

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement Agreement”) is made and entered into as of this ____ day of January 2016 by and between the PORT OF SEATTLE, a Washington municipal corporation (the “Port”), and PUGET SOUND DISPATCH, LLC, and Washington limited liability company (“PSD”).

WHEREAS, the Port and PSD are parties to that certain Concession Agreement dated August 6, 2010 (the “Agreement”) related to the provision of on-demand taxi service (the “Concession”) at Seattle-Tacoma International Airport (the “Airport”); and

WHEREAS, the Port’s Internal Audit department conducted an audit of PSD’s operations for the period November 1, 2011 through August 31, 2015 (the “Audit”) and identified findings related to the Port’s management and controls over the Agreement as well as PSD’s revenue reporting under the Agreement; and

WHEREAS, the Audit recommended that Port management work with PSD to determine the impact of under-reported “Gross Receipts” on the payment of the “Percentage Fee” due for the Concession under the Agreement; and

WHEREAS, the Port and PSD have worked together, as contemplated by Paragraph 7.C of the Agreement, to determine and average fare from each outbound trip from the Airport as well as an appropriate adjustment from the Automated Vehicle Identification (AVI) system-measured number of outbound trips to determine a reconciled number of revenue trips; and

WHEREAS, the parties now wish to settle the Audit issue related to the payment of Percentage Fees for the period from November 1, 2010 through October 31, 2015;

NOW, THEREFORE, in consideration of the mutual agreements, the parties agree:

1. Underpayment Amount. The Port and PSD agree that the total dollar value for the underpayment of Percentage Fees for the period November 1, 2010 through October 31, 2015 is Eight Hundred Seventy Nine Thousand, Five Hundred Thirty Five Dollars and No Cents (\$879,535.00) (the “Underpayment”).

2. Waiver of Late Charges, Interest and Audit Costs. Acknowledging the issues identified in the Audit related to the Port's management and controls over the Agreement, the problems in developing reliable data related to "Gross Receipts" over the term of the Agreement, and PSD's cooperation in responding to the issue of underpayment once it was identified, the Port agrees that it will waive late charges and interest, which would otherwise be payable under Paragraph 7.D of the Agreement, as well as audit costs, which would otherwise be payable under Paragraph 8.B of the Agreement.

3. Payment. The Underpayment shall be paid, in full, no later than January 31, 2016. In the event that PSD fails to pay the Underpayment in full by the due date, the Port intends to apply the Security provided under Paragraph 11 of the Agreement to satisfy the Underpayment. Nothing in this Settlement Agreement shall affect PSD's rights with respect to the Underpayment under Paragraph 7.E of the Agreement.

4. Compromise and Settlement. It is expressly understood and agreed by the parties that this Settlement Agreement represents a compromise and shall not be construed as an admission of liability by either party. Subject to PSD's performance of the terms of this Settlement Agreement, the Port fully and finally releases any claim, or right to claim, related to any underpayment of the Minimum Annual Guarantee and/or Percentage Fee due under the Agreement for the period from November 1, 2010 through October 31, 2015.

5. No Effect on Period After October 31, 2015. This Settlement Agreement shall not affect or otherwise relate to any period after October 31, 2015. Except as the Agreement may otherwise be amended, PSD shall be responsible to report its Gross Receipts and remit the Percentage Fee due as provided in Paragraph 7 of the Agreement. Notwithstanding the foregoing, the Port agrees to work with PSD to reasonably determine an average fare from each outbound trip from the Airport as well as the reconciled number of outbound trips from the Airport to determine the total Gross Receipts and Percentage Fee for such period.

6. Approval by Commission. PSD acknowledges that the terms of this Settlement Agreement are specifically subject to the approval of the Port Commission. Port staff will present these settlement terms to the Port Commission and will recommend approval of the settlement on those terms.

7. Authority. Except as set forth in Paragraph 6, the parties represent, warrant and covenant that each has the full power and authority to execute, deliver, and perform this Settlement Agreement and has duly authorized the execution, delivery, and performance of this Settlement Agreement. Each of the undersigned hereby represents and warrants his or her authority to sign this Settlement Agreement for such party.

8. Attorneys' Fees to Enforce Agreement. In the event any suit or action is instituted to enforce or interpret any of the terms of this Settlement Agreement, including any action or participation in or in connection with the case or proceeding under any chapter of the Bankruptcy Code or any successor statute, the prevailing party shall be entitled to such sum as the court may adjudge reasonable as attorneys' fees in such suit, action or proceeding or upon any appeal from any judgment, order or decree entered therein.

9. Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute one agreement. The Parties further agree that any facsimile or email copy of a party's signature is valid and binding to the same extent as an original signature.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the following dates, the latter of which shall constitute its Effective Date.

PUGET SOUND DISPATCH, LLC PORT OF SEATTLE

By: _____ By: _____
Its: _____ Its: _____

