

**FIRST AMENDMENT TO
TRANSFER AGREEMENT BETWEEN THE SOUTH TAHOE AREA TRANSIT
AUTHORITY AND COUNTY OF EL DORADO REGARDING THE OPERATION AND
FUNDING OF BLUEGO ONCALL DEMAND RESPONSIVE TRANSIT SERVICES**

This First Amendment ("First Amendment") to Transfer Agreement is entered into this _____ day of _____, 2009, by and between the South Tahoe Area Transit Authority, a Nevada non-profit corporation ("STATA"), and the County of El Dorado, a political subdivision of the State of California ("County"), on the terms and provisions set forth below.

RECITALS

A. County and STATA entered into a contract entitled "*Transfer Agreement Between The South Tahoe Area Transit Authority and County of El Dorado Regarding The Operation and Funding of BlueGO OnCall Demand Responsive Transit Services*" ("Agreement"), effective November 1, 2008, the intent of which was to facilitate the combining of BlueGO OnCall services provided by County with BlueGO OnCall services provided by the City of South Lake Tahoe to its incorporated area, such that said services would be provided by a single entity, STATA.

B. Pursuant to that Agreement, County agreed to transfer the administration and operation of its transit program to STATA, and agreed to earmark certain County Transportation Development Act funds from County's apportionment area and FTA Section 5311 funds allocated to County for that purpose.

C. The County and STATA subsequently learned that STATA may not lawfully claim the County's allocation of Transportation Development Act funds directly for the purposes of performing the services under the Agreement, and therefore the parties hereto have mutually agreed to amend this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants hereinafter contained, the parties agree to amend the Agreement a first time as follows:

Recital A of the original Agreement is deleted in its entirety and the following recital is added in its place to read as follows:

- A. Various public and private entities, inclusive of the County, entered into a written agreement entitled *Participation Agreement to Implement a Coordinated Transit System at South Lake Tahoe* (the "Participation Agreement") dated May 1, 1998, for the purposes of managing, operating and maintaining a public transit service that is coordinated on the South Shore of Lake Tahoe under the brand name "BlueGO".

Recitals E and F of the original Agreement are deleted in their entirety.

Section 4, entitled Funding, of the original Agreement is deleted in its entirety and the following provision is added in its place to read as follows:

4. Funding

In accordance with its established policies and procedures, County will claim available Transportation Development Act ("TDA") funds from County's apportionment area through the annual TDA Claim process, administered by TRPA, for the period fiscal year 2008-2009. For the fiscal year 2008-2009, TRPA has estimated the County's TDA apportionment to be \$413,268.00. County will transfer to STATA the amount of the TDA funds allocated by TRPA and received by County as County's apportioned share for that fiscal year, less \$30,000.00 (\$15,000.00 cash on hand from prior TRPA 2008/2009 allocation and \$15,000 from this apportionment) for the County's administration, special needs processing, and transit planning costs. County may seek a one time reallocation for additional administrative costs of \$30,679.00 from cash on hand to be reallocated by TRPA to County from prior claims. County will forward payment to STATA as TDA funds are received on a quarterly basis(in arrears). In no event shall the total amount of the funds transferred to STATA pursuant to this Agreement exceed \$398,268.00.

County TDA funds provided to STATA shall be used for the primary purpose of operating BlueGO OnCall in the unincorporated County areas and within the City limits of South Lake Tahoe within the BlueGO service area. Any remaining County TDA funds earmarked by County for STATA that are not applied towards BlueGO OnCall will be used to support transit services operated by County.

The County retains the right to retain TDA Article 8 funds per Public Utilities Code (PUC), Transportation Development Act, Section 99402 as long as TRPA does not make the necessary findings under Section 99401.5 and 99401.6 and by TRPA Resolution 86-04.

Except as provided herein STATA shall not be entitled to nor claim any further monies as compensation for services rendered pursuant to this Agreement.

Section 5, entitled Funding for New Vehicles, of the original Agreement is deleted in its entirety and the following provision is added in its place to read as follows:

5. Funding for New Vehicles

STATA desires to acquire two new 2008 Ford Starcraft Allstar transit vehicles that will be used primarily for the BlueGO OnCall system to be used primarily in the service area serving unincorporated areas of South Lake Tahoe in El Dorado County. STATA intends to utilize grant funding awarded to Tahoe Transportation District under the Fiscal Year 2007 Federal Transit Administration Bus Replacement Program in the sum of \$23,688.00 to acquire the transit vehicles. As part of the grant requirements, a local match is required. County has agreed to commit its allocated Proposition 1B funds in an amount not-to-exceed \$126,465.00 plus actual accrued interest on said funds for the sole purpose of acquiring the new transit vehicles described hereinabove so long as said vehicles are utilized primarily for the BlueGO OnCall program and within the unincorporated area of El Dorado County. Title to the new transit vehicles shall be taken in the name of STATA. STATA will invoice County the matching sum amount upon acceptance of the vehicles by STATA and the Tahoe Transportation District. County will remit the invoiced amount, up to but not to exceed the sum of \$126,465.00 plus actual accrued interest within 30 days of receipt of the STATA invoice.

Section 6, entitled Transportation Development Act and Federal Transit Administration Requirements of the original Agreement is deleted in its entirety and the following provision is added in its place to read as follows:

6. Transportation Development Act, Federal Transit Administration Requirements and Bond Requirement.

On the Effective Date, STATA assumes all liability and sole responsibility associated with being the transit operator for the BlueGO OnCall services, formerly provided by the County, including, but not limited to: farebox recovery ratio requirements, FTA certifications and assurances and any other regulatory requirements necessary to be a transit operator. STATA shall be responsible for ensuring that these vehicles are insured, registered, repaired and maintained and that any necessary requirements associated with reporting information about these vehicles are performed in a timely manner. STATA further assumes sole responsibility for any disallowed costs that may result from an audit. STATA shall be subject to annual California Highway Patrol Certification requirements defined in Section 99251 of the PUC. Evidence of compliance with Section 99251 shall be provided to County by STATA within 30 days of completion of the inspection. Should this Agreement be terminated pursuant to Section 15, STATA shall relinquish these vehicles in good working order consistent with age and mileage back to the County for use in its BlueGO OnCall service.

County shall remain responsible for TDA financial audits, State Controller's Transit Operator Financial Reports, and STATA shall make available to County all books and records necessary for said reports

STATA warrants and represents that TRPA acts as the fiscal agent of STATA, and all funds paid to STATA during the term of this Agreement shall be overseen by, disbursed and accounted for by TRPA as the fiscal agent in accordance with its fiscal rules and policies of TRPA to ensure the faithful performance of STATA's fiscal duties under this Agreement.

Section 9, entitled Term, of the original Agreement is deleted in its entirety and the following provision is added in its place to read as follows:

9. Term

This Agreement shall commence on the Effective Date (November 1, 2008) and shall continue in full force and effect until June 30, 2009, the end of the 2008-2009 fiscal year.

Section 15 of the original Agreement is deleted in its entirety and the following provision is added in its place to read as follows:

15. Default/Expiration of Term.

A. Default: Upon the occurrence of any default of the provisions of this Agreement, a party shall give written notice of said default to the party in default. If the party does not cure the default within ten days of the date of notice, then the party shall be deemed to be in default. The time to cure a default may be extended in the discretion of the party giving notice and so long as that extension is in writing and executed by the party giving notice. Notice given under this section shall specify the alleged default and the applicable provision of the Agreement to

which it applies, and shall demand that the party in default perform the provisions of this Agreement within the applicable period of time. Said notice shall not be deemed a termination of this Agreement unless the party giving notice so elects in a subsequent written notice after the time to cure has expired.

B. Bankruptcy/Ceasing to Perform: This Agreement may be terminated by the County upon 24 hours notice in the case of bankruptcy, voluntary or involuntary, or insolvency of STATA. County may immediately on written notice terminate this Agreement in the event STATA ceases to provide BlueGO OnCall demand responsive service in accordance with the terms and conditions of this Agreement.

C. Expiration of Term: Upon expiration of the term of this Agreement, June 30, 2009, STATA shall return all County assets, including vehicles that were transferred to STATA for use on on BlueGO OnCall pursuant to this Agreement, as well as new vehicles acquired pursuant to the provisions of Section 5 herein, and STATA shall relinquish any and all necessary files and unexpended County TDA allocated funds for BlueGO OnCall. In the event that STATA has not acquired and taken possession of new vehicles in accordance with Section 5 by the expiration of the term of this Agreement, no further obligation to County to commit allocated Proposition 1B funds for that purpose shall exist as of that date.

Except as herein amended, all other terms and conditions of this Agreement remain unchanged and in full force and effect. This First Amendment shall be effective on ____, 2009.

SOUTH TAHOE AREA TRANSIT AUTHORITY

Nancy McDermid
President

Anna Hastie
Secretary

COUNTY OF EL DORADO

Board of Supervisors
"County"

Attest:
Suzanne Allen de Sanchez

Clerk of the Board of Supervisors

Deputy Clerk