

RESOLUTION NO. 2805

A Resolution Approving an Intergovernmental Agreement (“IGA”) Transferring The Bend Area Transit System to Central Oregon Intergovernmental Council and Authorizing the City Manager to Sign the IGA and to Negotiate and Sign Related Documents

Findings

- A. The City has operated the Bend Area Transit (BAT) system, an intra-City bus system. BAT includes both fixed route service and dial-a-ride system for qualified persons.
- B. The Central Oregon Intergovernmental Council (COIC) is an intergovernmental entity. COIC’s members include Deschutes, Jefferson and Crook Counties and cities within those counties. The City is a member of COIC.
- C. COIC operates an inter-city transit system linking cities within the COIC area. COIC also provides dial-a-ride services.
- D. The City believes that ultimately a regional public transit system in the region (Deschutes County, Crook County and Jefferson County) would provide the best transit service at the lowest cost.
- E. COIC has the resources and expertise to operate BAT. The City believes that transferring responsibility for BAT to COIC is the first step in the transition to an improved transit system in the region.

Based on these findings,

THE CITY COUNCIL OF THE CITY OF BEND RESOLVES AS FOLLOWS:

- 1. The City Council approves the basic terms of the IGA attached as Exhibit A.
- 2. The City Council authorizes the City Manager to sign the IGA attached as Exhibit A, or a document with substantially the same terms as Exhibit A.
- 3. The City Manager is authorized to negotiate any remaining details of the transaction, make minor modifications to the IGA, and negotiate and sign any additional documents that may be needed to implement the transfer of BAT to COIC.

Adopted by the City Council the 21st day of July, 2010.

YES: 6

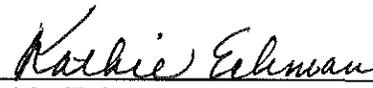
NO: 0

Authenticated by the Mayor the 21st day of July, 2010.

Approved as to form:

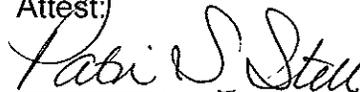


Gary Firestone, Legal Counsel



Kathie Eckman, Mayor

Attest:



Patricia Stell, City Recorder

INTERGOVERNMENTAL AGREEMENT TRANSFERRING TRANSIT SYSTEM

This Intergovernmental Agreement Transferring Transit System (this "Agreement") is dated July 21, 2010, and is made by and between the City of Bend, an Oregon municipal corporation ("City"), and Central Oregon Intergovernmental Council, an intergovernmental entity organized under ORS Chapter 190 ("COIC"). COIC's members include Jefferson, Crook and Deschutes Counties, and cities within those counties.

Recitals

- A. City operates a public transit system known as Bend Area Transit ("BAT") within the City. BAT provides urban fixed route and dial-a-ride services.
- B. COIC operates a public transit system known as Cascades East Transit ("CET"). CET provides scheduled intercity transit service between various cities in the three counties identified above. COIC also provides dial-a-ride service within cities other than Bend.
- C. The parties believe that combining the two transit systems under a single governing body will provide a better and more cost-effective system. City has agreed to transfer responsibility for BAT to COIC, initially for a one year period (the "Trial Period"), and then for a longer term if the Trial Period proves successful (collectively, the "Transaction").
- D. The parties anticipate that a transportation district will be formed in four or five years. This transportation district will (a) take over responsibility for both BAT and CET operations, (b) assume responsibility for funding operation of a regional transit system, and (c) relieve City and COIC from further transit funding responsibility. Neither party believes that formation of the transportation district is likely in the next couple of years.
- E. The parties have authority to enter into this Agreement under ORS Chapter 190.

Summary of Basic Terms

The following bullets consist of a summary of the basic Transaction terms.

COIC will take over responsibility for BAT operations from City, starting on September 1, 2010, or later date if the parties are unable to complete the initial transfer of responsibility (the "Initial Transfer") by that date. The actual date of the Initial Transfer shall be the "Commencement Date". The transfer shall be on a trial basis for a period of one year, with the Transit Service Contract (as defined below) to be assigned by City to COIC.

- If the Trial Period is successful, this Agreement will be extended for an additional four years, with one one-year extension if needed, and further extensions if agreed to by the parties.
- City will pay COIC \$1,000,000 per full fiscal year, as adjusted, for COIC to operate BAT while this Agreement remains in effect. The \$1,000,000 payment is subject to adjustment after the fifth year.
- COIC will use the existing City transit office, vehicle storage, and maintenance facility located at 1250 NE Bear Creek Road, Bend, Oregon 97701 (the "Transit Operations Facility") at no cost, except for reimbursement of certain direct costs (as provided in Section 7(b) of this Agreement) during the Trial Period. COIC will have the right to acquire the Transit Operations Facility if this Agreement is extended beyond the Trial Period.
- COIC will use certain City repair and maintenance services at a specific cost during the Trial Period and will retain an option to use those services after the Trial Period.
- One City employee will be transferred to COIC.

Terms of Agreement

1. Effective Date. This Agreement shall be effective when signed by both parties after being approved by the governing body of each party.
2. Transition Period. The parties shall use the period from July 21, 2010 to August 31, 2010 (the "Transition Period") to prepare for the transition of responsibility for BAT from City to COIC. During the Transition Period, the parties will exercise commercially reasonable efforts to draft, negotiate, and enter into other documents and/or instruments to complete the transfer of BAT to COIC. Additional documents and/or instruments include the following (individually a "Transition Document" and collectively "Transition Documents"): (a) a grant subrecipient agreement; (b) a property use agreement; (c) assignments of existing contracts; (d) documentation concerning the transfer of an employee; and (e) an agreement regarding payment by COIC to City for the cost of City's grant oversight for the Trial Period. Two or more of the Transition Documents may be combined into a single document. Each party will take other reasonable measures the party determines is necessary to effectuate this Agreement, including, but not limited to, budget adjustments and planning efforts.
 - a. City shall assign the Transit Services Agreement between Paratransit and City (the "Transit Services Agreement") to COIC, with the assignment to be effective as of the Commencement Date. Prior to the assignment, the City will amend the Transit Services Agreement to allow subsequent re-transfer of the Transit Services Agreement

to the City in the event of expiration or termination of this Agreement.

b. Until the expiration of the Transition Period, COIC shall be permitted to conduct any necessary or appropriate due diligence investigation concerning the transfer of BAT to COIC and COIC's operation of BAT, including, without limitation, determining the impact, if any, the Certificate (as defined below) may have on COIC's acquisition of the Transit Operations Facility. City will assist and cooperate with COIC's completion of its due diligence investigation.

If the parties are unable to complete the Initial Transfer by August 31, 2010 (the Initial Transfer includes the parties' entering into the Transition Documents), the parties may agree to extend the Transition Period for up to four months to allow the parties to complete the transition process. If COIC is not satisfied with the results of its due diligence investigation described above and/or the parties are unable to complete the transition of BAT to COIC by January 1, 2011, this Agreement and any Transition Document that may have been executed shall be terminated as provided in Section 4.

3. Assumption of Operations/Extension of Agreement. Subject to the terms and conditions contained in this Agreement, COIC shall assume responsibility for all BAT operations starting on the Commencement Date and shall remain responsible for those operations for the one-year Trial Period, unless this Agreement is sooner terminated as provided in Section 4. COIC shall be responsible for an additional four years of BAT's operation unless this Agreement is sooner terminated as provided in Section 4. At the end of the five-year period (*i.e.*, the Trial Period plus the four-year extension), this Agreement shall be extended for one additional period of one-year, unless this Agreement is sooner terminated as provided in Section 4. For purposes of this Agreement, a "year of operation" shall be the one-year period commencing on the Commencement Date or the anniversary of the Commencement Date. The parties may agree to further extensions by amending this Agreement, and each party agrees to meet in good faith to discuss further extension(s) on request of the other party.

City represents to the best of its knowledge: (a) City has performed all obligations arising out of or under any and all agreements, instruments, and grants concerning or related to BAT, including, without limitation, those agreements, instruments, and grants City shall assign to COIC under the terms of this Agreement; and (b) City's operation of BAT is in compliance with any and all applicable federal, state, and local laws, orders, rules, codes, regulations, and ordinances.

COIC represents to the best of its knowledge: (a) COIC has performed all obligations arising out of or under any and all agreements, instruments, and grants concerning or related to CET; and (b) COIC's operation of CET is in compliance with any and all applicable federal, state, and local laws, orders, rules, codes, regulations, and ordinances.

City represents and warrants that the assets being transferred to COIC (the "Assets" which are described in more detail in Section 7) are in good repair and operating condition, reasonable wear and tear excepted, and that City has good title to the Assets, free from any and all liens, mortgages, pledges, security interests, and other encumbrances, except to the extent of any interest retained by the United States in the real property where the Transit Operations Facility is located under United States Certificate No. 527 attached as Exhibit A (the "Certificate").

4. Termination.

- a. If the parties are unable to complete the Initial Transfer by January 1, 2011 and/or COIC is not satisfied with the results of its due diligence investigation, this Agreement and the Transition Documents will be terminated, and neither party thereafter will have any further rights, liabilities and/or obligations with respect to the other party, this Agreement and/or any Transition Document.
- b. Except as otherwise provided in this Agreement, if the transition and transfer process has been completed and COIC has taken over responsibility for BAT, this Agreement may be terminated prior to the end of the Trial Period only by the parties' written agreement.
- c. Either party may terminate this Agreement for any reason or no reason (a) at the end of the Trial Period, or (b) at the end of the fifth year of operation, by providing the other party not less than 90 days' prior written notice of the party's intent to terminate (the "Notice of Termination"). If Notice of Termination is provided, the parties will attempt to resolve their differences, and if necessary, renegotiate this Agreement in accordance with Section 5. Except as otherwise provided in this Agreement, if after Notice of Termination is provided, the parties are unable to resolve their differences and/or agree to an amendment, this Agreement shall terminate at the conclusion of the year of operation in which the Notice of Termination was provided.
- d. If a transportation district is formed and takes over responsibility for transit operations within the City, this Agreement shall terminate; provided, however, that the refund obligation under Section 6 shall remain in effect.
- d. Notwithstanding anything contained in this Agreement to the contrary, either party may terminate this Agreement by delivering a written notice of termination to the other party for failure of the other party to comply with any provision of this Agreement after completion of all steps of the dispute resolution process contained in Section 21. The termination shall

be effective 90 days from the date of the notice of termination given for the other party's non-compliance.

Upon any termination or expiration of this Agreement, the parties shall exercise their commercially reasonable efforts to return the parties to the position they were in prior to entering into this Agreement, including, without limitation, the following: (a) COIC shall return all Assets obtained under this Agreement to City; (b) COIC shall re-assign the Transit Services Agreement to City; (c) all Transition Documents (and related agreements) will be terminated; (d) COIC shall transfer all rights in the Transit Operations Facility to City; and (e) COIC will retransfer the employee identified in Section 11 to City, if applicable. Termination of this Agreement will not constitute a waiver or termination of any rights, claims, and/or causes of action a party may have against the other.

5. Renegotiation. The parties may renegotiate the terms of this Agreement at any time.

- a. If Notice of Termination is provided under Section 4, the parties may negotiate in good faith towards an amendment of this Agreement.
- b. If either party believes that amendments to this Agreement are needed, that party may request a staff-level meeting between the parties to air issues and propose amendments. If staff is unable to reach agreement on amendments, a team including two City Council members, two members of COIC's Board of Directors (the "Board of Directors") (but not including the City representative serving on the Board of Directors), the COIC Director (or his or her designee) and the City Manager will meet to try to resolve the issue and make recommendations to the parties' governing bodies. If the issues remain unresolved, a joint meeting of the governing bodies will be held to try to resolve the issue at the request of either party.
- c. The parties agree to renegotiate payment and related terms of this Agreement if changes to available federal transit funding are changed by 10% or more or if additional grant funding for either capital investments or operations becomes available, and additional local match is needed to utilize the grant.
- d. Nothing in this Section 5 prohibits the parties from using other procedures to renegotiate or amend this Agreement. All amendments to this Agreement must be in writing signed by the parties.

6. Payment. During the term of this Agreement, City shall pay COIC \$1,000,000 per full fiscal year (the "Payment"), payable quarterly in advance, for COIC's operation

of transit services within City. Payments will be pro-rated as necessary. The Payment shall be adjusted on the anniversary of the Commencement Date each year of operation to an amount equal to the then Payment multiplied by a fraction, the numerator of which is the most recently published Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor, All Urban Consumers (CPI-U), Portland-Salem, OR-WA, and the denominator of which is the equivalent Consumer Price Index for the immediately preceding year. Notwithstanding anything contained in this Agreement to the contrary, the Payment will not be reduced below \$1,000,000 per year unless a reduction in service level is approved in accordance with Section 12 of this Agreement, and then only to the extent the parties agree.

The Payment for any year after the fifth year of operation shall be adjusted by negotiation between the parties. City's obligation to make the Payment under this Section 6 shall terminate if a transportation district is formed and takes over operation of transit services within the City. In that event, City shall pay COIC on a pro-rated basis through the last day that COIC provides the transit services. If City has paid for an entire quarter and COIC provides transit services only for a portion of the quarter, COIC shall refund a portion of the year's Payment proportionate to the period during which COIC does not provide service.

- a. Transit grant revenues are received on a reimbursement basis. Any interim funding that may be necessary to cover expenses prior to receipt of grant revenues will be the responsibility of COIC.
- b. The ending fund balance in City's Public Transit Fund on the Commencement Date will be returned to City's General Fund and will not be transferred to COIC. Subject to federal funding, City will purchase two new Eldorado Elite or similar buses during the first six months of this Agreement. City shall use City funds for the local match and the additional buses will be treated as any other Asset to be used by and possibly transferred to COIC under this Agreement.

7. First Year of Operations. During the Trial Period, the parties will have the following obligations:

- a. City will retain ownership of the Assets, except as otherwise provided in this Agreement. Except as otherwise provided in Section 7(b), COIC will have the right to use the Assets at no charge. For purposes of this Agreement, the term "Assets" means the Transit Operations Facility and the City vehicles, equipment, and other assets identified on the attached Exhibit B. The City represents that the Assets are the vehicles and equipment needed to operate BAT.
- b. City will retain the right to use the 10,375 square foot maintenance area

of the Transit Operations Facility. In accordance with the Use Agreement (as defined below), COIC shall reimburse City for a proportionate share of the direct costs associated with the Transit Operations Facility. Direct costs include the cost of utilities, landscape maintenance, snow removal, and similar costs. COIC shall not be responsible for any indirect costs, such as City overhead (allocated costs). The parties will enter into a property use agreement concerning COIC's use and occupancy of the Transit Operations Facility (the "Use Agreement"). The Use Agreement will contain terms and conditions providing more detailed terms governing the use and transfer of the Transit Operations Facility.

- c. City will remain the recipient of all transit grants, and will transfer transit grant funds received to COIC as the sub-recipient according to the sub-recipient agreement to be entered into between the City and COIC. City will be responsible for third-party oversight as provided in the grant agreements. COIC will be responsible for using grant funds as provided in the grant agreements and shall comply with any obligations imposed on third-party recipients. COIC shall prepare all required state and federal transit reports and supporting documents and submit them to City's Finance Department for review and signature with sufficient time for City's review (at least 10 working days prior to the deadline for submitting the reports or other documentation). City shall submit all reports in by their due date. Subject to the terms and conditions contained in this Agreement, during the Transition Period the parties will enter into a separate written sub-recipient agreement which shall govern City's responsibility for grant oversight and administration and COIC's obligations as the sub-recipient.
- d. City's Garage Services division shall provide vehicle maintenance services for the buses providing service within Bend. COIC shall pay City \$113 per hour for City labor and any additional amounts for parts or contracted (third-party) services shall be at cost plus 20%.
- e. City shall invoice COIC on a monthly basis for maintenance services, COIC's share of the costs of the Transit Operations Facility, and any additional costs or charges authorized by this Agreement. COIC shall pay the undisputed portions of each invoice within 30 days of receipt of the invoice. If payment of any undisputed amount is not made within 45 days after the payment is due, City reserves the right to deduct unpaid amounts from the quarterly payment.
- f. City shall make two computers and two phones available for COIC's use. The computers and phones will not be on the City's computer and phone system.

- g. COIC shall be entitled to use City's leased (from Deschutes County) bus radio bandwidth.
- h. COIC will be responsible for the portion of the City's audit expenses related to the A-133 audit of transit grants as well as any audit requirements related to grant funded federal expenditures, which may include funding received through the American Recovery and Reinvestment Act of 2009.
- i. BAT miscellaneous contracts for income will continue during the Trial Period. COIC will be responsible for all invoicing, payment and collection under the miscellaneous contracts. This will include, but is not limited to, group pass contracts, transit advertising contracts, and program sponsorships.

8. Assets and Responsibilities after the Trial Period. If this Agreement remains in effect after the Trial Period, the parties will have the following obligations:

- a. City will transfer the personal property Assets to COIC free from liens, mortgages, pledges, security interests, and other encumbrances. The personal property Assets will be transferred to COIC during the first month of the second year of operations.
- b. City shall assign all federal and state transit grants to COIC prior to August 31, 2012. The parties anticipate that the process of assigning grants and establishing direct recipient status with the Federal Transit Administration may take several months.
- c. City shall transfer ownership of the Transit Operations Facility to COIC free from any and all liens, mortgages, pledges, security interests, and other encumbrances except for any right of the United States retained in the Certificate. The Transit Operations Facility will be transferred during the first three months of the second year of operations. City shall have the right but not the obligation to use the 10,375 square foot maintenance area of the Transit Operations Facility through July 31, 2029 at no cost. This right is based on the City's share of the original cost of the Transit Operations Facility. The parties agree to negotiate in good faith the terms of any use of the maintenance area by the City after July 31, 2029. If the City terminates use of the maintenance area prior to July 31, 2029, COIC agrees to reimburse the City for a portion of the City's original contribution to the Transit Operations Facility. The parties agree that the City's contribution was \$1,539,300. The portion to be reimbursed shall be based on the portion of the 20-year term from

August 1, 2009 to July 31, 2029 that City remains in the building. For example, if City leaves the Transit Operations Facility on July 31, 2011, City will have used the Transit Operations Facility for 10% of the term and COIC shall reimburse City for 90% of City's contribution.

- d. COIC may, but is not required to, contract with City for maintenance services (the "Maintenance Agreement") if mutually acceptable terms can be reached. To allow both parties to comply with budget requirements, either party intending to terminate the Maintenance Agreement shall inform the other party of its intent to terminate the Maintenance Agreement at least six months prior to the start of the fiscal year (beginning July 1) during which the Maintenance Agreement is to be terminated.
- e. If COIC and City enter into the Maintenance Agreement, City Garage services shall remain in the Transit Operations Facility. If COIC and City do not enter into the Maintenance Agreement, City Garage Services shall have the option to remain at the Transit Operations Facility or move from the Transit Operations Facility. If City Garage Services remains at the Transit Operations Facility, it will have the right to occupy the maintenance area contained within the Transit Operations Facility from 4 a.m. to 4 p.m., and the maintenance area will be available to COIC at all other times. City shall be allowed to maintain tools and equipment in the maintenance area at all times. The parties agree to work in good faith to resolve any issues that may arise if the maintenance area is shared.
- f. COIC shall contract directly with Deschutes County for bus radio bandwidth.
- g. If this Agreement is terminated after the transfer of the Assets and the Transit Operations Facility, other than by reason of provision of transit services by a transportation district, COIC shall return (transfer) the Assets and the Transit Operations Facility to City and shall transfer any grants specific to the provision of service within City. COIC shall also pay over to City any portion of any grant funds received that were based on provision of service within City that covers the period of time after the return of the Assets.

9. Responsibility for Operations, Policy and Decisions. Effective as of the Commencement Date, and while this Agreement remains in effect, COIC shall be solely responsible for BAT operations, subject to complying with the requirements of this Agreement and with any grant requirements. Responsibility for operations includes responsibility for policy, public process, and program decisions. Day-to-day decisions regarding BAT shall be made by COIC staff, policy decisions shall be made by the Board

of Directors, and any required public hearing shall be held by the Board of Directors or COIC staff, as necessary or appropriate. The Board of Directors shall meet at least once monthly.

10. Advisory Board. COIC will establish a Regional Public Transit Advisory Committee ("RPTAC") to provide advice to the Board of Directors on transit issues. The RPTAC shall consist of at least 13 members, with five members from Bend, two from Redmond, and one member from each of the following areas: (a) La Pine/Sunriver area; (b) Sisters; (c) Prineville/Powell Butte; (d) Madras; (e) Culver/Metolius; and (f) Warm Springs. The RPTAC shall have authority to make recommendations to the Board of Directors on all transit issues. The Board of Directors shall solicit recommendations from the RPTAC on all major policy issues.

11. Employee Transfer. The City's Transit Manager shall be transferred to COIC, effective as of Commencement Date, in accordance with ORS 236.605 through 236.640.

12. Service Levels. COIC shall be responsible for determining service areas and levels; provided, however, that reduction in total revenue hours, days of service, hours of operation and service area for fixed routes and Bend Dial-a-Ride (collectively "Service Levels") shall not be reduced from the Service Levels as of May 1, 2010 without approval of the Bend City Council. The Service Levels existing as of May 1, 2010 are as follows: (a) Fixed route operation 12 hours a day Monday to Friday; (b) Fixed route operation 10 hours on Saturday; (c) Dial-a-Ride at all hours fixed route services are operated, and (d) Dial-a-Ride seven hours on Saturday. A copy of the City's current route map and schedule is attached as Exhibit C. City shall not unreasonably withhold approval of any reduction in Service Levels. COIC may adjust the precise location of routes and stops and may change schedules without City approval, so long as the areas served and overall Service Levels remain the same.

13. Fund Expenditure. COIC shall use the Payment and those federal and state grant funds received by COIC for service within the City solely for transit service within Bend.

14. Responsibility for Expenses. Subject to the terms and conditions contained in this Agreement, each party shall be responsible for its own expenses related to administration of this Agreement including legal fees; provided, however, COIC shall pay City a fee for the first year for report and grant oversight and processing. The parties shall negotiate the amount of this fee and enter into an agreement regarding the fee amount (and related terms and conditions) prior to the Commencement Date.

15. Insurance.

- a. COIC will continue to require Paratransit to provide insurance at least equal to that required under the current contract between City and

Paratransit. If Paratransit ceases to provide insurance, COIC shall arrange for equal or better insurance coverage, either directly or through another service contractor.

- b. City shall continue to insure the Transit Operation Facility while City remains the owner of the Transit Operation Facility. If the transfer and conveyance of the Transit Operation Facility is completed in accordance with the terms contained in the Use Agreement, COIC shall be responsible for insuring the Transit Operation Facility.

16. Fuel. COIC shall have the right to purchase vehicle fuel from City at the same rate City departments pay for fuel.

17. Transit Facilities in Rights-of-Way. City shall transfer its rights in all BAT bus stops and associated facilities, including signs, shelters and benches, to COIC if this Agreement continues after the Trial Period. City is responsible as the road authority to approve bus stops in the right-of-way. City shall provide COIC with a right-of-way permit that authorizes the long term use, operation, maintenance and repair of all bus stops and associated facilities located within City right-of-way. The right-of-way permit shall authorize signage, the striping of City streets and the maintenance, removal and/or relocation of individual bus stops. City shall ensure that the transferred bus stops and associated facilities meet applicable ADA requirements. COIC shall have the right to use all bus stops until the date of transfer. City remains fully responsible for complying with its settlement with Disability Rights Oregon.

- a. City agrees to transfer any blanket permits authorizing BAT to operate in rights-of-way or have stops in rights-of-way. COIC is responsible for maintaining, updating and following the terms of the permits with ODOT and City.

18. Planning. COIC will provide reasonable cooperation and assistance to the City (to the extent consistent with the goals, priorities, objectives and budget constraints of COIC) as the City fulfills its state and federal transportation and land use planning obligations and policies relating to transit, including obligations related but not limited to City's responsibility as an entity within the jurisdiction of the Metropolitan Planning Organization's boundaries and any update of the City's Transportation System Plan or General Plan and related documents.

19. Indemnification.

- a. To the extent permitted by Oregon law, City will defend, indemnify, and hold COIC, and its officers, board members, employees, agents, contractors, and representatives, harmless for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to

reasonable attorney fees, resulting from or arising out of City's breach or failure to perform any representation, warranty, covenant, and/or obligation under this Agreement.

- b. To the extent permitted by Oregon law, COIC will defend, indemnify, and hold City, and its officers, employees, agents, contractors, and representatives, harmless for, from, and against any and all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including but not limited to reasonable attorney fees, resulting from or arising out of COIC's breach or failure to perform any representation, warranty, covenant, and/or obligation under this Agreement.

20. Notices. Any notice required under this Agreement shall be sent by first class mail, postage prepaid, certified, return receipt requested, addressed as follows, or to other address designated by the party:

IF TO CITY:

City Manager
City of Bend
710 NW Wall Street
Bend, OR 97701

IF TO COIC:

Karen Friend
Central Oregon
Intergovernmental Council
2363 S.W. Glacier Place
Redmond, OR 97756

Notices will be deemed delivered at the end of the third business day after the date of deposit.

21. Dispute Resolution. The parties agree to attempt to resolve any disputes relating to this Agreement by taking the following steps:

1. In-person meeting between staff members of the parties.
2. Meeting of City Manager and COIC Director.
3. Meeting of two members of the governing bodies of each party.
4. Joint meeting of the two governing bodies.

The parties may agree to mediate at any stage of the dispute resolution process. The parties may have legal assistance at any of the meetings in this process.

22. Assignment, No Third Party Rights. This Agreement, and each party's rights and responsibilities under this Agreement, may not be assigned by either party without the written consent of the other party. This Agreement is for the benefit of the parties and their successors only and not for the benefit of any other party.

23. Entire Agreement. This Agreement and referenced documents set forth the entire agreement of the parties with respect to the subject matter of this Agreement. This Agreement supersedes any and all prior negotiations, discussions, agreements, and understandings between the parties. This Agreement may not be modified or amended except by written agreement executed by the parties to this Agreement.

24. Applicable Law. This Agreement will be construed, applied, and enforced in accordance with the laws of the State of Oregon. Any action or proceeding arising out of this Agreement will be litigated in courts located in Deschutes County, Oregon.

25. Attachments and Further Assurances. Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement. The parties will sign other documents and take all other actions reasonably necessary to further effect and evidence this Agreement.

26. Waiver. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision contained in this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.

27. Severability. The unenforceability of any provision of this Agreement shall not affect the enforceability of any other provision, except that if the unenforceable provision affects substantial rights of a party, that party may request that the Agreement be renegotiated, and if renegotiations fail, may terminate this agreement.

Approved by the Bend City Council on _____.

CITY OF BEND

Kathie Eckman, Mayor

Date: _____

Approved by the Central Oregon Intergovernmental Council Board on _____.

CENTRAL OREGON INTERGOVERNMENTAL COUNCIL

Karen Friend

Date: _____

EXHIBIT A
United States Certificate No. 527

VOLUME 14, PAGE 587

TRANSCRIPT FROM CROOK COUNTY DEEDS.

THE UNITED STATES OF AMERICA {
TO { FILED MAY 8TH AT 2 O'CLOCK P. M. 1907
THE CITY OF BEND . { WARREN BROWN, COUNTY CLERK.

THE UNITED STATES OF AMERICA

TO WHOM THESE PRESENTS SHALL COME GREETING.

CERTIFICATE No. 527

WHEREAS THERE HAS BEEN DEPOSITED IN THE GENERAL LAND OFFICE OF THE UNITED STATES A CERTIFICATE OF THE REGISTER OF THE LAND OFFICE AT THE DALLES, OREGON WHEREBY IT APPEARS THAT PURSUANT TO THE ~~PROVISIONS~~ PROVISIONS OF THE ACT OF CONGRESS OF SEPTEMBER 30, 1890, ENTITLED AN ACT TO AUTHORIZE ENTRY OF PUBLIC LANDS BY INCORPORATED CITIES AND TOWNS FOR CEMETRY AND PARK PURPOSES FULL PAYMENT HAS BEEN MADE BY THE CITY OF BEND, CROOK COUNTY OREGON FOR THE SOUTH EAST QUARTER OF THE SOUTH EAST QUARTER OF SECTION THIRTY THREE IN TOWNSHIP SEVENTEEN SOUTH OF RANGE TWELVE EAST OF WILLAMETTE MERIDIAN IN OREGON CONTAINING FORTY ACRES ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF THE SAID LANDS RETURNED TO THE GENERAL LAND OFFICE BY THE SURVEYOR GENERAL.

KNOW YE, THAT THE UNITED STATES OF AMERICA IN CONSIDERATION OF THE PREMISES HAVE GIVEN AND GRANTED AND BY THESE PRESENTS DO GIVE AND GRANT UNTO THE SAID CITY OF BEND AND TO ITS SUCCESSORS THE LANDS ABOVE DESCRIBED.

TO HAVE AND TO HOLD THE SAME TOGETHER WITH ALL THE RIGHTS, PRIVILEGES IMMUNITIES, AND APPURTENANCES OF WHATSOEVER NATURE THEREUNTO BELONGING UNTO THE SAID CITY OF BEND, AND TO ITS SUCCESSORS AND ASSIGNS FOREVER.

AND THERE IS RESERVED FROM THE LANDS HEREBY GRANTED A RIGHT OF WAY THEREON FOR DITCHES AND CANALS CONSTRUCTED BY AUTHORITY OF THE UNITED STATES.

PROVIDED THAT THIS PATENT SHALL NOT CONFER ANY RIGHT OR TITLE TO EXTRACT ANY MINERAL FROM THE LANDS HEREBY GRANTED BUT ALL SUCH MINERAL SHALL BE RESERVED TO THE UNITED STATES.

IN TESTIMONY WHEREOF, I THEODORE ROOSEVELT PRESIDENT OF THE UNITED STATES OF AMERICA, HAVE CAUSED THESE LETTERS TO BE MADE PATENT AND THE SEAL OF THE GENERAL LAND OFFICE TO BE HEREUNTO AFFIXED.

GIVEN UNDER MY HAND AT THE CITY OF WASHINGTON THE TWENTY EIGHTH DAY OF MARCH IN THE YEAR OF OUR LORD ONE THOUSAND NINE HUNDRED AND SEVEN AND OF THE INDEPENDENCE OF THE UNITED STATES THE ONE HUNDRED AND THIRTY FIRST.

(SEAL OF THE GENERAL LAND OFFICE)

By the President, T. ROOSEVELT

By F. M. MCKEAN, SECRETARY

EXHIBIT B
Assets

Appendix A – Transit Vehicle & Equipment Lists

Diaper Ride Fleet										
	EQ. NO.	LICENSE	YEAR	MAKE	VEHICLE MODEL	SERIAL NUMBER	SEATING	WHEEL CHAIRS	CURRENT MILEAGE	DATE READING
1	7746	E224703	2002	FORD	ELDORADO	1FDXE45S12HB75780	22	3-Rear	143,697	6/15/2010
2	7747	E224704	2002	FORD	ELDORADO	1FDXE45S32HB75781	22	3-Rear	154,051	6/12/2010
3	7748	E224705	2002	FORD	ELDORADO	1FDXE45S52HB75792	22	3-Rear	147,172	6/14/2010
4	7749	E224706	2002	FORD	ELDORADO	1FDXE45S72HB75763	22	3-Rear	141,403	6/14/2010
5	7750	E227439	2003	FORD	ELDORADO	1FDXE45S94HA21644	18	3	135,928	6/13/2010
6	7752	E243669	2008	FORD	NATIONAL	1FDXE45S07DB32353	16	2	42,102	6/14/2010
7	7753	E243670	2008	FORD	NATIONAL	1FDXE45S27DB32354	16	2	46,667	6/3/2010
8	7768	E248975	2009	FORD	ACCUBUILT	1FTSS34L79DA70383	8	2	9,580	6/14/2010
9	7769	E248976	2009	FORD	ACCUBUILT	1FTSS34L99DA70384	8	2	7,362	6/14/2010
10	7770	E248977	2009	FORD	ACCUBUILT	1FTSS34L09DA70385	8	2	2,409	6/3/2010
11	7771	E249852	2009	FORD	ACCUBUILT	1FTSS34L29DA70386	8	2	4,690	6/14/2010
12	7772	E249851	2009	FORD	ACCUBUILT	1FTSS34L49DA70387	8	2	4,523	6/11/2010
13	7773	E248720	2009	FORD	ACCUBUILT	1FTSS34L69DA70388	8	2	9,422	6/15/2010

Transit Fleet										
	EQ. NO.	LICENSE	YEAR	MAKE	VEHICLE MODEL	SERIAL NUMBER	SEATING	WHEEL CHAIRS	CURRENT MILEAGE	DATE READING
1	7738	E220214	2001	FORD	ELDORADO	1FDXE45S41HB51438	22	3-Rear	167497	6/10/2010
2	7739	E220215	2001	FORD	ELDORADO	1FDXE45S81HB51439	22	3-Rear	173194	5/13/2010
3	7740	E220217	2001	FORD	ELDORADO	1FDXE45S21HB61440	22	3-Rear	173342	6/10/2010
4	7751	E227438	2003	FORD	ELDORADO	1FDXE45S04HA21645	18	3	144173	6/14/2010
5	7752	E227440	2003	FORD	ELDORADO	1FDXE45S74HA21643	18	3	164274	6/10/2010
6	7753	E227437	2003	FORD	ELDORADO	1FDXE45S24HA21646	18	3	167116	6/10/2010
7	7760	E241124	2007	FORD	Eld'AeroTech	1FDXE45S87DA99179	16	2	90489	6/14/2010
8	7761	E241131	2007	FORD	Eld'AeroTech	1FDXE45S87DA99180	16	2	94043	6/14/2010

9	7764	E245894	2008	CHEVY	Eldorado/Etite	1GBE5V1908F406018	25	2	65568	6/14/2010
10	7765	E245895	2008	CHEVY	Eldorado/Etite	1GBE5V19X8F406043	25	2	64145	6/14/2010
11	7766	E245893	2008	CHEVY	Eldorado/Etite	1GBE5V1978F410136	25	2	59543	6/14/2010
12	7767	E245892	2008	CHEVY	Eldorado/Etite	1GBE5V1978F410180	25	2	56272	6/14/2010

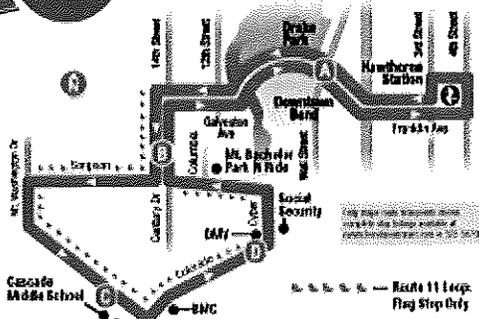
Non-Revenue Fleet										
	EQ. NO.	LICENSE	YEAR	MAKE	VEHICLE MODEL	SERIAL NUMBER	SEATING	WHEEL CHAIRS	CURRENT MILEAGE	DATE READING
1	7232	E222640	2003	Ford	Crown Victoria	2FAFP71W33X141352				
2	7251	E248338	1999	Dodge	Intrepid	2B3HD46RXXH826298	N/A	N/A	73,476	2/9/2010
3	643		1994	Ford	F250 3/4 ton	1GBHK34K3PE205422				

Equipment:

- 1) Two Ride the River Trailers
- 2) Four "Crane Shed" Style Shelters
- 3) Six Handi-Hut Passenger Shelters
- 4) Bend Area Transit Signage, Poles, Schedule Holders
- 5) Approximately 110 pole mounted trash cans
- 6) 50 small metal benches, four large benches
- 7) Trapeze Scheduling Software
- 8) Office Furnishings (located at 1250 NE Bear Creek Rd)



Galveston 11



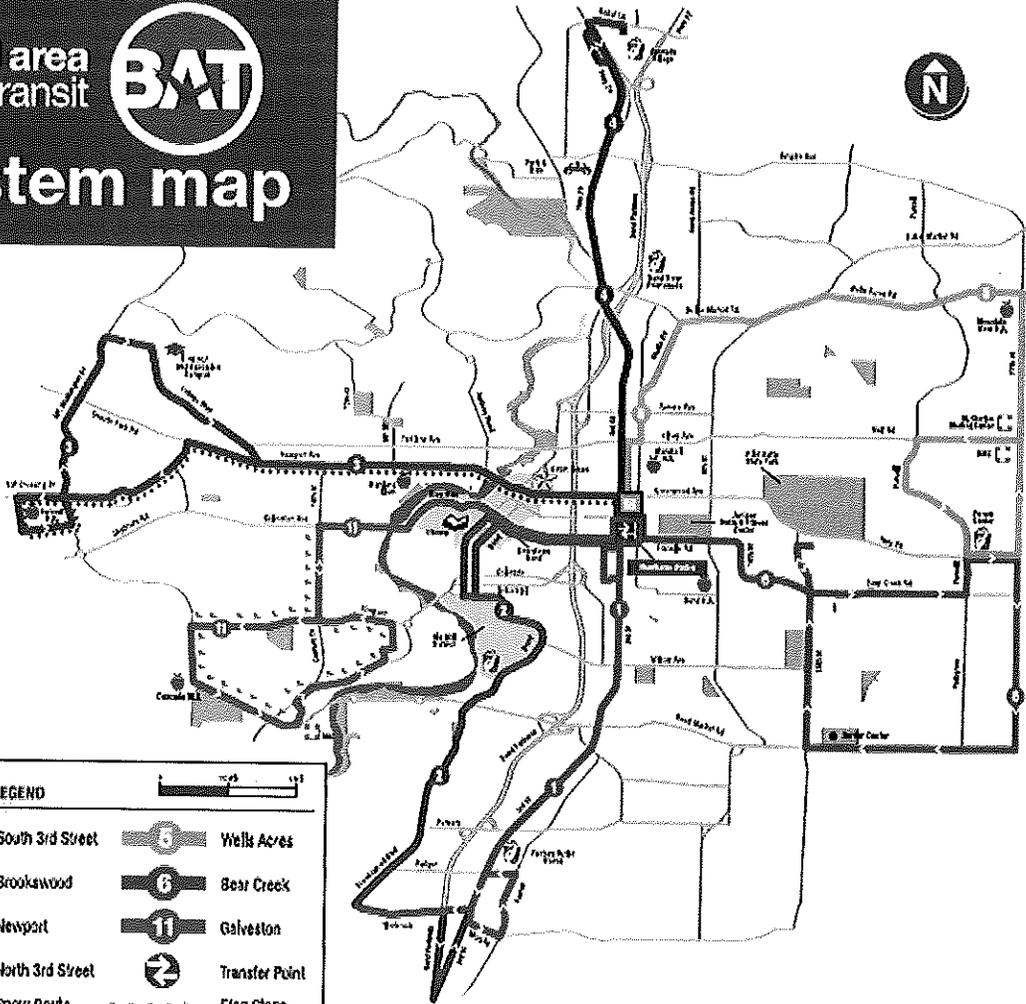
CLASS STOPS
 Buses for school service will stop at the school and then proceed to the nearest bus stop to provide local bus service. The school stop will not be used as a transfer stop. If you cannot make a transfer at the school stop, please contact the school for more information. School bus service is not available for service to the school. The school stop is not a transfer stop.

Station	1	2	3	4	5	6	7	8	9	10	11
17945 Ave	8:00	8:00	8:00	8:00	8:00	8:00	8:00	8:00	8:00	8:00	8:00
Northshore Station	8:05	8:05	8:05	8:05	8:05	8:05	8:05	8:05	8:05	8:05	8:05
Downtown Bend	8:10	8:10	8:10	8:10	8:10	8:10	8:10	8:10	8:10	8:10	8:10
Galveston Ave	8:15	8:15	8:15	8:15	8:15	8:15	8:15	8:15	8:15	8:15	8:15
Mt. Bishop of Park N Ride	8:20	8:20	8:20	8:20	8:20	8:20	8:20	8:20	8:20	8:20	8:20
Social Security	8:25	8:25	8:25	8:25	8:25	8:25	8:25	8:25	8:25	8:25	8:25
BNC	8:30	8:30	8:30	8:30	8:30	8:30	8:30	8:30	8:30	8:30	8:30
7 Peaks School	8:35	8:35	8:35	8:35	8:35	8:35	8:35	8:35	8:35	8:35	8:35
Cascade Middle School	8:40	8:40	8:40	8:40	8:40	8:40	8:40	8:40	8:40	8:40	8:40

Fare	Type	Price	Fare	Type	Price
Single Route Ride	Ad # 1 Youth	\$1.00	Street Fare	Ad # 1 Youth	\$1.00
Per Transfer	Senior / Disabled	\$4.75		Senior / Disabled	\$4.00
Unlimited Ride	Ad # 1 Youth	\$2.50	Monday Fare	Ad # 11 Youth	\$3.00
Day Pass	Senior / Disabled	\$3.75		Youth 6-18	\$2.00
				Senior / Disabled	\$15.00

SNOW ROUTES/SCHEDULES No Saturday or Sunday Service.
 • Leaves from the Station - On the hour
 • Leaves Timeslot D - On the half hour
bend area transit
 322.6870

bend area
transit **BAT**
system map



SYSTEM MAP LEGEND

	South 3rd Street		Walks Acres
	Brookwood		Bear Creek
	Newport		Galveston
	North 3rd Street		Transfer Point
	Snow Route		Flag Stops