

RESOLUTION NO. 2004-233

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING A TRANSFER AGREEMENT BETWEEN THE CITY OF ELK GROVE
AND SACRAMENTO REGIONAL TRANSIT DISTRICT**

WHEREAS, beginning January 2005, the City of Elk Grove will be operating its own transit fleet for Elk Grove residents and visitors; and

WHEREAS, the purpose of this agreement is to provide a method of coordinating public transportation services to be provided separately by RT and Elk Grove; and

WHEREAS, the objective of this agreement is to be achieved through the adoption of a compatible RT and Elk Grove fare structure, including transfer privileges for holders of transfers and daily and monthly passes; and

WHEREAS, this agreement also relates to additional matters concerning tickets, routing, bus stops, bus books, and telephone information service are addressed as necessary to further the purpose of this agreement; and

WHEREAS, this agreement is necessary to provide seamless service to Elk Grove residents and transit riders throughout the Sacramento Region.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Elk Grove authorizes the Mayor and City Manager or his designee to execute a Transfer Agreement between the City of Elk Grove and Sacramento Regional Transit District.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 15th day of September 2004.



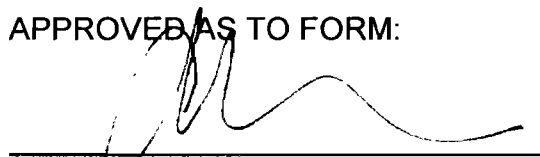
SOPHIA SCHERMAN MAYOR of the
CITY OF ELK GROVE

ATTEST:



PEGGY E. JACKSON, CITY CLERK

APPROVED AS TO FORM:



ANTHONY B. MANZANETTI,
CITY ATTORNEY

**TRANSFER AGREEMENT
BETWEEN CITY OF ELK GROVE AND
SACRAMENTO REGIONAL TRANSIT DISTRICT**

THIS TRANSFER AGREEMENT is made and entered into this ___ day of 2004, by and between the **CITY OF ELK GROVE**, a municipal corporation, {hereinafter called "CITY"}, and the **SACRAMENTO REGIONAL TRANSIT DISTRICT**, a public corporation {hereinafter called "RT").

RECITALS

WHEREAS, CITY shall provide public transportation service for the benefit of persons in the City of Elk Grove; and

WHEREAS, RT provides bus and rail public transportation for the benefit of persons in Sacramento County; and

WHEREAS, CITY desires to coordinate its transportation services with those currently being provided by RT; and

WHEREAS, RT considers said coordination of services to be in furtherance of its legislatively declared objective to provide a unified regional transportation system:

WITNESS

NOW, THEREFORE, RT AND CITY DO MUTUALLY AGREE AS FOLLOWS:

1. **DEFINITIONS**

A. **CITY Transit Service**

CITY transit services shall mean all fixed route public transportation services entering into Sacramento County from the City of Elk Grove, including but not limited to, the implementation, operation, and maintenance of such services and any other activities incidental thereto that are provided directly by CITY, or indirectly by CITY through agreement with a third party or third party operator, and whether or not such service is provided pursuant to and in accordance with a Joint Powers Agreement or in accordance with the terms of an agreement between CITY and a third party or third party operator.

B. **RT Transit Service**

RT transit service shall mean all fixed route service as defined in the adopted RT Fare Structure, which excludes all special services.

C. **RT Fare Structure**

RT Fare Structure shall mean the document adopted by RT which establishes classifications of fares and fare surcharges and the entitlement to services upon valid payment by a patron.

D. **CITY Fare Structure**

CITY Fare Structure shall mean the document adopted by CITY which establishes classifications of fares and fare surcharges and the entitlement to services upon valid payment by a patron.

E. **Parties**

Parties shall mean both CITY and RT, including their respective officers, employees, and agents.

F. **Party**

Party shall mean either RT or CITY as determined by the context, or both CITY and RT when preceded by the words "each" or "neither," and shall be deemed to include the officers, employees, and agents of each respectively.

G. **Third Party**

Third Party shall mean any person or legal entity that is not a signatory to this Agreement.

H. **Daily Pass**

Daily Pass shall mean a single paper script printed by RT or CITY with a printed denomination of the daily pass type and date appearing thereon.

I. **Monthly Pass**

Monthly Pass shall mean either a photo identification card issued by RT or CITY, to which a RT or CITY monthly stamp is affixed, or a card with the month and year printed on the card by RT or CITY.

J. **Transfer**

Transfer means the proof of payment that is printed by RT or CITY and issued to a passenger by an RT or CITY bus operator or by an RT or CITY transfer validation machine.

K. **Ticket**

Ticket shall mean a paper script issued by RT or CITY with a printed denomination appearing thereon.

L. **Group Pass**

"Group Pass means an identification card issued or approved by RT or the CITY on which an RT or City approved sticker, logo or equivalent insignia is attached.

2. **PURPOSE**

The purpose of this Agreement is to provide a method of coordinating public transportation services to be provided separately by RT and CITY. The objective of this Agreement is to be achieved through the adoption of a compatible RT and CITY fare structure, including transfer privileges for holders of transfers and daily and monthly passes. Additional related matters concerning tickets, routing, bus stops, bus books, and telephone information service are addressed as necessary to further the purpose of this Agreement. The person designated to RT notices and other communications under Article 12 entitled "Notices," will administer this Agreement for RT unless the contract expressly provides otherwise.

3. **TERM**

This Agreement shall commence on January 2, 2005, and shall continue from year-to-year unless cancelled or terminated by either party as provided in Articles 23 and 24.

4. **RT AND CITY FARE STRUCTURES**

A. In order to preserve a compatible fare structure on CITY and RT transit services, CITY agrees to coordinate its fare structure for all CITY transit service with the RT Fare Structure, as it may be amended during the term of this Agreement, insofar as it relates to transfers between RT and CITY transit systems.

B. Notwithstanding subparagraph A. above, CITY shall not be required to establish or maintain a fare structure that:

- (1) Provides a fare for special services or charter services as defined in RT's Fare Structure; and/or
- (2) Provides for surcharges; and/or
- (3) Provides for fare equivalents using tokens; and/or
- (4) Provides for a single cash fare as defined in RT's Fare Structure.

- C. CITY may establish its own fare structure. In the event that the CITY fare structure is different from that established by RT, CITY agrees to pay to RT any differential in fares collected according to the formulas included in Article 8. This may mean that CITY will pay a higher share of total revenue to RT should the RT fare structure be higher than that of the CITY.

5. TICKETS, TRANSFERS AND DAILY PASSES

- A. The CITY and RT shall offer its patrons transfers and daily passes, which shall be issued or sold in an amount in accordance with the terms of Article 4 of this Agreement. Transfers and daily passes issued or sold by CITY and/or RT shall be those printed by and provided to the CITY or to RT by the other party. CITY shall pay RT for printing and administrative costs of supplying RT transfers and daily passes to CITY as set forth in Article 9 of this Agreement. RT shall pay the CITY for printing and administrative costs of supplying CITY transfers and daily passes to RT as set forth in Article 9 of this Agreement. CITY and RT mutually agree to honor transfers and daily passes issued by either on all CITY and RT transit service, except that for RT patrons accessing CITY's express bus service using a transfer, an additional surcharge may be imposed by CITY.
- B. CITY agrees to sell at CITY outlets in its municipal boundary, for the same amount charged by RT, prepaid one-way and daily pass tickets which are printed by RT. RT agrees to sell at RT outlets in its service area, for the same amount charged by the CITY, prepaid one-way and daily pass tickets which are printed by the CITY. CITY shall pay RT for printing and administrative costs of supplying RT tickets to CITY as set forth in Article 9. RT shall pay the CITY for printing and administrative costs of supplying CITY tickets to RT as set forth in Article 9. CITY agrees to return to RT one hundred percent (100%) of the revenues derived from the sale of RT one-way and daily pass tickets. CITY agrees to provide passage on all CITY transit service to any patron who properly displays a one-way or daily pass ticket, except that CITY may impose an additional charge for CITY express service. CITY shall collect and count the number of one-way and daily pass tickets received on CITY service on a monthly basis. Upon receipt of a prepaid daily pass ticket, CITY operators shall give the patron a daily pass which denotes the date of issuance.
- C. CITY and RT mutually agree to reimburse each other for tickets, transfers and daily pass revenues collected for service provided by the other in accordance with the methodology set forth in Article 8.

6. MONTHLY, GROUP, AND EMPLOYEE/DEPENDENT PASSES

- A. CITY agrees to provide passage on all CITY transit service to any patron who properly displays a valid RT monthly or group pass of any type authorized under the RT Fare Structure except that CITY may impose an additional charge for a CITY express sticker which imposes a surcharge for riding CITY express buses. Monthly passes issued or sold by CITY may be those printed by RT and provided to CITY

- B. RT agrees to provide passage on all RT transit service to any patron who properly displays a valid CITY monthly or group pass of any type authorized under the CITY fare structure except that RT may impose an additional charge for a RT express sticker which imposes a surcharge for riding RT express buses. Monthly passes issued or sold by RT may be those printed by the CITY and provided to RT.
- C. CITY shall return to RT one hundred percent (100%) of the revenues derived from the sale of RT monthly passes, and RT shall reimburse CITY for use of such passes to access CITY transit service in accordance with the methodology set forth in Article 8.
- D. RT shall sell CITY express stickers at RT distribution outlets mutually approved by RT's General Manager/CEO and CITY's Transit Manager. RT shall reimburse CITY one hundred percent (100%) of the revenue derived from the sale of CITY express stickers. The City shall sell RT express stickers at CITY distribution outlets mutually approved by the CITY's General Manager and RT's General Manager/CEO.
- D. Both RT and the City shall be allowed to offer to the Employees, and their dependents, of their respective systems free passage on either system provided that a valid employee or dependent identification card is presented upon each boarding.
- E. The CITY and RT shall pay to the other party the administrative costs for selling the other party's express stickers and monthly passes as set forth in Article 9.

7. RIDERSHIP SURVEYS AND ANALYSIS

- A. Each party shall count on a monthly basis the number of transfers issued and received on the other service and shall calculate how many of those transfers were issued to access the other party's transit services. Both Parties also agree that the number of discounted versus regular transfers shall be based on the proportion of discounted versus regular cash boardings on CITY buses each month.
- B. Each party shall count on a monthly basis the number of express stickers sold and shall identify the jurisdiction of origin for the express stickers sold.
- C. CITY and RT agrees to count on a monthly basis the number of times monthly passes and daily passes are issued or accepted on CITY and RT buses, segregating passes by fare category if discounts are offered.
- D. CITY agrees to survey monthly pass and daily pass riders on CITY buses at least four times during the first year and two times in subsequent years, in the manner agreed upon by RT's General Manager/CEO and CITY's Transit Manager, for the purpose of calculating pass use activity and revenue due between RT and CITY, pursuant to Articles 8B and 8C. On each occasion, a unique weekday, Saturday, and Sunday will each be included in the measurement.

8. ALLOCATION OF TRANSFERS AND MONTHLY AND DAILY PASS REVENUES

A. Transfers

- (1) Quarterly, or on any other mutually acceptable schedule CITY agrees to pay RT one-half (1/2) of the one-way RT fare, excluding any CITY or RT surcharges, for the month in question that would have otherwise been paid to RT by all patrons to whom a transfer was issued on CITY service serving Sacramento County to access RT service. The number of transfers shall be based on the number of transfers to RT issued on CITY buses each month as set forth in Article 7A.
- (2) Quarterly, or on any other mutually acceptable schedule, RT agrees to pay to CITY one-half (1/2) of the one-way CITY fare, excluding any CITY or RT surcharges, for the month in question that would have otherwise been paid to CITY by all patrons to whom a transfer was issued on RT service to access CITY service. The number of transfers shall be based on the number of transfers received on CITY buses each month as set forth in Article 7A.

B. Monthly or Group Passes

- (1) Quarterly, or on any other mutually acceptable schedule, RT agrees to pay CITY one-half (1/2) of the RT monthly pass fare for RT regular, group, and discount passes used to access CITY service, (excluding the cost of CITY or RT express stickers or surcharges, if any), as follows:

a) Regular Monthly or Group Pass: Average number of regular monthly or group passes shown per weekday each month on CITY service (excluding holidays), divided by weighted average CITY boardings per regular monthly or group pass*, times percent of weighted CITY boardings per regular monthly or group pass involving transfers to and/or from RT**, times ½, times the fare rate for the regular monthly pass fare category.

$$\text{*weighted average} = \frac{a1}{a2} \times \frac{a1}{a1+b1} + \frac{b1}{a1+b1} \times \frac{b1}{a1+b1}$$

**percent of weighted boardings per monthly or group pass involving transfers to/from RT =

$$\frac{a1}{a2} \times \frac{a1}{a1+b1}$$

weighted average*

a1 = Number of regular monthly or group pass boardings (from surveys) on CITY service where the survey respondent indicated that they did/will transfer to/from RT

a2 = Number of regular monthly or group pass surveys involving transfers to/from RT

b1 = Number of regular monthly or group pass boardings (from surveys) on CITY service where the survey respondent indicated that they did/will ride CITY service exclusively

b2 = Number of regular monthly pass surveys riding CITY service exclusively

Employer/Organization subsidies towards regular monthly or group passes shall not reduce the value of the pass in terms of compensation due to CITY from RT.

b) Discount Monthly Pass: Average number of discount per weekday each month on CITY (excluding holidays), divided by weighted average CITY boardings per discount monthly pass*, times percent of CITY boardings per discount monthly pass transfers to and/or from RT**, times 1/2, times the fare rate for the discount monthly pass fare

$$\text{*weighted average} = \frac{c1}{c2} \times \frac{c1}{c1+d1} + \frac{d1}{d2} \times \frac{d1}{c1+d1}$$

**percent of weighted boardings per monthly pass involving transfers to/from RT
=

$$\frac{\frac{c1}{c2} \times \frac{c1}{c1+d1}}{\text{weighted average*}}$$

c1 = Number of discount monthly pass boardings (from surveys) on CITY service where the survey respondent indicated that they did/will transfer to/from RT

c2 = Number of discount monthly pass surveys involving transfers to/from RT

d1 = Number of discount monthly pass boardings (from surveys) On CITY service where the survey respondent indicated that they did/will ride CITY service exclusively

d2 = Number of discount monthly pass surveys involving riding CITY service exclusively

Employer/organization subsidies towards discount monthly passes shall not reduce the value of the pass in terms of compensation due to CITY from RT.

- (2) Quarterly, or on any other mutually acceptable schedule, RT agrees to pay CITY the full cost of the RT monthly and group pass fare for RT regular and discount monthly passes used to access CITY service exclusively, (excluding the cost of CITY or RT express stickers or surcharges, if any) as follows:

a) Regular Monthly or Group Pass: Average number of regular monthly or group passes shown per weekday each month (excluding holidays), divided by weighted average boardings per regular monthly or group pass*, times percent of weighted boardings per regular monthly or group pass involving exclusive use on CITY service**, times 100%, times the fare rate for the regular monthly pass fare category.

$$\text{*weighted average} = \frac{a1}{a2} \times \frac{a1}{a1+b1} + \frac{b1}{b2} \times \frac{b1}{a1+b1}$$

**percent of weighted boardings per monthly or group pass riding CITY service exclusively =

$$\frac{\frac{b1}{b2} \times b1}{a1+b1} \text{ weighted average*}$$

a1 = Number of regular monthly or group pass boardings (from surveys) on CITY service where the survey respondent indicated that they did/will transfer to/from RT

a2 = Number of regular monthly or group pass surveys involving transfers to/from RT

b1 = Number of regular monthly or group pass boardings (from surveys) on CITY service where the survey respondent indicated that they did/will ride CITY service exclusively

b2 = Number of regular monthly or group pass surveys involving riding CITY service exclusively

Employer organization subsidies towards regular monthly passes shall not reduce the value of the pass in terms of compensation due to CITY from RT.

b) Discount Monthly Pass: Average number of discount monthly passes shown per weekday each month (excluding holidays), divided by weighted average boardings per discount monthly pass*, times percent of weighted boardings per discount monthly pass involving exclusive use on CITY service**, times 100%, times the fare rate for the discount monthly pass fare category.

$$\text{*weighted average} = \frac{c1}{c2} \times \frac{c1}{c1+d1} + \frac{d1}{d2} \times \frac{d1}{c1+d1}$$

**percent of weighted boardings per monthly pass involving transfers to/from RT =

$$\frac{\frac{c1}{c2} \quad \frac{xc1}{c1+d1}}{\text{weighted average}^*}$$

c1 = Number of discount monthly pass boardings (from surveys) on CITY service where the survey respondent indicated that they did/will transfer to/from RT

c2 = Number of discount monthly pass surveys involving transfers to/from RT

d1 = Number of discount monthly pass boardings (from surveys) on CITY service where the survey respondent indicated that they did/will ride CITY service exclusively

d2 = Number of discount monthly pass surveys involving riding CITY service exclusively

Employer/organization subsidies towards discount monthly passes shall not reduce the value of the pass in terms of compensation due to CITY from RT.

C. Daily Passes

- (1) Quarterly, or on any other mutually acceptable schedule, CITY agrees to pay RT one-half (1/2) of the RT regular and discount daily pass fare (excluding the cost of CITY or RT surcharges, if any) as follows:
 - a) 1/2 of RT regular daily pass fare during the month in question multiplied by the number of regular daily passes issued on CITY buses that are used to transfer to RT services within Sacramento County; plus
 - b) 1/2 of RT discount daily pass fare during the month in question multiplied by the number of discount daily passes issued on CITY buses that are used to transfer to RT services within Sacramento County.
- (2) Quarterly, or on any other mutually acceptable schedule, RT agrees to pay CITY one-half (1/2) of the RT regular and discount daily pass fare (excluding the cost of CITY or RT surcharges, if any) as follows:
 - a) 1/2 of RT regular daily pass fare during the month in question multiplied by the number of regular daily passes received on CITY buses that were issued on RT services and used to transfer onto CITY buses within Sacramento County; plus
 - b) 1/2 of RT discount daily pass fare during the month in question multiplied by the number of discount daily passes received on services and used to transfer onto City buses within Sacramento County.

- (3) The number of daily passes that were issued or received by CITY and RT shall be based on the number of times that a CITY patron uses the daily pass (Article 7D) divided by the total number of daily passes issued and received by CITY (Article 7C).

D. RT Tickets

Quarterly, or on any other mutually acceptable schedule, RT agrees to pay CITY the full face value of the RT one-way and daily pass tickets used to access CITY service (excluding the cost of CITY or RT express stickers or surcharges, if any) based on the number of one-way and daily pass tickets received on CITY buses each month. CITY reimbursement to RT for CITY transfers and daily pass use on RT shall be based on the methodology set forth in Articles 8A and 8C, respectively. Each party reserves the right to audit the records of the other party regarding the number of prepaid one-way and daily pass tickets.

E. City Tickets

RT and CITY agree that if CITY issues tickets, transfers, daily passes and/or monthly passes which are printed by CITY, or if CITY establishes a fare structure that is different from that of RT, the parties will develop mutually acceptable procedures for counting such CITY fare instruments and will modify the formulas for reimbursement as necessary to reflect the same methodology. This reimbursement formula may be attached hereto as Exhibit "B" and if signed by RT's General Manager/CEO and CITY's Transit Manager and attached will be incorporated herein.

9. ADMINISTRATIVE, PRINTING, AND SCHEDULE BOOK COSTS

CITY and RT agree to pay to the other party the actual cost during the first year of this Agreement for administrative costs of supplying and distributing its transfers and passes to the other party and pass outlets and for the actual cost of selling the other party's express stickers. Said rate shall be subject to a maximum annual increase of 7%..

The CITY and RT agree to pay to the other party its actual printing costs for providing the other party with transfers, daily passes and monthly passes printed by the other on a monthly basis. The printing rate for supplying transfers, daily passes and monthly passes to each party shall be prorated, based on that party's actual printing costs for transfers, daily passes and monthly passes, and on the share of transfers and passes used on CITY versus CITY and RT combined, and shall not exceed the actual cost during the first year of this Agreement and shall be subject to a maximum annual increase of 7%.

RT agrees to include up to ten pages of CITY transit service schedules in RT's Connections Route and Schedule Book and CITY agrees to pay RT the actual cost per 8-1/2" x 11" page during the first year of this Agreement. This amount shall be increased by no more than 7%

per year thereafter. CITY shall send to RT the schedule information and related artwork within sufficient time for inclusion in RT's Schedule Book.

10. BUS STOPS

- A. Upon obtaining RT's approval CITY may use bus stops provided by RT for CITY transit service. CITY may place a removable decal, other non-permanent logo or CITY sign on RT transit stop signs, poles or shelters, as appropriate, to indicate CITY transit service at the stop in question. Placement of the decal, logo, or sign shall be such that it does not cover the RT logo or other route information then existing on the transit stop sign, pole or shelter.
- B. Upon obtaining CITY's approval RT may use bus stops provided by CITY for RT transit service. RT may place a removable decal, other non-permanent logo or RT sign on CITY transit stop signs, poles or shelters, as appropriate, to indicate CITY transit service at the stop in question. Placement of the decal, logo, or sign shall be such that it does not cover the CITY logo or other route information then existing on the transit stop sign, pole or shelter.

11. TELEPHONE INFORMATION

City agrees to use the phone information system provided by RT. This system will use a common phone number. It will be the point of contact for route and schedule information and for complaint intake. Complaint resolution will be the responsibility of the CITY or its representative.

12. NOTICES

Termination or cancellation of this Agreement pursuant to Articles 21 and 22, and any other communications required under administration of this Agreement, shall be given in the following manner:

TO CITY: Transit Manager
City of Elk Grove
CITY HALL
8400 Laguna Palms Way
Elk Grove, CA 95758

TO RT: AGM of Planning and Transit System Development
Sacramento Regional Transit District
PO Box 2110
Sacramento CA 95812-2110

With a Copy to: General Manager/CEO
Sacramento Regional Transit District
P.O. Box 2110

Sacramento CA 95812-2110

Any party who desires to change its address for notice may do so by giving notice as set forth herein. Service of such notices shall be deemed complete on the date of deposit in the United States mail.

13. AGENCY RELATIONSHIP/INDEMNIFICATION

- A. Nothing herein shall be construed to create, nor do the parties intend to create by the terms hereof, any contractual or other relationship, whether express implied, of joint power, joint venture, partnership, principle-agent, independent contractor, master-servant, or otherwise that would result in either party hereto being financially or otherwise responsible in whole or part for bodily injury, death or property damage occurring as a proximate result of an act or omission arising out of the performance of this Contract or the provision of transit service by the other party. The imposition of such responsibility upon either party shall be sufficient grounds for CITY or RT to terminate this Agreement upon giving written notice thereof to the other in the manner provided in Article 12.
- B. Each party hereto is to be held free by the other party from any and all liability, loss, and/or expense that arises in the manner described above.
- C. Neither CITY nor RT shall be required to indemnify, defend, and hold harmless the other from any and all claims, demands, losses, or liability whether real or illusory.

14. INSURANCE

Each party will maintain in force for the term hereof, insurance policies, self-insurance or membership in the CALTIP pool that will protect the other party from claims for bodily injury, death, or property damage that may arise in the manner described in Article 13., whether or not such transportation service is provided by the other party or by a third party or third party operator on behalf of the other party. Said insurance shall be for not less than the following amounts:

(1) Public Liability, Bodily Injury, and Property Damage Insurance:

- (a) Injury or death of one person - \$ 5,000,000
- (b) Injury or death of more than one person in a single occurrence - \$10,000,000
- (c) Property Damage - \$ 1,000,000

(2) Automobile and Truck Public Liability Bodily Injury, and Property Damage Insurance:

- (a) Injury or death of one person - \$ 5,000,000
- (b) Injury or death of more than one person in a single occurrence - \$10,000,000

(c) Property Damage - \$ 1,000,000

15. WORKERS' COMPENSATION INSURANCE

Both parties to this Agreement understand and acknowledge that this Agreement is not a contract of employment between RT and CITY or between RT and any agents, officers or employees of any third party or third party operator under contract with CITY to provide CITY transit service. RT shall not be liable for any workers' compensation or any other benefits accruing under any federal or state law or acts to any employee or employees employed by CITY or by a third party or third party operator in connection with the provision of CITY transit service. Similarly, CITY shall not be liable for any workers' compensation or any other benefits accruing under federal or state law or acts to any employee or employees employed by RT in connection with the provision of RT transit service. Both CITY and RT agree to provide workers' compensation for their respective employees in accordance with State law.

16. FEDERAL, STATE AND LOCAL LAWS

Each party warrants and covenants that it shall fully and completely comply with all applicable federal, state and local laws and ordinances, and all lawful orders, rules and regulations issued by any authority with jurisdiction over any aspect of the provision of RT or CITY transit service.

17. NONDISCRIMINATION

A. In connection with the execution of this Agreement, neither party shall discriminate against any employee or applicant for employment because of race, religion, color, sex, age, physical handicap, or national origin or ancestry. Each party shall take affirmative action to insure that applicants are employed, and that employees are treated equally during their employment without regard to their race, religion, color, sex, age, physical handicap, national origin or ancestry. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff, or termination; rates of pay, or other form of compensation; and selection for training, including apprenticeship.

B. Neither party shall discriminate against any passenger or patron because of age, race, color, religion, sex, physical handicap, or ancestry or national origin.

18. NON-WAIVER

Either party's failure to insist in any one or more instances upon the performance of any term or terms of this Agreement shall not be construed as a waiver or relinquishment of the other party's right to such performance or to future performance of such a term or terms, and each party's obligations in respect thereto shall continue in full force and effect.

19. SEVERABILITY

If any term, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in effect.

20. GOVERNING LAW

The interpretation and enforcement of this Agreement shall be governed by the laws of the State of California, the State in which this Agreement was signed. The parties agree to submit any disputes arising under this Agreement to a court of competent jurisdiction located in Sacramento County, California.

21. CANCELLATION FOR BREACH

Should either party fail to substantially perform its obligations in accordance with the provisions of this Agreement, the other party shall thereupon have the right to cancel the Agreement by giving written notice and specifying the effective date of such cancellation. In the event of such cancellation, each party shall be paid for its respective services performed to the cancellation date. RT shall be entitled to the amount necessary to compensate RT for all of the detriment proximately caused by CITY's failure to perform its obligations hereunder or which in the ordinary course of business would be likely to result therefrom. The foregoing notwithstanding, neither party waives the right to recover damages against the other for breach of the Agreement. If one party cancels for breach and it is subsequently determined that the other party did not fail to substantially perform its obligations in accordance with the Agreement, then cancellation for breach shall be deemed and treated as termination for convenience.

22. TERMINATION FOR CONVENIENCE

Either party may terminate this Agreement upon giving one hundred twenty (120) days' advance written notice. Upon termination of the Agreement under this Article, each party shall be paid for all actual services rendered to the other to and inclusive of the specified date of termination.

23. OBLIGATION TO PROVIDE TRANSIT SERVICE

Nothing herein shall be construed to require or to create an enforceable right in either party to require the other to provide a specified level or configuration of transit service during the term of this Agreement.

24. PROHIBITED INTERESTS

No member, officer, or employee of CITY or RT, or a local elected official within the counties of Sacramento and CITY during their tenure of office or for one (1) year thereafter shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

25. NON-LIABILITY OF UMTA OR FEDERAL GOVERNMENT

Neither the U.S. Department of Transportation, Federal Transit Administration, nor any other branch or agency of the federal government, its employees, agents or officers, are obligated or liable to any person or organization other than RT by virtue of the execution of this Agreement.

27. MODIFICATION

No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing designated as a waiver, alteration, modification, or termination of this Agreement and signed by the authorized parties hereof.

28. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

29. CAPTIONS

The headings or captions to the Articles of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part thereof.

30. INTEGRATION

This Agreement embodies the entire agreement of the parties in relation to the scope of services herein described, and no other agreement or understanding, verbal or otherwise, exists between the parties and all prior and contemporaneous verbal and written understandings are incorporated and integrated herein.

IN WITNESS WHEREOF, the parties entered into this Agreement on the day and year first hereinabove appearing.

CITY OF ELK GROVE

**SACRAMENTO REGIONAL
TRANSIT DISTRICT**

By: _____
SOPHIA SCHERMAN
Mayor

By: _____
DAVE JONES
Chairmanperson

By: _____
JOHN DANIELSON
City Manager

By: _____
BEVERLY A. SCOTT
General Manager/CEO/CEO

Approved as to Content:

Approved as to Content:

By: _____
Transit Manager

By: _____
MICHAEL R. WILEY
AGM, Planning & Transit
System Development

Approved as to Form:

Approved as to Form:

BY: _____
ANTHONY MANZANETTI
City Attorney

By: _____
MARK GILBERT
Chief Legal Counsel

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2004-233**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) **ss**
CITY OF ELK GROVE)

I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on the 15th day of September 2004 by the following vote:

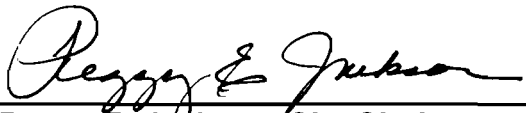
AYES 5: COUNCILMEMBERS: Scherman, Soares, Briggs, Cooper, Leary

NOES 0: COUNCILMEMBERS:

ABSTAIN 0: COUNCILMEMBERS:

ABSENT 0: COUNCILMEMBERS:





**Peggy E. Jackson, City Clerk
City of Elk Grove, California**