

SETTLEMENT AND RELEASE AGREEMENT

THIS SETTLEMENT AND RELEASE AGREEMENT ("Agreement") is entered into by and among the City of Yakima, a Washington municipal corporation (the "City") and Medstar, LLC, a Washington limited liability company, and Medstar Cabulance, Inc., a Washington corporation (together "Medstar"), collectively referred to as the "Parties."

I. RECITALS

A. The Parties entered into a contract for paratransit services effective January 1, 2012 ("the Contract") in which Medstar agreed to provide paratransit services for the City in exchange for compensation. The Contract provided certain rates that the City would pay for four categories of paratransit clients: ambulatory passengers, non-ambulatory passengers, ambulatory no-shows, or non-ambulatory no-shows.

B. On or around December 2015, Medstar raised a concern that it was not being compensated for paratransit clients' Person Care Attendants ("PCAs") or guests. In response to Medstar's concern the Parties executed Amendment No. 5 to the Contract, effect January 1, 2016, providing that the City would compensate Medstar for PCAs and guests at half the rate of ambulatory passengers.

C. On August 16, 2016, Medstar served the City with a Tort Claim Notice, alleging that the City was contractually obligated under the Contract to provide compensation for PCAs and guests at the same contractual rate as ambulatory passengers. The City denied Medstar's Tort Claim for damages.

D. On May 26, 2017, Medstar initiated a lawsuit against the City in Yakima County Superior Court, Cause No. 17-2-02335-39 ("the Lawsuit") alleging that the City owed Medstar unpaid compensation for PCAs and guests from the onset of the Contract.

E. The City denied the claims asserted by Medstar in the Lawsuit and, on March 10, 2021, filed counterclaims against Medstar to recoup overpayments made to Medstar over the life of the Contract ("the Counterclaims"). Medstar denied the City's Counterclaims.

F. The Parties now desire to avoid the cost and uncertainty of litigation, and to fully and finally settle all known litigation, complaints, and claims that the Parties may have against each other, the Parties enter this Agreement.

NOW THEREFORE, in consideration of the terms described in this Agreement, and for other good and valuable consideration, the sufficiency of which is acknowledged, the Parties agree as follows:

II. SETTLEMENT AND RELEASE

1. The above Recitals are incorporated by this reference.
2. In consideration of the commitments and release set out in this Agreement, the City shall pay the Medstar the amount of TWO HUNDRED TEN THOUSAND AND 00/100 DOLLARS (\$210,000.00) in total settlement of the Lawsuit (the "Settlement") and Counterclaims within fifteen (15) business days of the Effective Date of this Agreement.
3. The Agreement shall be effective upon full execution of this Agreement by all Parties and approval of the Yakima City Council (the "Effective Date").
4. Medstar releases the City as well as its present and former council members, directors, employees, agents, volunteers, including spouses and marital communities of any of the foregoing, insurers, assigns, successors, attorneys, and any other affiliated or related persons, firms or entities, all in their personal capacity as well as in their representative capacity from all claims, defenses, damages, demands, attorneys' fees, costs, actions, or causes of action, pleaded or unpleaded, of any kind, past or present, known as of the date of execution of this Agreement. The release provided in this paragraph shall have no effect on any amount(s) due Medstar from the City under that certain 12020P Contract for Paratransit Services dated on or about November 3, 2020 ("Current Contract"), including any documents/agreements related to the Current Contract, and any addendums, amendments, or modifications of the Current Contract. Any amounts due Medstar under the Current Contract shall be excluded from the release provided in this paragraph.
5. The City releases Medstar, as well as its present and former officers, principals, shareholders, members, directors, employees, agents, spouses, marital communities, insurers, assigns, successors, attorneys, and any other affiliated or related persons, firms or entities, all in their personal capacity as well as in their representative capacity from all claims, defenses, damages, demands, attorneys' fees, costs, actions, or causes of action, pleaded or unpleaded, of any kind, past or present, known as of the date of execution of this Agreement.
6. The Parties shall sign a Stipulated Motion and Agreed Order of Dismissal of the Lawsuit and Counterclaims within five (5) business days of the Settlement Funds being delivered to Medstar. The Lawsuit and Counterclaims shall be dismissed with prejudice and without attorneys' fees or costs to either party. The City's counsel shall file the Stipulated Motion and Agreed Order of Dismissal within five (5) business days of the execution of the Stipulated and Agreed Order of Dismissal.
7. The Parties acknowledge that each has been fully advised by, or has had the opportunity to be advised by, legal counsel concerning the language and legal effect of this Agreement. The Parties agree that each participated in the drafting and construction of this Agreement. The Parties knowingly enter into this Agreement freely and without coercion of any kind.

8. The Parties agree that this Agreement may be executed separately or independently in any number of counterparts, each of which together shall be deemed to have been executed simultaneously and for purposes of this Agreement. Transmission of a signature by email or facsimile shall bind the signing party to the same degree as delivery of a signed original. At the request of any party, a party having delivered a signature by email or facsimile shall promptly deliver an original signature as well. The “effective date” of this Agreement shall be the date of the last signature set forth below.

9. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective legal representatives, successors, and/or assigns.

10. Any failure by any party to enforce any of the provisions of this Agreement or to require at any time performance by the other party of any of the provisions hereof during the pendency of this Agreement shall in no way affect the validity of this Agreement, or any part hereof, and shall not be deemed a waiver of the rights of any party hereinafter to enforce any and each such provision.

11. Each party understands and agrees that nothing in this Agreement is intended, nor shall be deemed, nor construed to be, an admission of fault or liability by any party in any respect or to any extent whatsoever. The Parties expressly deny all liability for any and all claims or defenses that have been alleged or could have been alleged in the Lawsuit or Counterclaims or which arose or could have arisen from the claims and this Lawsuit and/or Counterclaims.

12. Each person signing this Agreement represents and warrants that he or she has authority to enter into this Agreement on behalf of the entity for which he or she is signing.

13. This Agreement shall be interpreted and enforced according to the laws of the state of Washington and venue shall be in Yakima County Superior Court.

14. This Agreement constitutes the entire agreement of the Parties with respect to the settlement of the Lawsuit and Counterclaims and all allegations contained therein and is intended to be a substitute for and supersedes all prior and contemporaneous understandings, communications, and agreements, whether written or oral. This Agreement may not be modified except by a writing signed by the party or Parties to be charged with such modification. No party is entering into this Agreement in reliance on any oral or written promises, inducements, representations, understandings, or agreements other than those contained in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Settlement and Release Agreement as of the final signature date below.

CITY OF YAKIMA

MEDSTAR, LLC

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

MEDSTAR CABULANCE, INC.

By: _____

Title: _____

Date: _____