable component to our business model. Affordable public transit, during peck visitor Months, allows our guest, staff and local residents to access the Washington State Ferry terminal located in Friday Harbor as well as points of interests throughout San Juan County.

If there is an existing company providing this service in the territory, please indicate the existing company's name (if applicable) No other public transit exists in the San Juan Islands.

Explain why the current company is not able to provide you service: Owner is retiring.

I certify or declare under penalty of perjury under the laws of the state of Washington that the information contained in this statement is true and correct.

Brent Snow

Print Name

[Signature]

Signature

General Mgr 11-4-13, San Juan

for New RH LLC Date, County, State Washington

ATTACHMENT A

AUTO TRANSPORTATION CERTIFICATE SUPPORT STATEMENT

Auto Transportation certificate applications must include more than one signed and sworn support statements from independent members of the public who need service or a statement by a representative of a city, county or regional transportation planning organization.

Applicant Name: Kraig Hansen, San Juan Transit

Customer Sworn Statement Relating to the need for service:

Customer Name: San Juan County

Address: 145 Rhone St. Friday Harbor, Wa 98250

Phone Number: 360-370-7512 Fax Number: 360-378-7036 Email: christophera@sanjuanco.com

Describe the need for the requested service:

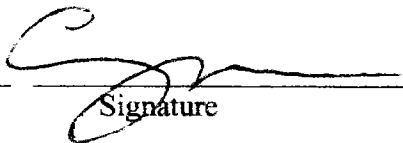
San Juan Transit plays a big role in summertime transportation options in San Juan County. They operate the only bus company in the county and are a main strategy for getting visitors to leave their personal vehicles on the mainland and reduce congestion in the islands. San Juan Transit also plays a role in local transportation solutions by participating in the San Juan County Transportation Voucher Program, serving elderly, disabled, veteran and low-income members of the community.

If there is an existing company providing this service in the territory, please indicate the existing company's name (if applicable) Many taxi companies: San Juan Taxi, Friday Harbor Taxi, Bob's Taxi

Explain why the current company is not able to provide you service: They are as well as San Juan Transit; but San Juan County needs as diverse a selection of transportation providers as it can get, including San Juan Transit.

I certify or declare under penalty of perjury under the laws of the state of Washington that the information contained in this statement is true and correct.

Christopher Aiken
Print Name


Signature

10/08/2013
Date, County, State

ATTACHMENT C

JOINT APPLICATION FOR TRANSFER OR LEASE OF CERTIFICATED AUTHORITY

The commission must approve any sale, assignment, lease, or transfer of a company's certificate, or any portion of the operating authority described in a company's certificate. This does not apply to change in ownership resulting from an acquisition of control of a corporation through stock sale or purchase.

Certificate Number C- 1006

Check appropriate box:

X Transfer All* Transfer Portion* Lease All** Lease Portion**

Dan Ward

Current Name on Certificate (Seller/Lessor)

San Juan Transit, Inc.

Current Trade Name on Certificate (Seller/Lessor)

P.O. Box 2809 Friday Harbor, WA 98250

(360) 378-8887

Address (Seller/Lessor)

Phone Number

Fax: _____ Email: santran@rockisland.com

Have all fines and /or penalties been paid? No X Yes

Has the closing annual report been filed? X No Yes

Does the buyer/lessee agree to begin service as soon as the commission authorizes the transfer or lease?

X Yes

No, if not, then when? _____

If the commission assigns this application for formal hearing, do both the seller/lessor and the buyer/lessee agree to be present at the hearing?

Yes

X No (Out of country)

Both the seller/lessor and the buyer/lessee certify that this application is not made for the purpose of hindering, delaying or defrauding creditors.

This application must include a map and copy of the certificated authority to be transferred/leased. If applying for permission to transfer or lease a portion of the certificated authority, then the application must include a map and description of both the portion to be transferred/leased and the portion to be retained by the existing certificate holder.

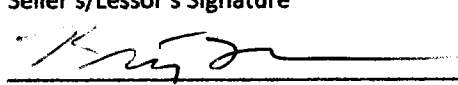
We, as applicants, hereby jointly declare and affirm that all information is true to the best of our knowledge.



Seller's/Lessor's Signature

10/22/2013

Date, County, State



Buyer's/Lessee's Signature

10/22/2013

Date, County, State

*If this application is for transfer, please attach a copy of the sales or other agreement to sell.

**If this application is to lease, please attach a copy of the executed lease agreement.

ATTACHMENT F

CHARTER AND EXCURSION CARRIER REGULATORY FEES
(A minimum fee of \$25.00 is required)

Name of Applicant: Kraig Hansen

Trade Name(s), if applicable: San Juan Transit, Tours and Charters

Phone Number: 360-378-8887 Fax Number: _____

Physical Address

Mailing Address (if different from physical address)

Street: 10 Front St. Cannery Landing #24 Street: PO Box 2809

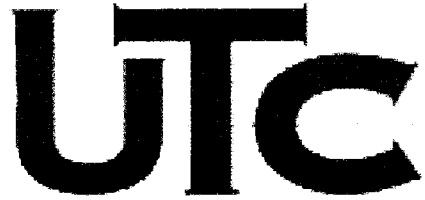
City: Friday Harbor City: Friday Harbor

State/Zip: WA, 98250 State/Zip: WA, 98250

There is a minimum fee of \$25.00 that an auto transportation company with charter and excursion carrier service must pay.

Number of Vehicles 2 X \$25.00 = \$50.00

W A S H I N G T O N



UTILITIES AND TRANSPORTATION
COMMISSION

AUTO TRANSPORTATION COMPANY APPLICATION

PURCHASE AND SALE AGREEMENT

For

SAN JUAN TRANSIT, TOURS AND CHARTERS

Kraig Hansen
360-378-8887 or 360-421-4674
PO Box 2809, Friday Harbor, WA 98250

PURCHASE AND SALE AGREEMENT FOR CERTAIN BUSINESS ASSETS

EFFECTIVE DATE: October 24, 2013

PARTIES: SAN JUAN TRANSIT, INC., ("Seller")
a Washington corporation
Friday Harbor, Washington 98250

Mr. Daniel E. Ward ("Selling Shareholder")
PO Box 51
Friday Harbor, WA 98250

Mr. William Dingle ("Selling Shareholder")
22627 85th Pl. S.
Kent, WA 98031-2469

Kraig Hansen (with consent of spouse) ("Buyer")
PO Box 2809
Friday Harbor, Washington 98250

RECITALS:

Seller is a Washington corporation and Selling Shareholders own all of the issued and outstanding stock of Seller. Seller operates a business primarily engaged in providing public transportation and tour services (hereinafter the "business activity") under the name "San Juan Transit, Inc." Seller and Selling Shareholders own assets related to that business activity and name. Buyer desires to acquire, and Seller and Selling Shareholders desire to sell to Buyer, all Seller's and Selling Shareholders' rights, title and interests to the name and all equipment related to the business's activity as hereinafter set forth. Accordingly, the parties make the following:

- 9) Auto PA Amplifier (Hands-free microphone)
- | | |
|---------------------------|-----------|
| TOA Corp (S/N 13B1100015) | (Bus 300) |
| TOA Corp (S/N 13B1100006) | (Bus 164) |
| TOA Corp (S/N CA-10) | (Bus 100) |
| Radio Shack (S/N 32-2054) | (Bus 200) |
- 10) Computer:
- Compaq PC
 - Acer Monitor (P206HL)
 - Canon Printer (MP520)
- 11) Office Equipment:
- Fax machine
 - Cash Register
 - Credit Card Machine
 - Telephone
 - Shredder
 - 2- Laminators
 - Refrigerator
 - Microwave
 - Keurig Coffee Maker
 - Filing Cabinet
 - 2- Office Chairs
 - Exterior Signage
 - Framed Pictures
- 12) Names:
- San Juan Transit, Inc.
 - San Juan Transit, Tours & Charters
 - San Juan Shuttle
 - San Juan Info Center
- 13) Contacts:
- Previous Charter / Tour contacts
 - Road Scholar Program
 - Roche Harbor

1.1.2 All customer lists and transportation and tour services by Seller or Selling Shareholders:

1.1.3 All price lists for any transportation and tour services sold or previously sold by Seller or Selling Shareholders under the name "San Juan Transit, Inc."

1.1.4 The right to use the name "San Juan Transit, Inc." as well as any other names under which the Seller has done business. Seller will change the name of the Corporation if required, as Buyer contemplates forming an entity that shall take the name "San Juan Transit Tours & Charters, L.L.C.," for continued sales and marketing;

1.1.5 All brochures, flyers, specification sheets, descriptive information or other material, including phone numbers(s) currently in the possession of or under the control of Seller and/or Selling Shareholders used, previously used, or intended for use to market or attempt to market or to promote the purchase by customers of any transportation and tour services sold, previously sold or intended for sale or contemplated to be sold at any time by Seller or Selling Shareholders, the name of "San Juan Transit, Inc.", and all Seller's right, title and interest in such material. The material described in this Section is collectively called the "Marketing Materials."

1.1.6 The Purchased Assets including all Seller's and Selling Shareholders' correspondence and records, in hardcopy or electronic form, in any way related to one or more of the Purchased Assets.

1.2 Assumed Liabilities. None

1.3 No Other Assets Purchased. Notwithstanding anything to the contrary appearing elsewhere in this Agreement, the Purchased Assets do not include, and Seller and Selling Shareholders shall not sell to Buyer and Buyer shall not buy from Seller or Selling Shareholders pursuant to this Agreement any assets except those specifically identified in Section 1.1. Without limiting the generality of the preceding sentence, the Purchased Assets do not include the following assets which do or may belong to Seller or Selling Shareholders: (1) cash; (2) bank accounts; (3) accounts receivable as of the date of sale; (4) Seller's corporate records, such as but not limited to minute book and stock ledgers; (5) Seller's or Selling Shareholders' tax or financial records (except those records related to the Purchased Assets or to the Assumed Liabilities) Seller and Seller Shareholders have provided for Buyer's review of financial and tax records in contemplation of this purchase, (6) Seller's or Selling Shareholders' rights under insurance policies purchased by them or either of them, and (7) Selling Shareholders' shares of stock in San Juan Transit, Inc., the name of which corporation may be changed by selling Shareholders to allow Buyer to assume its chosen name.

1.4 No Other Liabilities Assumed. Buyer does not assume or agree to pay and perform any liabilities of Seller or Selling Shareholders, however incurred or arising. Without limiting the generality of the preceding sentence, Buyer does not assume or agree to pay and perform any of Seller's or Selling Shareholders' other agreements, contracts or accounts payable.

SECTION 2. PURCHASE PRICE

The purchase price for the Purchased Assets shall be Thirty Five Thousand and No/100 Dollars (\$35,000.00), allocated as follows:

- a) \$18,000.00 for the Vehicles;
- b) \$3,000.00 for the Office and Business Equipment;
- c) \$9,000.00 for goodwill, including the right to use the corporate name SAN JUAN TRANSIT, INC.
- d) \$5,000.00 for Covenant not to compete.

Each of the parties to this Agreement agrees to report the transaction described in this Agreement for federal and state tax purposes in accordance with this allocation and will not take any position inconsistent with such allocation on its tax returns without the consent of the other parties.

SECTION 3. NOT A SEPARABLE CONTRACT

Despite the allocation of the purchase price made in Section 2, this Agreement is not a separable contract for the purchase and sale of the various components of the Purchased Assets. Instead, this is an indivisible contract for the purchase and sale of all the Purchased Assets and Seller and Selling Shareholders are not obligated to sell, nor is Buyer obligated to purchase, less than all the Purchased Assets.

SECTION 4. PAYMENT OF PURCHASE PRICE

The purchase price for the Purchased Assets shall be paid to Seller as follows:

\$ 35,000.00 on the Closing Date,

Cash at closing, by cashier's check.

SELLER'S AND SELLING SHAREHOLDERS' REPRESENTATIONS AND WARRANTIES

As used in this Agreement, "Material Adverse Effect" means a material adverse effect on the Purchased Assets and/or prospects for continued marketing of services under the Name and includes any adverse effect on the Purchased Assets in excess of Three Thousand and 00/100 Dollars (\$3,000.00). "Material Adverse Change" means any change that has resulted, will result, or is likely to result, in a Material Adverse Effect.

In this Agreement, in the phrases "to the best of Seller's knowledge," "to Seller's knowledge," and phrases of similar import, "knowledge" means matters within the actual knowledge of Seller, after due inquiry, which inquiry shall include a reasonable examination of the books and records of Seller and of Selling Shareholders, and matters as to which such an examination would have provided notice.

Seller and Selling Shareholders, jointly and severally, represent and warrant to Buyer as follows as of the date of this Agreement and, except as disclosed in writing delivered to Buyer before the Closing, again as of the Closing Date:

4.1 Existence of Entity. Seller on the Closing Date is and will be a corporation duly organized and validly existing under the laws of the state of Washington. Seller has, and Selling Shareholders have, all requisite power and authority to own the Purchased Assets and to carry on the business conducted using the Purchased Assets.

4.2 Authorization; Waiver of Conflict of Interest. Selling Shareholders are the only shareholders of Seller. Seller's execution, delivery, and performance of this Agreement has been duly authorized and approved by Selling Shareholders and by Seller's directors, if any. This Agreement constitutes a valid and binding agreement of Seller and Selling Shareholders, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, reorganization, insolvency, or similar laws affecting the enforcement of creditors' rights or by the application of general principles of equity. Anthony D. Vivenzio, Attorney at Law, duly licensed to practice in the State of Washington, has prepared this Agreement at the request of both parties and has advised them that differences of position can always arise in matters such as these. Seller and Selling Shareholders specifically waive any conflict of interest that Attorney may have in this matter. Seller and Selling Shareholders have had the opportunity to review this Agreement and to confer with counsel of choice.

4.3 Brokers and Finders. For its part, Buyer represents that it did not learn of the availability of the business for sale by any other means, and until, conversations with Seller and Seller Shareholders on or around June 1, 2013, and did not make an offer until on or around June 30, 2013. Further, Buyer represents that it did not have contact with any listing agent concerning the business or the transactions contemplated by this Agreement, or taken any action that would give rise to a claim against Seller, Seller Shareholders, or Buyer for a brokerage commission, finder's fee, or other like payment.

4.4 Copies of Contracts. To the best of their knowledge, Seller and Selling Shareholders have delivered to Buyer true, correct and complete copies of all written agreements, purchase orders, licenses, contracts, other writings and all correspondence related thereto, in any way concerning: (a) the Name and Marketing Materials; and (b) access to or use by any third party of the Name and Marketing Materials whether for their own account or for the account of Seller or Selling Shareholders. To the best of Seller's and Selling Shareholders' knowledge, all third parties who have or have had such access to or use are listed in Exhibit 4.4 attached hereto.

4.5 Transfer Not Subject to Encumbrances or Third-Party Approval. The execution and delivery of this Agreement by Seller and Selling Shareholders, and the consummation of the purchase and sale, will not result in the creation or imposition of any valid lien, charge, or encumbrance on any of the Purchased Assets, and, except as disclosed in Exhibit 4.5, will not require the authorization, consent, or approval of any third party, including any court or governmental agency.

4.6 Noncancellable Contracts. Except as disclosed in Exhibit 4.6, at Closing there will be no licenses or other agreements permitting or entitling any third party access to or the use of, or otherwise relating to or connected with the Name and Marketing Materials that are not cancelable without penalty within thirty (30) days.

4.7 Litigation. Seller and Selling Shareholders have no knowledge of, and have not received any written notice of, any litigation, proceeding, or investigation pending or threatened against Seller or Selling Shareholders or in any way related to any of the Purchased Assets that might result in any Material Adverse Change. Seller and Selling Shareholders have no knowledge of any facts that suggest any such litigation, proceeding, or investigation might be initiated.

4.8 Compliance with Laws. Except as disclosed in Exhibit 4.8, to the best of Seller's and Selling Shareholders' knowledge, Seller and Selling Shareholders have at all relevant times conducted the business of transportation and tours and/or marketed under the Name substantially in compliance with all material applicable laws, regulations and ordinances.

4.9 Employment Matters.

4.9.1 Labor Matters. Neither Seller nor Selling Shareholders is a party to, or otherwise subject to, any collective bargaining agreement governing the wages, hours, or terms of employment of any of its employees.

4.9.2 Employment Claims. Except as disclosed in Exhibit 4.9.2, to the best of Seller's and Selling Shareholders' knowledge there are no pending or threatened claims against Seller or Selling Shareholders by or on behalf of any of its respective employees, if any, under any federal, state, or local labor or employment laws or regulations. Neither Seller nor Selling Shareholders have received written notice of any such claim.

4.9.3 Employee Benefits. Exhibit 4.9.3 lists all pension, retirement, profit-sharing, deferred compensation, bonus, commission, incentive, life insurance, health and disability insurance, hospitalization, and all other employee benefit plans or arrangements (including, without limitation, any contracts or agreements with trustees, insurance companies, or others relating to any such

employee benefit plans or arrangements) established or maintained by Seller or Selling Shareholders (the "Plans"), and true, correct and complete copies of all of the Plans have been delivered to Buyer. None of the Plans is a defined benefit pension plan under Title IV of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

4.9.4 Employment Agreements. Each of Seller's and Selling Shareholders' respective employees, if any, is an "at-will" employee and there are no employment, commission, or compensation agreements of any kind between Seller or Selling Shareholders and any of its respective employees, if any, for a definite period of time. Exhibit 4.9.4 lists all Seller's and/or Selling Shareholders' employment or supervisory manuals, written employment or supervisory policies, and written information generally provided to employees (such as applications or notices), which have been adopted or used by Seller in connection with the Business, and true, correct and complete copies of those manuals, policies, and written information, if any there be, have been provided to Buyer. Neither Seller nor Selling Shareholders has any agreements or understandings with its respective employees, if any, regarding future employment, wages or benefits.

4.9.5 Compensation. Exhibit 4.9.5 contains a complete and accurate list of all employees, if any, of Seller or of Selling Shareholders, specifying their names and job designations, the total amount paid or payable as compensation to each employee, and the basis of such compensation, whether fixed or commission or a combination thereof, and accrued benefits for such persons as of the day before the Closing Date.

4.9.6 Employments. Exhibit 4.9.6 contains a complete and accurate list of all employees, if any, of Seller or Selling Shareholders with which Seller or Selling Shareholders have a written employment agreement. True, correct and complete copies of each of such contracts have been delivered to Buyer.

4.9.7 Severance. Neither Seller nor Selling Shareholders have any severance pay plan, policy, practice, or agreement with any of their respective employees, if any.

4.9.8 Citizenship. To the best of Seller's knowledge, all of Seller's and Selling Shareholders' employees, if any, are either citizens of the United States or aliens authorized to work for Seller or Selling Shareholders under applicable immigration laws.

4.10 Ownership of Purchased Assets. Seller and/or Selling Shareholders own, and at Closing, Buyer shall acquire, all the Purchased Assets free and clear of all security interests, liens, encumbrances, options, restrictions, claims and charges of any kind. To the best of Seller's and Selling Shareholders' knowledge, no use before Closing by Seller and/or Selling Shareholders of any of the Purchased Assets created any conflict with or infringement upon any rights of any other person. No claims of conflict or infringement have been asserted against Seller or Selling Shareholders.

4.11 Undisclosed Liabilities. To the best of Seller's and Selling Shareholders' knowledge neither Seller nor Selling Shareholders have any liability or obligation (whether absolute, accrued, contingent, or other, and whether due or to become due) in any way concerning or related to any of the Purchased Assets.

4.12 Absence of Certain Changes or Events. To the best of Seller's and Selling Shareholders' knowledge there has not been:

4.12.1 Any Material Adverse Change or any event, occurrence, development, or state of circumstances or facts that could reasonably be expected to result in a Material Adverse Effect;

4.12.2 Any entry into any agreement, commitment, or transaction (including, without limitation, any borrowing, capital expenditure, or capital financing or any amendment, modification, or termination of any existing agreement, commitment, or transaction) by Seller or Selling Shareholders involving or affecting any of the Purchased Assets outside the usual and ordinary course of business as conducted by Seller and Selling Shareholders;

4.12.3 Any conduct of business by Seller or Selling Shareholders that was outside the usual and ordinary course of its or their business or not substantially in the manner that it or they usually and ordinarily conducted such business; or

4.12.4 Any incurrence of any noncontract liability known to Seller or Selling Shareholders which, either singly or in the aggregate, is material.

4.13 Accuracy of Representations and Warranties. None of the representations or warranties of Seller or Selling Shareholders contain any untrue statement of a material fact or omit or misstate a material fact necessary in order to make statements in this Agreement not misleading. Seller and Selling Shareholders know of no fact that has resulted, or that in the reasonable judgment of Selling Shareholders will result, in a Material Adverse Change that has not been set forth in this Agreement or its attachments or otherwise disclosed in writing to Buyer.

SECTION 5. REPRESENTATIONS OF BUYER

Buyer represents and warrants as follows as of the date of this Agreement and, except as disclosed in writing delivered to Seller before the Closing, again as of the Closing Date:

5.1 Power and Authority of Buyer; Waiver of Conflict of Interest. Buyer will, on the Closing Date, take the assets as an individual or take as an LLC duly organized and validly existing under the laws of the state of Washington. Buyer has all requisite power and authority to enter into this Agreement and perform its obligations hereunder. Anthony D. Vivenzio, Attorney at Law, duly licensed to practice in the State of Washington, has prepared this Agreement at the request of both parties and has advised them that differences of position can always arise in matters such as these. Buyer specifically waives any conflict of interest that may exist in this matter. Buyer has had the opportunity to review this Agreement and to confer with counsel of his choice.

5.2 Authorization. The execution, delivery, and performance of this Agreement has been duly authorized and approved by the Buyer. This Agreement constitutes a valid and binding agreement of Buyer, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, reorganization, insolvency, or similar laws affecting the enforcement of creditors' rights or by the application of general principles of equity.

5.3 Brokers and Finders. Buyer has not employed any broker or finder in connection with the transactions contemplated by this Agreement and has taken no action that would give rise to a valid claim against any party for a brokerage commission, finder's fee, or other like payment.

5.4 Accuracy of Representations and Warranties. None of the representations or warranties of Buyer contain any untrue statement of a material fact or omit or misstate a material fact necessary in order to make the statements contained herein not misleading.

5.5 Purchase Price. Buyer has sufficient cash reserves or available credit to permit it to pay the purchase price of Thirty Five Thousand Dollars (\$35,000.00) for the Purchased Assets at Closing.

SECTION 6. COVENANTS OF SELLER AND SELLING SHAREHOLDERS

6.1 Seller's Operation of Business Prior to Closing. Seller and Selling Shareholders, jointly and severally, agree that prior to the Closing Date, Seller and Selling Shareholders:

6.1.1 Shall continue to operate its or their business involving use of or in any other way related to the Purchased Assets in usual and ordinary course and in substantial conformity with all applicable laws, ordinances, regulations, rules, or orders consistent with Seller's and Selling Shareholders' past practice, and will use their best efforts to preserve the continued relationship of such business with its customers, suppliers, and others having business relations with Seller and/or Selling Shareholders.

6.1.2 Shall not assign, sell, lease, license, or otherwise transfer or dispose of or grant rights to any third party in any way concerning any of the Purchased Assets.

6.1.3 Shall perform and pay when due all of their respective obligations first due before closing under any purchase order, license, contract or agreement in any way related to any of the Purchased Assets or Assumed Liabilities.

6.1.4 Notwithstanding the provisions of Section 7.1.1, without Buyer's prior written consent (which Buyer may refuse or condition in its absolute discretion), shall not, after the date of this Agreement, place, amend or cancel any agreements related to Internet Rights.

6.2 Buyer's Access To Records. Until the Closing Date, Seller and Selling Shareholders, jointly and severally, shall allow Buyer and its agents and representatives to examine and make copies of all correspondence and business records in the possession or under the control of Seller or Selling Shareholders in any way related to the Purchased Assets or the Assumed Liabilities. Seller agrees to transfer all previous account records to Buyer on or within one week of the Closing Date.

SECTION 7. COVENANTS OF BUYER

7.1 Confidential Information. If for any reason the sale of Purchased Assets is not closed, Buyer will not disclose to third parties any confidential information received from Seller or Selling Shareholders in the course of investigating, negotiating, and performing the transactions contemplated by this Agreement.

SECTION 8. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the fulfillment, before or at the Closing Date, of each of the following conditions, any one or portion of which may be waived in writing by Buyer:

8.1 Representations, Warranties, and Covenants of Seller and Selling Shareholders. All representations and warranties made in this Agreement by Seller and Selling Shareholders shall be true as of the Closing Date as fully as though such representations and warranties had been made on and as of the Closing Date, and, as of the Closing Date, neither Seller nor Selling Shareholders shall have violated or shall have failed to perform in accordance with any covenant contained in this Agreement.

8.2 Condition of the Business. There shall have been no Material Adverse Change in the manner of operation of the Seller and/or Selling Shareholders' business before the Closing Date.

8.3 No Suits or Actions. At the Closing Date no suit, action, or other proceeding shall have been threatened or instituted: (a) to restrain, enjoin, or otherwise prevent the consummation of this Agreement or the contemplated transactions; or (b) in any way affecting or involving any of the Purchased Assets.

8.4 Seller's Performance. Seller and Selling Shareholders shall have performed all of their obligations under this Agreement to be performed on or before the Closing Date.

8.5 Due Diligence. Buyer shall be satisfied, in its sole and absolute discretion, with the results of its examination of the correspondence and business records described in Section 7.3.

SECTION 9. CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER AND SELLING SHAREHOLDERS

The obligations of Seller and Selling Shareholders to consummate this Agreement are subject to the fulfillment, before or at the Closing Date, of each of the following conditions, any one or a portion of which may be waived in writing by Seller:

9.1 Representation, Warranties, and Covenants of Buyer. All representations and warranties made in this Agreement by Buyer shall be true as of the Closing Date as fully as though such representations and warranties had been made on and as of the Closing Date, and Buyer shall not have violated or shall not have failed to perform in accordance with any covenant contained in this Agreement.

9.2 Buyer's Performance. Buyer shall have performed all of its obligations under this Agreement to be performed on or before the Closing Date.

SECTION 10. INDEMNIFICATION AND SURVIVAL.

10.1 Survival of Representations and Warranties. All representations and warranties made in this Agreement shall survive the Closing of this transaction for a period of three (3) years. Any party learning of a misrepresentation or breach of representation or warranty under this Agreement shall promptly give written notice thereof to the other party.

10.2 Seller's and Selling Shareholders' Indemnification. Seller and Selling Shareholders, jointly and severally, agree to indemnify and hold Buyer, its successors, and assigns harmless from and against:

10.2.1 Any and all claims, liabilities, and obligations of every kind and description, contingent or otherwise, related to the Purchased Assets and arising out of any act or event occurring prior to the close of business on the day before the Closing Date, except for any Assumed Liabilities; and

10.2.2 Any and all damage resulting from any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any obligation on the part of Seller and/or Selling Shareholders under this Agreement.

If any claim is asserted against Buyer that would give rise to a claim by Buyer against Seller and Selling Shareholders for indemnification under the provisions of this paragraph, then Buyer shall promptly give written notice to Selling Shareholders concerning such claim and Selling Shareholders shall, at no expense to Buyer, defend the claim with counsel reasonably acceptable to Buyer.

10.3 Buyer's Indemnification. Buyer agrees to defend, indemnify, and hold harmless Seller and Selling Shareholders from and against:

10.3.1 Any and all claims, liabilities, and obligations of every kind and description arising out of or related to the Purchased Assets and the Assumed Liabilities arising out of any act or event first occurring on or after the Closing Date or arising out of Buyer's failure to perform the Assumed Liabilities, if any; and

10.3.2 Any and all damage resulting from any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any obligation on the part of Buyer under this Agreement.

If any claim is asserted against Seller or Selling Shareholders that would give rise to a claim by Seller or Selling Shareholders against Buyer for indemnification under the provisions of the paragraph, then Seller or Selling Shareholders, as the case may be, shall promptly give written notice to Buyer concerning such claim and Buyer shall, at no expense to Seller or Selling Shareholders, as the case may be, defend the claim with counsel reasonably acceptable to Seller.

10.4 Survival. The provisions of this Section 11 shall survive the Closing.

SECTION 11. CLOSING

11.1 Time and Place. This Agreement shall be closed (the "Closing") at Mary L. Stone, Inc., P.S.. Closing shall occur on or before November 30, 2013, (the "Closing Date") or as soon thereto as may be. Each party will pay the customary costs and prorations at closing.

11.2 Obligations of Seller and Selling Shareholders at the Closing. At the Closing and concurrently with the performance by Buyer of its obligations described in Section 12.3, Seller and Selling Shareholders, as the case may be, shall deliver to Buyer the following:

11.2.1 Bills of sale, assignments and other instruments of transfer, in form and substance reasonably satisfactory to Buyer and Buyer's counsel, necessary and appropriate to transfer and convey all of the Purchased Assets to Buyer.

11.2.2 A copy of the following documents certified by Selling Shareholders and any other of Seller's officers to be true, correct, complete and in full force and effect as of the Closing Date without amendment or other modification: (a) the resolution of Selling Shareholders and Seller's directors, if any, authorizing this transaction and specifying the persons authorized to execute and deliver documents on Seller's behalf in connection with the transaction; and (b) Seller's Articles of Incorporation and bylaws and all amendments thereto and restatements thereof.

11.2.3 Possession of such of the Purchased Assets as is tangible property and possession of all records included in the Purchased Assets. To the extent such records are in hard copy form, the records shall be delivered in that form. To the extent such records are in electronic form, the records shall be delivered both in hard copy form and in electronic form together with a list of such electronic records identifying for each the name of the electronic file and the program and version in which the file is maintained.

11.2.6 If there are any Assumed Liabilities, assignment and assumption agreements for the Assumed Liabilities, and true, correct and complete copies of the purchase orders, contracts, other agreements or other writings pursuant to which the Assumed Liabilities were created.

11.2.7 Such other certificates and documents as may be reasonably appropriate to consummate or evidence the transaction described in this Agreement.

11.3 Obligations of Buyer at the Closing. At the Closing and concurrently with the performance by Seller and Selling Shareholders of their obligations described in Section 12.2, Buyer shall deliver to Seller the following:

11.3.1 Payment of the sum of Thirty Five Thousand and No/100 Dollars (\$35,000.00).

11.3.2 Evidence that its share of attorneys fees and costs have been paid, or payment therefor.

11.3.3 Any funds necessary to pay the obligations set forth in the closing statement of the closing agent herein, including use tax.

11.3.4 Such other certificates and documents as may be reasonably appropriate to consummate or evidence the transaction described in this Agreement.

RIGHTS AND OBLIGATIONS SUBSEQUENT TO CLOSING

11.4 Buyer's Right to Pay. In the event Seller or Selling Shareholders fails to make any payment of taxes, or other charges that Seller or Selling Shareholders are obligated to pay to third parties and such failure results or may result in a claim against, lien upon, or charge upon any of the Purchased Assets, Buyer shall have the right, but not the obligation, to pay the same after ten (10) days' written notice to Seller or Selling Shareholders. Seller and Selling Shareholders, jointly and severally, shall reimburse Buyer for any such payment immediately upon Buyer's demand, together with interest at twelve percent (12%) per annum from the date of Buyer's payment until Buyer is fully reimbursed. Any such payment by Buyer shall not constitute a waiver by Buyer of any remedy available to Buyer against Seller and/or Selling Shareholders by reason of its or their failure to make the payment. The provisions of this Section shall survive the Closing.

11.5 Additional Documents. At the request of any of the parties made after Closing, each of the parties shall promptly execute and deliver to the other such additional documents and other writings as may be reasonably necessary or appropriate to further evidence, confirm or consummate the purchase and sale of the Purchased Assets and/or the assumption of any Assumed Liabilities.

SECTION 12. DEFAULT

12.1 Before Closing. If any party fails to perform any of the terms, covenants, conditions, or obligations of this Agreement to be performed by it on or before the Closing Date, then the other party or parties may at its option and as its sole and exclusive remedy, either: (1) terminate this Agreement and all the parties' respective rights and obligations thereunder; or (2) require the party who failed to perform to specifically perform its obligations hereunder.

12.2 After Closing. If (a) any party fails to perform any of the terms, covenants, conditions, or obligations of this Agreement to be performed by it after the Closing Date or if (b) any party fails to perform any of the terms, covenants, conditions, or obligations of this Agreement to be performed by it before the Closing Date which nonperformance is not discovered until after Closing, then the other party or parties, subject to the requirements of the notice next described, shall have all rights and remedies provided by law or in equity on account of such failure. Neither Party shall be deemed in default under this Section until notice of the default has been given to the defaulting party and such party has failed to cure the default within ten (10) days after the notice is given.

12.3 Breach of Warranty. A breach of a representation or warranty made in this Agreement by a party shall be considered a failure of performance under Section 14.1 if discovered by the other party or parties before Closing, and a failure of performance under Section 14.2 if discovered by the other party or parties after Closing.

12.4 Closing Notwithstanding the Right to Terminate. The party with a right to terminate this Agreement pursuant to Section 14.1 shall not be bound to exercise such right, and it may waive the asserted errors, misstatements, omissions, and the conditions which have not occurred and proceed to Closing.

SECTION 13. MISCELLANEOUS

13.1 Applicable Law. This Agreement shall be governed, construed and enforced according to the laws of the state of Washington without regard to its rules regarding conflict of laws.

13.2 Interpretation. This Agreement is the product of ongoing negotiations and compromises between the parties. No preference shall be given to either party in the interpretation of any ambiguities which may exist in this Agreement.

13.3 Assigns and Third Party Beneficiaries. This Agreement is for the exclusive benefit of the parties hereto and no third party shall have any right or obligation hereunder, nor shall any third party have any right to enforce any right or obligation under this Agreement. However, the rights and obligations of each party to this Agreement are binding upon the party and also inure to the benefit of and are enforceable by and against the respective assigns and successors in interest of the party.

13.4 Integration. This Agreement contains a full and complete statement of all the terms and conditions between the parties relating to this transaction and supersedes all prior negotiations, representations, or agreements between the parties.

13.5 Waiver. The failure of either party to insist upon full and timely performance of this Agreement by another party shall not constitute a waiver of any such failure, nor a waiver of the provision which required such performance.

13.6 Time of the Essence. Time is of the essence of this Agreement.

13.7 Sales/Use Taxes. Buyer shall be responsible for all sales, use, transfer, and similar taxes, if any, required to be paid in connection with its purchase of the Purchased Assets.

13.8 Counterparts. The parties to this Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Signature of a facsimile copy of this Agreement, and transmission of a signature by facsimile, shall bind the signing party to the same degree as signature and delivery of an original; provided, that any party delivering a signature by facsimile shall promptly after request from another party deliver a signed original.

13.9 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, to the persons or the addresses set forth below:

If to Buyer: Kraig Hansen
PO Box 2809
Friday Harbor, WA 98250

With a copy to: Anthony D. Vivenzio
PO Box 208
540 Guard Street, Suite 220
Friday Harbor, WA 98250

If to Seller and/or:
Selling Shareholder Mr. Daniel Ward
PO Box 51
Friday Harbor, WA 98250

With a copy to: Anthony D. Vivenzio
PO Box 208
540 Guard Street, Suite 220
Friday Harbor, WA 98250

Any party may from time to time change the persons designated for it and/or its address for purposes of this Section by giving the other parties written notice of the new address or facsimile number in the manner set forth above. All such notices shall be effective upon receipt or first attempted delivery. Notices delivered by courier shall be considered to have been personally delivered under this Section.

SECTION 14. SELLER AND SELLER SHAREHOLDERS' AGREEMENT NOT TO DISCLOSE OR COMPETE

14.1 Competitive Use of Purchased Assets. Neither Seller nor Selling Shareholders, shall at any time after Closing directly or indirectly use, permit the use or assist in the use by any third party of any of the Purchased Assets for the purpose, in whole or in part, to compete with Buyer in any market or geographical area.

14.2 Agreement Not To Compete. Seller and Seller Shareholders agree that they shall not establish any business that is in any way connected to providing transportation and tour services, within the geographical area described as San Juan County for a period of five (5) years from the date of transfer of ownership of assets from the business known as SAN JUAN TRANSIT, INC. to the Buyer. The Seller and Seller Shareholders further agree that they will not divulge any information that was utilized in the rendering of services by SAN JUAN TRANSIT, INC. to anyone for the commercial provision of transportation and tour services heretofore offered for sale at SAN

JUAN TRANSIT, INC. which services would be or intended to be sold in San Juan County for five (5) years following the transfer of ownership.

14.3 Enforcement of Goodwill Protective Provisions. Seller, or Selling Shareholders individually, acknowledge that the breach or threatened breach of any of their covenants in Sections 14.1 through 14.2 would give rise to irreparable injury to Buyer that could not be adequately compensated by monetary damages. Accordingly, in addition to and not in limitation of any other remedies that may be available, Buyer may seek and obtain injunctive relieve from the breach or threatened breach of any of such covenants.

14.4 Separability. The provisions of Sections 14.1 through 14.3 shall be deemed severable and the invalidity or unenforceability of any one or more of the provisions thereof shall not affect the validity or enforceability of the other provisions thereof. If the term or the scope of any restrictive covenant contained in Sections 14.1 through 14.3 exceeds that permitted by law or public policy, then the term or scope of the covenant shall be enforceable for the longest term and largest scope permitted by law and public policy and all courts are authorized to reform the restrictive covenant accordingly.

14.5 Seller Assistance. Seller may, at its discretion, provide training and assistance to Buyer for operation of the transportation and tour business pursuant to such independent agreement as they may enter into subsequent to closing.

SECTION 15. BUYER'S AGREEMENT NOT TO COMPETE

15.1 Competitive Use of Purchased Assets. Buyer shall not at any time after Closing directly or indirectly use, permit the use or assist in the use by any third party of any of the Purchased Assets for the purpose, in whole or in part, to compete with seller or Seller Shareholders in any market or geographical area with regard to transportation and tour services where Seller or Seller Shareholders are not restricted from acting.

15.2 Enforcement of Goodwill Protective Provisions. Buyer acknowledges that the breach or threatened breach in Section 15.1 would give rise to irreparable injury to Seller and Seller Shareholders that could not be adequately compensated by monetary damages. Accordingly, in addition to and not in limitation of any other remedies that may be available, Seller and Seller Shareholders may seek and obtain injunctive relieve from the breach or threatened breach of any of such covenants.


15.3 Separability. The provisions of Sections 15.1 and 15.2 shall be deemed severable and the invalidity or unenforceability of any one or more of the provisions thereof shall not affect the validity or enforceability of the other provisions thereof. If the term or the scope of any restrictive covenant contained in Sections 15.1 and 15.2 exceeds that permitted by law or public policy, then the term or scope of the covenant shall be enforceable for the longest term and largest scope permitted by law and public policy and all courts are authorized to reform the restrictive covenant accordingly.

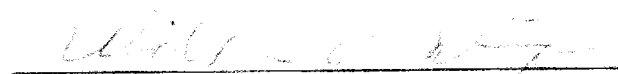
DATED this 24th day of October, 2013.

SELLERS:

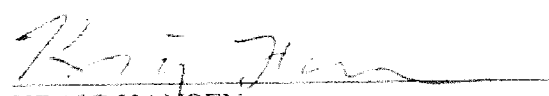
SAN JUAN TRANSIT, INC.

By:


DANIEL E. WARD, President/Secretary


WILLIAM DINGLE, Vice President/Treasurer

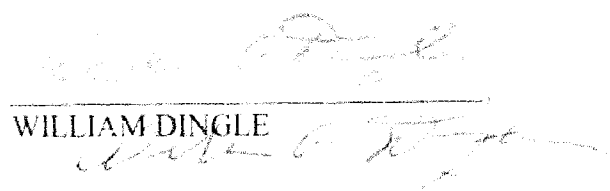
BUYER:


KRAIG HANSEN

SELLING SHAREHOLDERS:

The undersigned also execute this Agreement for the purpose of agreeing to the provisions of this Agreement to the extent such provisions constitute agreements of the undersigned, individually.


DANIEL E. WARD


WILLIAM DINGLE

WIFE'S CONSENT/RATIFICATION TO AGREEMENT CONCERNING PURCHASE OF BUSINESS ASSETS OF SAN JUAN TRANSIT, INC.

I, Cynthia Hansen, am the Wife of KRAIG HANSEN. I have read that certain Purchase and Sale Agreement between SAN JUAN TRANSIT INC., and KRAIG HANSEN, dated Oct 22, 2013, know the contents thereof, and hereby consent and ratify my husband's entering into said contract.

DATED this 22nd day of October, 2013, at Friday Harbor, Washington.

Cynthia Hansen
CYNTHIA HANSEN