AMENDMENT No. 3
to the
TRANSIT SERVICE DIRECT FINANCIAL PARTNERSHIP AGREEMENT
between
KING COUNTY
and
THE CITY OF AUBURN, WASHINGTON
and
PIERCE TRANSIT

This Amendment No. 3 to the Transit Service Direct Financial Partnership Agreement ("Amendment No. 3" or the "Third Amendment") is made by and between King County, a home rule charter county of the State of Washington, by and through its Department of Transportation, Metro Transit Division (hereinafter the "County" or "Metro Transit") and the City of Auburn (the "City") and the Pierce County Public Transportation Benefit Authority ("Pierce Transit"), both Washington municipal corporations (referred to collectively as "Service Partner," whether one entity or multiple entities), all of which entities may be referred to hereinafter separately as "Party" or together as "Parties."

WHEREAS, on December 22, 2008 the Parties entered into a Transit Service Direct Financial Partnership Agreement (the "Agreement"); and

WHEREAS, Section 4.1 of the Agreement provides that each service specified in Attachment A to the Agreement will expire five (5) years after the start of service, unless extended pursuant to the terms of the Agreement; and

WHEREAS, Section 4.1 of the Agreement further provides that if, after five (5) years the enhanced transit service described in Section 1 of Attachment A to the Agreement is deemed viable by the County pursuant to the performance indicators set forth in Section 2.2 of the Agreement and the additional performance benchmarks specified in Attachment A of the Agreement, and the Parties desire to have Pierce Transit continue to provide the enhanced transit service beyond the initial period, the Agreement may be extended by the Parties; and

WHEREAS, the transit service enhancements provided for in Part I of Attachment A in the Agreement were implemented on or about February 9, 2010; and

WHEREAS, in December 2014 the Parties extended the Agreement to provide the enhanced transit service described in Part I of Attachment A (i.e., Lakeland Hills-Auburn Sounder Station route) until March 12, 2016, during which the Parties agreed to evaluate whether or not to extend the Agreement again consistent with the provisions of Section 4.1 of the Agreement; and

WHEREAS, Section 8 of the Agreement provides that the Agreement may be amended or modified by written agreement of the Parties, and further provides that such amendments and
modifications may be made for the County by Metro’s General Manager when such amendments are consistent with the intent and purpose of the Agreement;

NOW, THEREFORE, in consideration of the terms, conditions and mutual covenants set forth herein, the Parties agree to amend the Agreement as follows:

1. **Extension of Term of Agreement**

   As provided for in Section 4.1, the enhanced transit service described in Part I of Attachment A (Lakeland Hills Service) in the Agreement is extended until February 9, 2020.

2. **Lakeland Hills Service Cost**

   **Operating Cost:**

   The operating cost for the Lakeland Hills service (Rt. 497) beginning in 2016 will be based on Pierce Transit’s hourly rate of $99.78. The Parties agree that the operating hourly rate may be adjusted each year to reflect changes to Pierce Transit’s service operation costs, however it is agreed that the operating hourly rate for this Agreement shall not increase by more than three percent (3%) each year.

   **Capital Cost:**

   In addition to the operating costs, the Parties agree to pay for Pierce Transit’s capital costs associated with the Lakeland Hills service. The total capital cost for this service is $71,155 per year and is fixed for the term of this extension period.

   **Monetary Contributions:**

   The Parties agree that beginning January 1, 2016 and through the term of this extension, the costs for providing seven weekday AM northbound and seven weekday PM southbound trips on the Lakeland Hills service (Route 497) will be divided equally between the three parties, King County, City of Auburn and Pierce Transit.

   The total Service costs for 2016 are estimated below. The Parties will each be responsible for one-third (1/3) of the total costs.

<table>
<thead>
<tr>
<th></th>
<th>Operating Cost ($99.78/hr x 3,811 annual hrs.)</th>
<th>Capital Cost</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUBURN</td>
<td>$126,754</td>
<td>$23,718</td>
<td>$150,472</td>
</tr>
<tr>
<td>KING COUNTY</td>
<td>$126,754</td>
<td>$23,718</td>
<td>$150,472</td>
</tr>
<tr>
<td>PIERCE TRANSIT</td>
<td>$126,754</td>
<td>$23,718</td>
<td>$150,472</td>
</tr>
<tr>
<td>ANNUAL TOTAL:</td>
<td>$380,261</td>
<td>$71,155</td>
<td>$451,416</td>
</tr>
</tbody>
</table>

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Additionally, Pierce Transit intends to provide an eighth weekday AM northbound and an eighth weekday PM southbound trip on Route 497. These trips will be funded separately by Pierce Transit and are not included as part of this Amendment No. 3 to the Agreement.

3. **No Other Modifications.**

Except as specifically provided for in this Amendment No. 3, all other provisions of the Agreement shall remain unchanged and in full force and effect.

4. **Effective Date.**

This Amendment No. 3 shall be effective upon execution by the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment No. 3 to the Agreement as of the date set forth below their signatures.

**KING COUNTY**

By: [Signature]

Kevin Desmond, Acting
General Manager, Metro Transit Division
Department of Transportation

Date: 15 MARCH 2016

**CITY OF AUBURN**

By: [Signature]

Nancy Backus
Mayor
City of Auburn

Date: ____________________________

**PIERCE TRANSIT**

By: [Signature]

Sue Dreier
Chief Executive Officer
Pierce Transit

Date: 2/10/16
Additionally, Pierce Transit intends to provide an eighth weekday AM northbound and an eighth weekday PM southbound trip on Route 497. These trips will be funded separately by Pierce Transit and are not included as part of this Amendment No. 3 to the Agreement.

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**KING COUNTY**

By: ____________________________

    Kevin Desmond
    General Manager, Metro Transit Division
    Department of Transportation

Date: ____________________________

**CITY OF AUBURN**

By: Nancy Backus
    Mayor
    City of Auburn

Date: FEB 16 2016

**PIERCE TRANSIT**

By: ____________________________

    Sue Dreier
    Chief Executive Officer
    Pierce Transit

Date: ____________________________