

HOUSE BILL 322 IMPLEMENTATION AGREEMENT (FUNDING MEASURES)

This Implementation Agreement (“Agreement”) is entered into as of May 1, 2022, between the Utah Department of Transportation (“UDOT”), an agency of the State of Utah, and Utah Transit Authority (“UTA”), a large public transit district.

RECITALS

WHEREAS, pursuant to House Bill 322 (HB 322) enacted by the Utah State Legislature during the 2022 General Session, UDOT is given oversight and supervisory responsibility for fixed guideway capital development projects that include state funding; and

WHEREAS HB 322 also requires UDOT and UTA to enter into an agreement whereby UTA will pay certain funds to UDOT; and

WHEREAS UDOT and UTA entered into a “Pass Through Funds Agreement” on November 18, 2021, which has been impacted by HB 322; and

WHEREAS UDOT and UTA desire to enter into an agreement for implementation of HB 322 legislative mandates;

AGREEMENT

1. **Scope of Agreement.** This Agreement pertains to fixed guideway capital development projects funding measures as described herein, which means a project to construct a public fixed guideway facility that will add capacity to a fixed guideway and for which state funds are expended. Fixed guideway systems include TRAX, Frontrunner, and Bus Rapid Transit projects operating on a separate right-of-way for the use of public transit¹.

2. **Impact on Existing 2021 PASS-THROUGH FUNDS AGREEMENT.** The PASS-THROUGH FUNDS AGREEMENT entered into by the Parties on November 18, 2021 (the “2021 Agreement”) provides funding to UTA for projects that are now subject to HB 322, and it is hereby amended as follows:
 - a. The payment of \$25,400,000 which is due under the 2021 Agreement to be transferred by UDOT to UTA on June 1, 2022, is hereby cancelled.

¹ Fixed guideway as defined in Utah Code § 59-12-102(48)

- b. Once it is determined how UDOT will exercise oversight and supervision for contracts in support of the fixed guideway capital development projects covered by HB 322, the Parties will agree on the disposition of funds previously transferred to UTA by UDOT under the 2021 Agreement (those funds total \$76,200,000.00).
 - c. All other provisions of the 2021 Agreement shall remain in full force and effect as written therein.
3. **UTA Payment Obligation.** UTA shall pay UDOT the amount of \$5,000,000 per year for 15 years. UTA shall have the discretion to pay all or part of the total amount of \$75,000,000 on a timetable and from a funding source of its choosing, provided that the payments comply with H.B. 322, as amended from time to time, and the minimum payment of \$5,000,000 is paid to UDOT each calendar year by December 31st for 15 years or until the total amount of \$75,000,000 has been paid, whichever occurs first.
4. **Addenda.** The Parties will cooperate with one another in the execution of additional addenda to this Agreement regarding further implementation matters as the need arises to reach agreements on such matters.
5. **Further Assurances.** Each party to this Agreement agrees to undertake and perform all further acts that are reasonably necessary to carry out the intent and purposes of this Agreement and to obtain compliance with the laws or federal obligations that apply to either party, and either party may notify the other party of a need for such further acts.
6. **Modifications.** The failure of either party to insist upon strict compliance with any of the terms and conditions of this Agreement, or failure or delay by either party to exercise any rights or remedies provided in this Agreement or by law, will not release either party from any obligations arising under this Agreement. This Agreement may not be modified except by a written document signed by an authorized individual representing each of the respective parties.
7. **Miscellaneous.** This Agreement is binding upon and inures to the benefit of the parties and it does not inure to the benefit of any third party. No party shall assign or transfer any rights, or delegate any duties hereunder, without the other party's prior written consent, and any such attempted assignment, transfer or delegation is void. The parties agree to work cooperatively and in good faith. Before taking any legal action in connection with this Agreement, each party agrees to first advise the other of a dispute and to meet in good faith in an effort to resolve it. If any notice is required in connection with this Agreement, each party shall send a written notice to the other party's chief financial officer using a manner that can reasonably assure a timely and accurate delivery. This Agreement does not create any partnership, joint venture, or agency relationship.

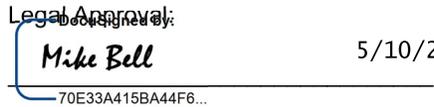
- 8. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties to this point and supersedes any prior understandings, agreements, or representations, verbal or written.
- 9. **Signatures.** Each party represents that it has the authority to enter into this Agreement and has signed below by an authorized representative. This Agreement may be signed in counterparts.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

UTAH TRANSIT AUTHORITY

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Legal Approval:
 5/10/2022
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UTAH DEPARTMENT OF TRANSPORTATION

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

Legal Approval:
