REVISED

INTERLOCAL TRANSPORTATION AGREEMENT BY AND BETWEEN

KITSAP COUNTY PUBLIC TRANSPORTATION BENEFIT AREA AUTHORITY AND MASON COUNTY PUBLIC TRANSPORTATION BENEFIT AREA AUTHORITY

This agreement revised and entered into this 17th day of July, 2007 by and between Kitsap County Public Transportation Benefit Area Authority, 60 Washington Ave. #200, Bremerton, WA 98337, (hereinafter referred to as Kitsap Transit) and Mason County Public Transportation Benefit Area Authority, P.O. Box 1880, Shelton, WA 98584 (hereinafter referred to as Mason Transit).

This agreement includes Attachments subject to change with respect to routed changes and schedules.

RECITALS

WHEREAS, pursuant to Chapter 36.57A RCW and public vote, Mason Transit and Kitsap Transit have been authorized to perform public transportation functions within and without its jurisdiction; and

WHEREAS, pursuant to Chapter 36.57A.080 RCW, Mason Transit and Kitsap Transit are authorized and required to enter into agreement with another public transportation authority when providing service into that public transportation authority's service area; and

WHEREAS, Mason Transit and Kitsap Transit have determined it to be in the public interest to operate fixed route, specialized demand response and limited-access/commuter (Worker/Driver) or rideshare types of transportation services between Mason County and portions of the Kitsap County service area; and

WHEREAS, Kitsap Transit is amenable to sharing its parking facilities and providing fueling services for up to four (4) Mason Transit vehicles in order to improve coordination of public transportation services; and

WHEREAS, Mason Transit will need to make temporary accommodation available for parking and fueling the four (4) Mason Transit buses during Charleston Base construction; and

WHEREAS, Kitsap Transit will bill Mason Transit monthly for the cost of fueling and other services; and

WHEREAS, Kitsap Transit has also been selling Mason Transit bus passes from the BTC Customer Service Office and the Port Orchard Customer Service Office; and

WHEREAS, Mason Transit and Kitsap Transit agree that it is desirable to formally authorize these services through the execution of an inter-local agreement; and

WHEREAS, Mason Transit and Kitsap Transit are qualified and able to provide these services; and

AGREEMENTS

NOW, THEREFORE, in consideration of covenants, conditions, performances, and promises hereinafter contained, the parties agree to as follows:

SECTION 1. FIXED ROUTE SERVICE FROM MASON COUNTY

Mason Transit currently operates a fixed route service from Belfair, WA, in Mason County, to the Bremerton Transportation Center (Ferry Terminal) in Bremerton, WA in Kitsap County. This route, known as Route 3, operates Monday through Saturday, via Old Belfair Highway with stops in Gorst, and Eaton College on the inbound trip before continuing on to the Bremerton Transportation Center and a stop at Jimmy D's Restaurant on the outbound trip from the Bremerton Transportation Center, plus occasional deviations as requested by riders on the Route 3. Kitsap Transit hereby agrees that Mason Transit may operate Route 3 into Kitsap County and utilize the Bremerton Transportation Center, located at 10 Washington Ave., Bremerton, WA for the purposes of transferring and picking up passengers coming to and from Mason County. The use of the Bremerton Transportation Center is limited to the current Mason Transit Route 3 schedule. Mason Transit is to give priority to Kitsap Transit buses at all bus stops and affected transfer centers in Kitsap County. Any changes to the Mason Transit service as it relates to the Bremerton Transportation Center must be approved by the Kitsap Transit Service Development Director prior to implementation. Kitsap Transit and Mason Transit agree to make every effort to coordinate arrival and departure times to best serve the public. Mason Transit agrees that while in Kitsap County, Mason Transit operators must obey the directions and instructions of Kitsap Transit Operations Supervisors.

SECTION 2. PASS SALES

Kitsap Transit agrees to sell Mason Transit bus passes out of our main Customer Service Office, located in the Bremerton Transportation Center (Ferry Terminal) in Bremerton, WA, and out of our Port Orchard Customer Service Office. The procedure for this service is as follows:

- Mason Transit sends passes each month to Kitsap Transit, to be received on or before the 15th, for the following month's sales.
- Kitsap Transit offers the passes for sale, with no proceeds or commission offered back to Kitsap Transit.
- After the month's sales, Kitsap Transit reconciles the information and sends the unsold passes and any revenue back to Mason Transit by the 20th of the following month.

SECTION 3. WORKER/DRIVER BUS PARKING AND FUELING

Kitsap Transit agrees to provide parking for four (4) Mason Transit Worker/Driver bus at the Kitsap Transit Main Base, 200 Charleston Blvd., Bremerton, WA during the hours of 6am and 5pm, Monday through Friday. Kitsap Transit agrees to fuel the Mason Transit bus once a week.

Mason Transit understands that the fuel it will receive from Kitsap Transit contains biodiesel. Mason Transit shall assume the risk of use of fuel which contains biodiesel and shall hold harmless and defend Kitsap Transit from any actual or alleged losses, including reasonable attorney's fees and costs, caused by such fuel containing biodeiesel. Kitsap Transit will bill Mason Transit for the actual cost of fuel, plus \$.40 per gallon (subject to adjustment each September) to cover the cost of fueling, data entry and billing. Kitsap Transit agrees to bill Mason Transit on a monthly basis. Mason Transit agrees to make payment within 30 working days of receipt of invoice.

SECTION 4. EMERGENCY SERVICE

Kitsap Transit agrees to provide limited levels of emergency mechanical assistance, locally and as time and manpower allows. Kitsap Transit will bill Mason Transit for local emergency mechanical services as needed and as available at a rate of \$53.00 per hour (subject to adjustment each September). Any parts used providing emergency mechanical service will be billed at cost plus 10%. In the event a Kitsap Transit vehicle is needed and available for temporary use while the Mason Transit vehicle is out of service, the cost will be billed at \$1.40 per mile (subject to adjustment each September).

SECTION 5. FINANCIAL AND LEGAL RESPONSIBILITY

It is understood and agreed that this agreement is solely for the benefit of the parties hereto and gives no right to any other party. No joint venture or partnership is formed as a result of this agreement. Each party hereto agrees to be responsible and assumes liability for its own negligent acts or omissions, or those of its officers, agents or employees to the fullest extent required by law, and agrees to save, indemnify, defend, and hold harmless from any such liability. In the case of negligence of both Mason Transit and Kitsap Transit, any damages allowed shall be levied in proportion to the percentage of negligence attributable to each party. Any action at law, suit in equity of judicial proceeding pertaining to this agreement or any portion thereof, shall be instituted and maintained only in the court of competent jurisdiction at Port Orchard, in Kitsap County, Washington

Mason Transit shall give all notices required by law and comply with all laws, ordinances, rules, and regulations relating to the provision of transit service and in general. Mason Transit shall be liable for all violations of said laws, ordinances, rules, and regulations. This section applies to all federal regulations as well as state and local laws, ordinances, rules, and regulations including all obligations under the Federal Americans with Disabilities Act (ADA) which shall arise as a result of the service outlined in this inter-local agreement.

SECTION 6. INSURANCE

Kitsap Transit and Mason Transit are both members of the Washington State Transit Insurance Pool (WSTIP). Continued participation in WSTIP throughout this agreement eliminates the requirement of "proof of insurance". In the case Mason Transit no longer participates in the WSTIP, proof of insurance in limits and form acceptable to Kitsap Transit, and name Kitsap Transit as an additional insured, will be required.

SECTION 7. NOTICES

Whenever notice is required pursuant to this agreement, it shall be given to the respective parties at the following address:

Kitsap Transit Executive Director 60 Washington Ave. #200 Bremerton, WA 98337

Mason Transit General Manager P.O. Box 1880 Shelton, WA 98584

Notwithstanding any provisions of this agreement, either party may terminate this agreement, by providing written notice of such termination, specifying the effective date thereof, at least ninety (90) days prior to such date. Reimbursement for services performed by Kitsap Transit and not otherwise paid for by Mason Transit prior to the effective date of such termination shall be promptly paid for by Mason Transit in one lump sum.

This agreement supersedes and terminates any and all prior agreements, whether written or oral, between the parties with respect to the subject matter of this agreement.

If any terms or provisions of this agreement, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and shall continue in full force and effect.

In the event that either party hereto retains an attorney to enforce any of the provisions hereto, the successful party shall be entitled to reasonable attorneys' fees from the other party, including fees incurred in both trial or appellate courts, or fees incurred without suit, and all court and accounting costs.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written.

MASON TRANSIT

Dave O'Connell

General Manager

KITSAP TRANSIT

Executive Director

Cathie Knox-Browning

Clerk of the Board of Kitsap Transit