

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and between the City of Seattle, BNSF Railway Company, and Union Pacific Railroad Company to resolve *BNSF Railway Company and Union Pacific Railroad Company v. City of Seattle, Seattle Office for Civil Rights, and Julie Nelson*, U.S. District Court for the Western District of Washington Case No. 2:12-cv-00810 (the “Lawsuit”). In consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

1. Definitions. “The City” shall mean the City of Seattle, including without limitation all departments and employees of the City, and further including without limitation the Seattle Office of Civil Rights and Julie Nelson in her official capacity as Director of the Seattle Office for Civil Rights. “Plaintiffs” shall mean BNSF Railway Company and Union Pacific Railroad Company, including without limitation all parents, subsidiaries, members, shareholders, partners, successors, predecessors, assigns, officers, directors, managers, and employees.

2. The City’s Application of Seattle Municipal Code Chapter 14.16 to Plaintiffs. SMC Ch. 14.16 requires certain employers that employ employees in the City of Seattle to provide certain sick and safe leave benefits to their employees. SMC 14.16.130 provides that “nothing in [SMC Ch. 14.16] shall be interpreted or applied so as to create any power or duty in conflict with federal or state law.” Plaintiffs are both railroads covered by the provisions of the federal Railroad Unemployment Insurance Act, 45 U.S.C. § 351 et seq., which preempts the application of SMC Ch. 14.16 to Plaintiffs. Therefore, by the terms of SMC Ch. 14.16.130, the City agrees not to enforce or otherwise apply SMC Ch. 14.16 to Plaintiffs unless required to do so by a change in law.

3. Mootness and Plaintiffs’ Dismissal of Lawsuit. The parties agree that the City’s agreement not to apply SMC Ch. 14.16 to Plaintiffs renders all claims brought by Plaintiffs in the Lawsuit moot as to Plaintiffs. Plaintiffs agree to execute documents sufficient to voluntarily dismiss the Lawsuit within five business days of the execution of this Agreement. The City and Plaintiffs agree that this Settlement Agreement is based exclusively on the Railroad Unemployment Insurance Act and has no bearing or effect on the merits of other claims that Plaintiffs brought or could have brought in the Lawsuit.

4. Warranty. The City and the Plaintiffs each warrant that they have the authority to enter into this Settlement Agreement and that the settlement is effective on the date signed by the City and Plaintiffs. This Agreement may be executed in counterpart originals, with each counterpart to be treated the same as a single original.

5. Entire Agreement. This Settlement Agreement contains the entire agreement by and between the City and Plaintiffs relating to this subject matter and may be modified or amended only by a written agreement between the City and Plaintiffs.

Executed this __ day of June, 2012.

THE CITY OF SEATTLE

By: _____

Julie Nelson

Director

Seattle Office for Civil Rights

BNSF

By: _____

[Name]

[Title]

Union Pacific

By: _____

[Name]

[Title]