

**FUNDING AGREEMENT BETWEEN THE
THE SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS
AND THE SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
FOR TRAFFIC MANAGEMENT PLAN BUS SERVICE FOR PHASE 4
OF THE U.S. HIGHWAY 101 PROJECT**

This Funding Agreement (Agreement) is entered into between the Santa Barbara County Association of Governments, hereinafter referred to as "SBCAG", and the Santa Barbara Metropolitan Transit District, hereinafter referred to as "DISTRICT", for the purpose of defining agency roles, responsibilities and commitments for the continued operation of transit service as part of the Traffic Management Plan for Phase 4 of the U.S. Highway 101 Project (Project).

WHEREAS, under the current schedule, Caltrans, as lead agency, began construction in 2020 and the Project is estimated to require eight years to complete; and

WHEREAS, Caltrans has asked for SBCAG's assistance in implementing elements of a comprehensive Traffic Management Plan, which includes expanding bus transit service in the Project's corridor during construction; and

WHEREAS, Caltrans requires the development of a service plan for approval by Caltrans defining service routes and schedule and demonstrating that the funds will be effectively used to reduce congestion and improve safety in the Project construction zone; and

WHEREAS, SBCAG and DISTRICT recognize the mutual benefits of partnering to add new transit service to the Project corridor during construction; and

WHEREAS, DISTRICT began operating new transit service in the Project corridor in 2023; and,

WHEREAS, SBCAG and DISTRICT mutually desire to continue operations of new transit service; and,

WHEREAS, DISTRICT is established and existing under Part 9, Division 10, of the California Public Utilities Code sections 95000 through 97100, and empowered to provide public transportation service in the South Coast of Santa Barbara County, and the DISTRICT has the equipment, vehicles, experience, and expertise necessary to provide high-quality transit service, which meets the objectives of the Traffic Management Plan; and

WHEREAS, SBCAG has been designated by the Governor as the Metropolitan Planning Organization responsible for carrying out the metropolitan transportation planning pursuant to the United States Code Title 23, section 134 and Title 23 Code of Federal Regulations Part 450, and is Regional Transportation Planning Agency for Santa

Barbara County recognized under California Government Code section 29532.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. **DESIGNATED REPRESENTATIVES.**

SBCAG's Executive Director and/or her designee is the Designated Representative of SBCAG and will administer this Agreement for and on behalf of SBCAG. DISTRICT's General Manager and/or his designee is the Designated Representative of DISTRICT. Each Party agrees to promptly provide written notice if the Designated Representative is changed.

2. **NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first class mail, postage prepaid, or otherwise delivered as follows:

To SBCAG: Santa Barbara County Association of Governments
260 North San Antonio Road, Suite B
Santa Barbara, CA 93110
Attention: Marjie Kirn, Executive Director

To DISTRICT: Santa Barbara Metropolitan Transit District
550 Olive Street,
Santa Barbara, CA 93101
Attention: Jerry Estrada, General Manager

or at such other address or to such other person that the parties may from time to time designate in accordance with this Notices section. Notices and consents under this section, which are sent by regular mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail. This Notices section shall not be construed as meaning that either party agrees to service of process, except as required by applicable law.

3. **SCOPE OF SERVICES.** DISTRICT agrees to assume the responsibilities identified in Exhibit A, attached hereto and incorporated herein by this reference.

4. **TERM.** The term of this agreement is August 18, 2024 to June 30, 2028, unless earlier terminated or extended.

Upon agreement of the Parties, the Executive Director of SBCAG and the DISTRICT's Designated Representative may through a written amendment extend the period of performance of this Agreement for up to an additional two years to June 30, 2030, in any increment determined appropriate by the Parties.

5. **REIMBURSEMENT TO DISTRICT.** In full consideration for DISTRICT's services, DISTRICT shall be paid for performance under this Agreement in accordance with the terms of Exhibit B attached hereto and incorporated herein by reference. Billing shall be made by

invoice, which shall include the contract number assigned by SBCAG and which is delivered to the address given in Section 2, NOTICES, above, following completion of the increments identified in Exhibit B. Unless otherwise specified in Exhibit B, payment shall be net thirty (30) days from presentation of invoice.

6. **DEBARMENT AND SUSPENSION.** DISTRICT certifies to SBCAG that it and its employees and principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal; state or local government contracts. DISTRICT certifies that it shall not contract with subcontractors for services under this Agreement that are so debarred or suspended.

7. **TAXES.** DISTRICT shall pay all taxes, levies, duties, and assessments of every nature due in connection with any work under this Agreement and shall make any and all payroll deductions required by law that are not otherwise reimbursed in accordance to Section 5. SBCAG shall not be responsible for paying any taxes on DISTRICT's behalf and, should SBCAG be required to do so by State, federal, or local taxing agencies, DISTRICT agrees to promptly reimburse SBCAG for the full value of such paid taxes, plus interest and penalty, if any. These taxes shall include, but not be limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and workers' compensation insurance.

8. **CONFLICT OF INTEREST.** DISTRICT covenants that DISTRICT presently has no employment or interest, and shall not acquire any employment or interest, direct or indirect, including any interest in any business, property, or source of income, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. DISTRICT further covenants that in the performance of this Agreement, no person having any such interest shall knowingly be employed by DISTRICT. DISTRICT must promptly disclose to SBCAG, in writing, any potential conflict of interest. SBCAG retains the right to waive a conflict of interest disclosed by DISTRICT if SBCAG determines it to be immaterial, and such waiver is only effective if provided by SBCAG to DISTRICT in writing.

9. **NO PUBLICITY OR ENDORSEMENT.** Neither Party shall use the other Party's name or logo or any variation of such name or logo in any publicity, advertising or promotional materials, unless otherwise required. Neither Party shall use the other's name or logo in any manner that would give the appearance that one Party is endorsing the other. Neither Party shall in any way contract on behalf of or in the name of the other Party. Neither Party shall release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning the other or the other's projects without obtaining the prior written approval of the other Party.

10. **PROPERTY AND INFORMATION.** Each Party's property, documents, and information provided to the other Party for use in connection with the services shall remain the originating Party's property, and the other Party shall return any such items whenever requested by the originating Party and whenever required according to the Termination section of this Agreement. The receiving Party may use such items only in connection with providing the services. The receiving Party shall not disseminate any property, documents,

or information of the originating Party without the originating Party's prior written consent.

11. **RECORDS, AUDIT, AND REVIEW.** DISTRICT shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of DISTRICT's profession and shall maintain such records for at least three (3) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. SBCAG shall have the right to audit and review all such documents and records at any time during DISTRICT's regular business hours and upon reasonable notice. In addition, if this Agreement exceeds ten thousand dollars (\$10,000.00) DISTRICT shall be subject to the examination and audit of the State Auditor General for a period of three (3) years after final payment under the Agreement (Cal. Govt. Code Section 8546.7). DISTRICT shall participate in any audits and review, whether by SBCAG or the State, at no charge to SBCAG.

12. **INDEMNIFICATION AND INSURANCE.** DISTRICT agrees to defend, indemnify and hold harmless the SBCAG and to procure and maintain insurance in accordance with the provisions of Exhibit C, attached hereto and incorporated herein by reference.

13. **NONDISCRIMINATION.** DISTRICT shall comply with Title VI of the Civil Rights Act of 1964, as amended, and with the provisions contained in 49 CFR 21 through Appendix C and 23 CFR 710.405(b). During the performance of this Agreement, . DISTRICT, for itself, its assignees and successors in interest agrees as follows:

A. Compliance with Regulations: DISTRICT shall comply with the regulations relative to nondiscrimination in federally-assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by this reference and made a part of this Agreement.

B. Nondiscrimination: DISTRICT or subcontractors shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. DISTRICT shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the DISTRICT to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as recipient deems appropriate. DISTRICT, with regard to the work performed by it during the Agreement, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection or retention of subcontractors, including procurement of materials and leases of equipment. DISTRICT shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the Agreement covers a program set forth in Appendix B of the regulations.

C. Solicitations for subcontractors, including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiations made by DISTRICT for work to be performed under the subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier shall be notified

by DISTRICT of DISTRICT's obligations under this Agreement, and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

D. Information and Reports: DISTRICT shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by SBCAG to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a DISTRICT is in the exclusive possession of another who fails or refuses to furnish this information, DISTRICT shall so certify to SBCAG, and shall set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of DISTRICT's noncompliance with the nondiscrimination provisions of this Agreement, SBCAG shall impose such contract sanctions as it may determine to be appropriate, including, but not limited to:

1. Withholding of payments to DISTRICT under this Agreement until DISTRICT complies, and/or
2. Cancellation, termination or suspension of the Agreement in whole or in part.

14. **NON-ASSIGNMENT.** DISTRICT shall not assign or transfer this Agreement or any of its rights or obligations under this Agreement without the prior written consent of SBCAG and any attempt to so assign or transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

15. **TERMINATION.**

A. **By SBCAG.** SBCAG may, by written notice to DISTRICT, as required below, terminate this Agreement.

1. **For Convenience.** SBCAG may terminate this Agreement in whole or in part upon one hundred twenty (120) days written notice. During the one hundred twenty (120) day period, DISTRICT shall, as directed by SBCAG, wind down and cease its services as quickly, safely and efficiently as reasonably possible, without performing unnecessary services or activities and by minimizing negative effects on SBCAG from such winding down and cessation of services. SBCAG will reimburse District for all services provided to date of termination and all reasonable costs incurred by DISTRICT caused by SBCAG's termination.

2. **For Nonappropriation of Funds.** Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated or budgeted by federal, state or local governments, or funds are not otherwise available for payments in the fiscal year(s) covered by the term of this Agreement, then SBCAG will notify DISTRICT of such occurrence and SBCAG may terminate or suspend this Agreement in whole or in part upon one hundred twenty (120) days written notice. Subsequent to termination of this Agreement under this provision, SBCAG shall have no obligation to make payments with regard to the remainder of the term.

3. **For Cause.** Should DISTRICT materially default in the performance of this Agreement or materially breach any of its provisions, SBCAG may, at SBCAG's sole option, terminate or suspend this Agreement in whole or in part by written notice, if such default or breach is not remedied by DISTRICT within thirty (30) days of written notice from SBCAG of such default or breach. Upon receipt of such notice, DISTRICT shall either take immediate steps to remedy the default or breach, or immediately discontinue all services affected and notify SBCAG as to the status of its performance. The date of termination shall be one hundred twenty (120) days after the date the notice is received by DISTRICT, unless the default or breach is remedied.

B. **By DISTRICT.** Should SBCAG fail to pay DISTRICT all or any part of the payment set forth in Exhibit B, DISTRICT may, at DISTRICT's sole option, terminate this Agreement if such failure is not remedied by SBCAG within thirty (30) days of written notice to SBCAG of such late payment. In addition, should DISTRICT be unable to provide the service described in this Agreement due to workforce or fleet limitations, restrictions, or constraints, DISTRICT may, at DISTRICT's sole option, terminate this Agreement.

C. **Upon termination.** DISTRICT shall deliver to SBCAG copies of all data, estimates, graphs, summaries, reports, and all other property, records, documents or papers as may have been accumulated or produced by DISTRICT in performing this Agreement, whether completed or in process. Notwithstanding any other payment provision of this Agreement, SBCAG shall pay DISTRICT for satisfactory services performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made. In no event shall DISTRICT be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service. DISTRICT shall furnish to SBCAG such financial information as in the good faith judgment of SBCAG is necessary to determine the reasonable value of the services rendered by DISTRICT. In the event of a dispute as to the reasonable value of the services rendered by DISTRICT, the dispute shall be decided by a neutral mediator agreed to by the parties or, if no agreement can be reached, appointed by the Santa Barbara Superior Court. The foregoing is cumulative and shall not affect any right or remedy which the Parties may have in law or equity.

16. **SECTION HEADINGS.** The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

17. **SEVERABILITY.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

REMEDIES NOT EXCLUSIVE. No remedy herein conferred upon or reserved to the Parties is intended to be exclusive of any other remedy or remedies, and each and every such

remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

· 19. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement and each covenant and term is a condition herein.

20. **NO WAIVER OF DEFAULT.** No delay or omission of the Parties to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to the Parties shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of the affected Party.

21. **ENTIRE AGREEMENT AND AMENDMENT.** In conjunction with the matters considered herein, this Agreement, together with all exhibits thereto, contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

22. **SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

23. **COMPLIANCE WITH LAW.** DISTRICT shall, at its sole cost and expense, comply with all, state and federal ordinances and statutes, including regulations now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of DISTRICT in any action or proceeding against DISTRICT, whether SBCAG is a party thereto or not, that DISTRICT has violated any such ordinance statute, or regulation, shall be conclusive of that fact as between DISTRICT and SBCAG.

23. **CALIFORNIA LAW AND JURISDICTION.** This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in State court, or in the federal district court nearest to Santa Barbara County, if in federal court.

24. **EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

25. **AUTHORITY.** All signatories and parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, DISTRICT hereby warrants that it shall not have materially breached the terms or conditions of any other contract or agreement to which DISTRICT is obligated, which breach would have a material effect hereon.

26. **SURVIVAL.** All provisions of this Agreement which by their nature are intended to survive the termination or expiration of this Agreement shall survive such termination or expiration.

27. **PRECEDENCE.** In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the numbered sections shall prevail over those in the Exhibits.

28. **THIRD PARTY AGREEMENTS or SUBCONTRACTORS.** DISTRICT may provide the services described herein through a Third Party Agreement or retain the services of subcontractors to assist with the fulfillment of its roles and responsibilities outlined in this Agreement. DISTRICT shall be fully responsible for all services performed by its Third Party Agreements, subcontractors, or both. DISTRICT shall secure from any and all Third Party Agreements or subcontractors all rights for SBCAG in this Agreement, including audit rights, and all rights for SBCAG. DISTRICT shall ensure Third Party Agreements or subcontractors' compliance with California Labor Code, including, but not limited to, the payment of prevailing wage when required.

29. **SUSPENSION FOR CONVENIENCE.** SBCAG may, with reasonable cause, and upon one hundred twenty (120) days advanced notice, order DISTRICT in writing to suspend, delay, or interrupt the work under this Agreement in whole or in part for up to 90 days. SBCAG shall pay all reasonable costs incurred by DISTRICT for any such suspension under this provision. However, no such suspension shall constitute a breach of this Agreement.

30. **DISPUTES.** Within a period of 45 days after the request for mediation, the Parties agree to convene with a mutually agreed upon mediator, with business representatives present, for at least one session to attempt to resolve the matter in good faith. In no event will mediation delay commencement of the litigation for more than 45 days absent agreement of the Parties or interfere with the availability of emergency relief.

31. **IMMATERIAL AMENDMENTS.** DISTRICT and SBCAG agree that immaterial changes to the Agreement such as updating the Designated Representative, addresses for notices, or other clerical error corrections which will not result in a material change to the Agreement, Statement of Work, or total contract amount may be authorized may be authorized by DISTRICT's Designated Representative and SBCAG's Executive Director, or designee, in writing, and in accordance with Section 21.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective August __, 2024.

SANTA BARBARA METROPOLITAN
TRANSIT DISTRICT

SANTA BARBARA COUNTY
ASSOCIATION OF GOVERNMENTS

By: _____
Dave Davis
Chair

By: _____
Steve Lavagnino
Chair

Date: _____

Date: _____

ATTEST
Jerry Estrada
General Manager
Santa Barbara Metropolitan Transit
District
By: _____

ATTEST
Marjie Kirn
SBCAG Executive Director
Clerk of the Board
By: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:
Rachel Van Mullem
County Counsel

By: _____
Trevor Large
Attorney
Santa Barbara Metropolitan Transit District

By: _____
Deputy County Counsel

EXHIBIT A Scope of Work

The parties agree this scope of work is to continue new bus service to the U.S. Highway 101 corridor between Carpinteria and Santa Barbara ("service" or "Line 19x"), according to the roles and responsibilities described below.

1. DISTRICT'S Discretion Over Services

A. Project Description

The service will consist of peak period and midday bus transit service between Carpinteria and Santa Barbara. Currently this service consists of 'Line 19x' which serves Carpinteria, the Santa Barbara eastside community and Santa Barbara City College. The service will be open to the public, for all trip purposes, and will be fully accessible to persons with disabilities.

B. DISTRICT Responsibility

DISTRICT shall be responsible for developing routes, hours of operation, days of operation, and headways appropriate to maintain such service. DISTRICT shall retain sole responsibility and full discretion for the planning, management, administration, maintenance, and operation of such services, including hours, location, headways, equipment, personnel, advertising, and services. DISTRICT shall notify SBCAG at least 60 days prior to any significant change of route and/or schedule. DISTRICT may provide such services with DISTRICT personnel and resources, through third party contracts for all or part of such services, or by other agreements, at the sole discretion of DISTRICT. DISTRICT shall each year conduct any and all necessary public hearings to develop the routes, days, hours, headways, and methods of operation appropriate for such service.

C. Fares

DISTRICT's Board of Directors shall determine and set fares and hold public hearings for fare changes, as required. DISTRICT will ensure federal compliance with regards to fares, including compliance with Title VI of the Civil Rights Act. SBCAG and DISTRICT may work together to plan promotions and other activities to encourage riders to use the service.

D. Routes

The schedule and route for the Line 19x service are attached as Appendix A. This service plan may be modified at any time according to Sections 1B and 6 of this Exhibit A.

E. Performance

DISTRICT shall collect all data required to evaluate service performance, and shall provide a written report with each invoice to SBCAG, including monthly ridership for the

route, revenue hours and miles, fare revenue collected, any missed trips or service failures, and on-time performance.

The performance goal for the service is at least 10 passengers per revenue hour. If ridership does not meet the performance standards, DISTRICT shall recommend strategies to increase ridership.

F. Vehicles

DISTRICT will make available DISTRICT-owned vehicles for this service.

2. Line 20 On-Time Performance

DISTRICT will monitor the on-time performance (OTP) of DISTRICT's existing Line 20, which provides service between Carpinteria and Santa Barbara. If Line 20 overall OTP drops below 75% for two (2) consecutive quarters during the term of this Agreement, DISTRICT staff, in consultation with SBCAG staff, will assess enhancements to Line 20 service to improve overall Line 20 OTP to greater than 75%. In accordance with Exhibit B, DISTRICT will invoice SBCAG, and SBCAG shall reimburse DISTRICT, for the cost of the selected enhancement. Reimbursement for any costs involving Line 20 shall be subject to the Not-To-Exceed amount of this Agreement. In the event that the conditions referenced above are met, additional funding may be sought in writing to Caltrans by DISTRICT General Manager and SBCAG Executive Director.

3. Other Services in the Corridor

SBCAG and DISTRICT may mutually agree in writing to expand services or use available funding to augment existing routes that serve the corridor. Reimbursement for these costs shall be subject to the Not-to-Exceed amount of this Agreement.

4. Adjustments To Services

Any changes, adjustments, increases, reductions or losses of service by reason of new or lost funding sources shall be on the basis of the hourly rate described in the appropriate section of this Agreement. Any increase in the number of service hours provided under this Agreement will be based upon costs approved in writing by DISTRICT General Manager and SBCAG Executive Director. Changes in service, operational provisions, specifications, schedules, fares, and location of services, required to meet unforeseen changes in demand, unforeseen funding restrictions, or the availability of additional funds for enhanced service shall be made on 90 days' advance written notice from the party proposing any such change to the other.

5. DISTRICT'S Right Not to Perform a Service Where Subsidy Is Not Provided

If DISTRICT determines to perform the services, SBCAG shall make the subsidy described herein available to DISTRICT according to the provisions of this Agreement. DISTRICT is not required to perform any service for which a subsidy is not provided

as is specified under the terms, conditions, and limitations provided herein.

6. Funding Not Guaranteed

The obligation of SBCAG to provide funds hereunder shall be subject to the condition precedent that funds for said services are approved in applicable budgets and appropriated to SBCAG for such services, and subject, further, to the receipt of such funds for use as provided herein. In the event that SBCAG notifies DISTRICT that funding for the following fiscal year is insufficient to provide the annual hours of service required to provide the service described in this Exhibit A, Section 1 above, DISTRICT shall work cooperatively with SBCAG to develop a mutually agreeable solution for the following fiscal year.

7. Service To Be Provided

The service to be provided is generally described as below, subject to the terms and conditions of this Agreement. The details listed below are in draft form and DISTRICT may make minor changes to stops and routing for operational reasons.

Carpinteria to Santa Barbara City College

Casitas Plaza, R Carpinteria Ave, R Santa Ynez, L Via Real, 101 N @ Santa Monica, exit Milpas, L Gutierrez, L Garden, R Cabrillo, R Loma Alta, R Cliff

Santa Barbara City College to Carpinteria

Cliff, L Castillo, R Haley, R Milpas, 101 S., exit Santa Claus, L Padaro, R Via Real, R Santa Ynez, L Carpinteria Ave, Casitas Plaza

Northbound Stops

Carpinteria & Palm
Carpinteria Ave & Elm
Via Real & Santa Ynez
Milpas & Carpinteria St
Milpas & Montecito
Gutierrez & Laguna
SBCC Main Campus

Southbound Stops

SBCC Main Campus
Haley & Laguna
Milpas & Gutierrez
Milpas & Quinientos
Via Real & Cramer
Carpinteria Ave & Holly
Casitas Plaza

Initial Schedule

Departures from Carpinteria and Palm in Carpinteria @ 7:00a, 8:00a, 11:45a

Departures from SBCC @ 12:40p, 4:30p, 5:30p

Weekday service days only; service will not operate during SBCC Winter and Spring Breaks (approximately 225 service days per Fiscal Year)

EXHIBIT B
PAYMENT ARRANGEMENTS
Periodic Compensation

1. For DISTRICT services to be rendered under this Agreement, DISTRICT shall be paid a total contract amount, including cost reimbursements, up to but not to exceed **\$800,000** for the term August 18, 2024 to June 30, 2028, unless otherwise agreed.
2. If the Parties agree to extend the period of performance, then for DISTRICT services to be rendered under this Agreement, DISTRICT shall be paid a total contract amount, including cost reimbursements, up to but not to exceed **\$450,000** for the term July 1, 2028 to June 30, 2030.
3. Monthly, DISTRICT shall submit to the SBCAG Designated Representative an invoice for the service performed over the period specified within the scope of work. SBCAG shall pay invoices for such work within 30 days of receipt of correct and complete invoices from DISTRICT.
4. DISTRICT shall deduct fares collected from the billable hours as defined in Section 5, Hourly Operating Rate below and invoice SBCAG for the resulting net cost of the service provided on a calendar monthly basis. SBCAG shall reimburse DISTRICT for the net cost of the service.
5. **Hourly Operating Rate.** DISTRICT shall be reimbursed by SBCAG for the operation of the service at the annual DISTRICT system fully allocated rate per revenue vehicle hour. The rate will be recalculated for each fiscal year that this Agreement is in effect, based on the original adopted budget of DISTRICT for the respective fiscal year. This rate is inclusive of all costs associated with operating the service, including, but not limited to, maintenance, fuel, vehicle insurance, operator/driver compensation, fare collection and pass distribution and sales, benefits, and insurance (including workers' compensation insurance).
6. In the event that the conditions referenced in Exhibit A, Section 2 occur, additional funding may be sought in writing to Caltrans, upon agreement, by DISTRICT General Manager and SBCAG Executive Director.
7. SBCAG's failure to discover or object to any unsatisfactory billings prior to payment will not constitute a waiver of SBCAG's right to require DISTRICT to correct such billings or seek any other legal remedy within 90 days of payment.

EXHIBIT C
STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS

1. Indemnification

DISTRICT agrees to indemnify, defend (with counsel reasonably approved by SBCAG) and hold harmless SBCAG and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by SBCAG on account of any claim except where such indemnification is prohibited by law. DISTRICT's indemnification obligation applies to SBCAG's active as well as passive negligence but does not apply to SBCAG's sole negligence or willful misconduct.

2. NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS

DISTRICT shall notify SBCAG immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

3. Insurance

DISTRICT shall purchase and maintain the following minimum insurance at its sole cost and expense, with an insurer or insurers that meet the requirements in item 3.e.) and shall endeavor to notify SBCAG in writing prior to any reduction in insurance coverage of any kind or type. If DISTRICT maintains higher limits than the minimums shown above, SBCAG requires and shall be entitled to coverage for the higher limits maintained by the DISTRICT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SBCAG.

a) General liability and auto liability insurance with a combined per occurrence limit of at least \$10,000,000 per claim. This insurance shall include:

i. Extension of coverage to SBCAG, its officers, officials, employees, and agents, as additional insureds, with respect to the District's liabilities hereunder;

ii. A provision that the District's insurance shall apply as primary, and not excess of, or contributing with, SBCAG's;

iii. Contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the District and SBCAG in the indemnity and hold harmless provisions herein;

iv. A cross liability clause, or equivalent wording, stating that coverage will apply to each named or additional insured as if separate policies had been issued to each;

v. A provision that the policies be provided on an "occurrence" basis.

b) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

c) Approval of insurance by SBCAG or acceptance of the certificate of insurance by SBCAG shall not relieve or decrease the extent to which the District may be held responsible for payment of damages resulting from the District's services or operation pursuant to these conditions, nor shall it be deemed a waiver of SBCAG rights to insurance coverage hereunder.

d) Current Certificates of Insurance on forms acceptable to SBCAG and evidencing the above coverage shall be completed by the District's insurer or its agent and submitted to SBCAG. The District shall require any and all third party contractors providing services to the District in connection with the District's performance of this Agreement to provide Commercial General Liability, Automobile Liability, and Workers' Compensation and Employer's Liability Insurance with the identified limits of coverage and upon the terms and provisions required above, naming both DISTRICT and SBCAG as additional insureds and establishing any such insurance as primary to any insurance protection obtained by DISTRICT or SBCAG.

e) All insurance shall be issued by a company or companies licensed to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum rating of A-VII. Any exception to these requirements must be approved by SBCAG.

f) The above stated insurance coverage required to be maintained by the DISTRICT shall be maintained until the completion of all of the DISTRICT's obligations under this Agreement. The DISTRICT shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits have been exhausted or upon insolvency of the insurer that issued the policy.

g) In the event that any policy of insurance required under this Agreement does not

comply with the requirements, is not procured, or is canceled and not replaced, SBCAG has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by SBCAG as a material breach of contract.

h) Each party hereby grants to the other a waiver of any right to subrogation which any insurer of either may acquire against the other by virtue of the payment of any loss under such insurance. The parties agree to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not received a waiver of subrogation endorsement from the insurer.

i) SBCAG understands that the DISTRICT is self-insured with regard to Worker's Compensation, general liability and auto liability insurance with Self Insured Retentions of amounts up to \$500,000, or more, as determined by the District.