



Burlington City Hall
Council Chambers
833 South Spruce Street
Burlington, WA 98233

Skagit Transit Board of Directors Agenda

Regular Meeting
March 19th, 2025
11:00 a.m.

Join virtually at:
<https://tinyurl.com/Board-of-Directors-March-19th>
Meeting ID: 224 784 969 331
Passcode: p5XY2ra7

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL OF MEMBERS

4. PUBLIC COMMENT

5. CONSENT / ACTION ITEMS

All matters listed within the Consent Agenda have been distributed to each member of the Skagit Transit Board of Directors for reading and study, are considered to be routine, and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from Consent Action Items and placed on Regular Action Items by request.

- a) Approval of February Meeting Minutes Page 3
- b) Approval of Claims and Payroll
 - January Payroll Direct Deposit and Checks #..... \$1,334,247
 - January Direct Federal withholding transfer..... \$308,249
 - January Claims Checks and ACH #3203-3386..... \$2,043,097
- c) Approve January Budget Update..... Page 5

6. FULL DISCUSSION / ACTION ITEMS

- a) Approve 25-013 – Property Lease March Point Park & Ride Page 6
- b) Skagit Transit - RO 018799 - unit #06382 - Lease Extension Page 18
- c) Front-loading GL for the New Director of Finance Page 23

7. INFORMATION ITEMS

- a) CEO Update
- b) February Ridership Report..... Page 24
- c) March CAC Report Page 32

8. ADJOURNMENT



Skagit Transit Board of Directors Officers

Commissioner Peter Browning..... Chair Commissioner Lisa Janicki..... Vice Chair

Skagit Transit Board of Directors Membership and Votes

Mayor of Anacortes	1
Mayor of Burlington	1
Mayor of Mount Vernon	1
Mayor of Sedro-Woolley	1
Skagit County Commissioner District 1 ..	1
Skagit County Commissioner District 2 ..	1
Skagit County Commissioner District 3 ..	1
Anacortes Councilperson	1
Sedro-Woolley Councilperson.....	1

Non-Voting Members

Community Advisory Committee Chair
Skagit Transit Labor Union Representative

Quorum Requirement

A quorum consists of a simple majority (5) of the total votes (9).

Title VI Notice to the Public: Skagit Transit fully complies with Title VI of the federal Civil Rights Act of 1964 and related statutes, and does not discriminate on the basis of race, color or national origin. For more information, or to obtain a Title VI Complaint Form, visit Skagit Transit’s website at <https://www.skagittransit.org/about-us/civil-rights-discrimination/>

Aviso resumido del Título VI al público: Skagit Transit cumple plenamente con el Título VI de la Ley federal de derechos civiles de 1964 y los estatutos relacionados, y no discrimina por motivos de raza, color u origen nacional. Para mayor información, o para obtener un Formulario de queja del Título VI, visite el sitio web del Skagit Transit en <https://www.skagittransit.org/about-us/civil-rights-discrimination/>

ADA Notice to the Public: Skagit Transit fully complies with Section 504 of the Rehabilitation act of 1973 and the Americans with Disabilities Act of 1990 (ADA) and does not discriminate on the basis of disability. For more information, or to file a grievance contact the ADA Coordinator, Jennifer Davidson at 360-757-5178 or jdavidson@skagittransit.org.

Aviso de la ADA para el público: Skagit Transit cumple plenamente con la Sección 504 de la Ley de Rehabilitación de 1973 y la Ley de Americanos con Discapacidades de 1990 (ADA) y no discrimina por motivos de discapacidad. Para obtener más información, o para presentar una queja, póngase en contacto con el Coordinador de la ADA, Jennifer Davidson en 360-757-5178 o jdavidson@skagittransit.org.

**RECORD OF THE PROCEEDINGS
SKAGIT TRANSIT BOARD OF DIRECTORS**

Wednesday, February 19, 2025

The Skagit Transit Board of Directors met in a regular meeting in Burlington, WA. Commissioner Peter Browning, Board Chair, called the meeting to order at 10:57 a.m. followed by the Pledge of Allegiance and roll call.

Members Present

Peter Browning, Skagit County Commissioner (Chair)
Lisa Janicki, Skagit County Commissioner (Vice Chair)
Bill Aslett, City of Burlington, Mayor
Ashton Sandoval Oaks attended as a representative for Julia Johnson, City of Sedro Woolley, Mayor
Ron Wesen, Skagit County Commissioner
Chantelle Beare attended as a representative for Tracy Cook, Labor Representative (non-voting member)

Members Present via Teleconference

Carolyn Moulton, City of Anacortes, Councilmember
Judy Jones, Community Advisory Committee (Chair, non-voting member)

Members Absent:

Peter Donovan, City of Mount Vernon, Mayor
Matt Miller, City of Anacortes, Mayor
Joe Burns, City of Sedro-Woolley, Councilmember

Providing Legal Counsel:

Staff Present

Jeremy Hoyle, Security Supervisor
Jason Kelley, Northwest Technology
Greg Latham, Director of Operations and Maintenance
Jennifer Davidson, Director of HR and Risk Management
Chris Arkle, Finance/Accounting Manager
Crystle Stidham, Chief Executive Officer
Larissa Farrell, Clerk of the Board
Abby Bissell, HR Generalist
Kelly Myiow, HR Generalist

Staff Present via Teleconference:

Kaitlin West, Rideshare Coordinator
Rebekah Tuno, Grants Manager
Belle Tromp, Operations Manager
Jill Isaacson, Operations Supervisor
Alan Brooks, , Operations Supervisor

Members of Public Present

Caleb Sprou, Skagit Valley Herald

Members of the Public Present via Teleconference:

Skagit L; Ray; Madeline Handzlick; Dodo; James Madison;
208-308-8876; 218-316-7008

1 Executive Session – RCW 42.30.110(g)

The board met in executive session to review the performance of a public employee. Mr. Browning stated that the Board would meet for 10 minutes from 10:59 a.m. to 11:09 a.m. He came out at 11:06 a.m. and announced they would extend 10 minutes due to technical issues with the laptop/MS Teams meeting. At 11:16 a.m., he announced one more 5-minute extension. The board resumed the regular meeting at 11:20 a.m.

2 Public Comment

No public comment was made.

3 Consent / Action Items

- a) Approval of January Meeting Minutes
- b) Approval of January Special Meeting Minutes
- c) Approval of Claims and Payroll
 - December Payroll Direct Deposit and Checks #17221-17231
 - December Direct Federal withholding transfer
 - December Claims Checks and ACH #3053-3202
- d) Approve December Budget Update
- e) Approve Fare-Free Fixed Route Service for (3) Community Connect Events
- f) Approve Skagit Transit to enter Cooperative Purchasing Agreement with Community Transit
- g) Approve Skagit Transit to enter Cooperative Purchasing Agreement with Whatcom Transportation Authority
- h) Approve the Registration of Skagit Transit for Cooperative Purchasing with Sourcewell
- i) Approve Resolution 2025-3: Updated Wellness Committee Wellness Day-off Policy

Mr. Aslett moved to approve all Consent/Action items. Mr. Wesen seconded the motion. The motion passed unanimously.

4 Full Discussion/Action Items:

- a) Approve Chief Executive Officer Compensation Increase

Mr. Aslett moved to approve the Chief Executive Officer Compensation Increase. Ms. Janicki seconded the motion. The motion passed unanimously.

- b) Approve Contract 24-025 for Renewable Diesel

Ms. Stidham read the report as presented in the packet.

Mr. Wesen moved to approve contract 24-025 for renewable diesel. Mr. Aslett seconded the motion. The motion passed unanimously.

Bill Aslett left the meeting at 11:28 a.m.

5 Information Items

- a) CEO Update
- b) Employee Recognition+
- c) January Ridership Report
- d) January CAC Report
- e) February CAC Report

Peter Browning adjourned the meeting at 12:00 p.m.

Attest:

Peter Browning, Chair Skagit Transit Board of Directors

Larissa Farrell, Clerk of Skagit Transit Board



TO: Skagit Transit Board of Directors
FROM: Chris Arkle, Accounting & Finance Manager
SUBJECT: Monthly Budget Update Report for January 2025
INFORMATION: The monthly budget reports are presented for your review. Items of interest are:

Revenues:

Sales Tax Received:

January	2025	2024	2023
	1,390,490	1,363,647	1,313,183

Grant Revenue:

Federal Operating	-
Federal Capital	-
Local Operating	-
State Operating	-
State Capital	-

Fare Revenue:

	2025	2024	2023	2022
January	60,302	52,709	52,633	42,017
Yrly-Budget	791,765	718,000	684,500	592,964
Mon-Budget	65,980	59,833	57,042	49,414

Expenses

Payroll

Operators' Salaries	January	YTD	Budgeted
Operators' Salaries	388,834	388,834	5,923,081
Operators' Overtime	51,115	51,115	515,000
Non-Operators' Salaries			
Non-Operators' Salaries	408,077	408,077	5,459,634
Non-Operators' Overtime	3,370	3,370	41,160

Capital

Route Improvements	-
Skagit Station	-
Park & Ride	-
Revenue Equipment	566,797
Service Equipment	-
Vanpool Equipment	(315)
MOA 2	41,793
Bldgs. - MOA	-
Garage/Shop Equipment	-
Office Furniture/Equip.	530
Intangible Asset - SW	-
Communications & IS	-

Ending Cash:

January 2025	January 2024	January 2023
4,090,171	3,929,400	4,835,331

Reserves:

	January 2025	January 2024	January 2023
Operating	5,634,525	5,361,969	5,086,872
Facilities	10,400,000	10,400,000	10,400,000
Capital			
Replacement	5,767,982	4,985,891	4,195,706
Non-Designated	1,688,000	1,606,351	1,524,196
Total	23,490,507	22,354,211	21,206,774

RECOMMENDATION: Staff recommends the Board approve the monthly budget report.



TO: Skagit Transit Board of Directors
FROM: Crystle Stidham, Chief Executive Officer
SUBJECT: Approve 25-013 – Property Lease March Point Park & Ride

INFORMATION:

Skagit Transit entered 96-008, a Lease Agreement, on August 1, 1996 for property owned by Texaco Refining and Marketing, Inc. (TMRI) at the intersection of South March's Point Road with March's Point Road for the purpose of Sharpes Corner Park & Ride through to August 31, 2016.

Amendment #1 to the agreement was to revise the legal description of the property, and was executed on March 14, 1997, and now referred to as March Point Park & Ride. Amendment #2 to the agreement was entered into on June 1, 2009, to change the lessor from TRMI to Shell Oil Products, US who acquired the property back in 2001, and to extend the lease through to August 31, 2032.

Skagit Transit is responsible for any construction, maintenance, repair, insurance, utilities and other obligations the usage of the property as a park and ride parking lot and bus transfer facility. Skagit Transit is not responsible for property taxes.

The original agreement cannot be located, nor can an amendment that shows the acquisition of the property by HF Sinclair from Shell Oil Products, US

Therefore the parties mutually desire to amend and restate the Lease in its entirety, with the expiration date of August 31, 2032 intact. The lease rental is \$1.00 per month.

RECOMMENDATION:

Staff recommends the Board of Directors approve and authorize the CEO to enter into the lease agreement with HF Sinclair for the March Point Park and Ride.

BUDGET IMPACT:

None.

AMENDED AND RESTATED LEASE AGREEMENT

THIS AMENDED AND RESTATED LEASE AGREEMENT (this “*Lease*”) is entered into effective as of the ___ day of _____, 2025 (the “*Effective Date*”), by and between HF SINCLAIR PUGET SOUND REFINING LLC, a Delaware limited liability company (“*Landlord*”), and SKAGIT TRANSIT SYSTEM, a Washington municipal corporation (“*Tenant*”).

W I T N E S S E T H:

WHEREAS, Landlord is the fee owner of certain real property located in the City of Anacortes, County of Skagit, State of Washington as more particularly described in Exhibit A attached hereto (the “*Premises*”);

WHEREAS, Landlord’s predecessor in interest with respect to the fee ownership of the Premises, Texaco Refining & Marketing Inc., and Tenant entered into that certain Lease Agreement dated August 1, 1996, as subsequently amended by such parties and other predecessors of interest of Landlord on March 14, 1997 and on June 1, 2009 (as may have been further amended, the “*Original Lease*”);

WHEREAS, pursuant to the Original Lease, a park and ride parking lot facility and bus transfer facility was constructed by Tenant and operated on the Premises as further described below;

WHEREAS, the parties mutually desire to amend and restate the Lease in its entirety and agree upon the terms and conditions applicable to the lease of the Premises applicable from and after the Effective Date as hereinafter set forth; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. **Amendment and Restatement of Original Lease.** Landlord and Tenant agree that this Lease amends and restates the Original Lease in its entirety effective as of the Effective Date.
2. **Lease of Premises.** Landlord does hereby lease, demise and let unto Tenant and Tenant does hereby lease from Landlord, the Premises.
3. **Lease Term.** This Lease commenced on the date the Original Lease was entered into and shall remain in effect until August 31, 2032 (which the parties acknowledge is the remainder of the term of the Original Lease). unless sooner terminated as herein provided (the “*Term*”). Notwithstanding the foregoing, Landlord shall have the right to terminate this Lease for any or no reason by giving Tenant at least two (2) years prior written notice.
4. **Base Rental; Invoice and Payment of Other Amounts Due from Tenant.** Tenant hereby covenants and agrees to pay as rent for the Premises, the sum of One Dollar and

00/100 (\$1.00) per month during the Term in advance on the first day of each and every calendar month during the term of this Lease or any extension or renewal thereof. Such rent is in addition to Tenant's construction, maintenance, repair and other obligations under this Lease which are also in consideration of Landlord's grant of lease rights hereunder. Any other amounts due from Tenant under the terms of this Lease shall be payable by Tenant within thirty (30) days after Tenant's receipt of Landlord's invoice therefor. Any past due amounts shall bear interest at the lesser of the rate of eighteen percent (18%) per annum or the maximum amount payable under applicable law.

5. Utilities; No Landlord Services.

During the Term, Tenant shall be liable for and shall pay directly all charges, rents and fees (together with any applicable taxes or assessments thereon) when due for water, gas, electricity, air conditioning, heat, septic, sewer, refuse collection, telephone, internet, wifi, cable and/or any other utility charges or similar items in connection with the use or occupancy of the Premises during the Term of this Lease. Landlord shall not be responsible or liable in any way whatsoever for the connection, impairment, interruption, stoppage, or other interference with any utility services to the Premises. In no event shall any inability to connect, interruption, termination or cessation of utility services to the Premises relieve Tenant of its duties and obligations pursuant to this Lease, including, without limitation, its obligation to pay all rent and other amounts as and when the same shall be due hereunder.

Tenant acknowledges that it is solely responsible for any and all utilities or services it needs or desires for use at the Premises during the Term including, without limitation, the utility services described above and janitorial, security, snow removal, lawn and landscape or any other services and that Landlord is not responsible for providing, and will not provide any such utilities or services to Tenant or the Premises during the Term.

6. Use of Premises. Tenant shall be entitled to use the Premises for the construction, maintenance, repair and use of a park and ride parking lot facility and bus transfer facility in connection with its public bus transit system in the area including improvements consisting of site clearing, grading, leveling, compacting, placement of base material and gravel, drainage, lighting, bus shelter, some asphalt surfacing and other improvements to the extent all such improvements may be required to use the Premises for the above stated use; but for no other purpose without Landlord's prior written consent. Notwithstanding and without limiting the preceding sentence, Tenant expressly agrees not to use the Premises for any purpose that would constitute a nuisance or in any manner violate any ordinance, law, regulation or statute of any governmental authority. To the maximum extent permitted by law and except to the extent resulting from the negligence or willful misconduct of Landlord or its employees (excluding any negligence asserted against Landlord due to the condition or any other feature or aspect of the land constituting the Premises or any improvements, fixtures or other property thereon), Landlord shall not be liable for, and Tenant waives all claims for, loss or damage to Tenant's business or injury or damage to person or property sustained by Tenant, or any person claiming by, through or under Tenant, resulting from any accident or occurrence in, on, or about the Premises, including claims for loss, theft, injury or damage arising or resulting from: (i) any equipment or appurtenances being or becoming out of repair; (ii) wind, weather, earthquake or other act of God; (iii) any defect in or failure to operate any sprinkler, light, equipment, electric

wiring, gas, water or steam pipe, stair, railing or walk; (iv) broken glass; (v) any backing up of any sewer pipe or downspout; (vi) any escape of gas, steam or water; (vii) water, snow or ice being upon the Premises or coming into the Premises; (viii) the falling of any fixture, plaster, tile, stucco or other material; (ix) any act, omission or negligence of other parties or persons including occupants of adjoining or contiguous buildings, owners of adjacent or contiguous property, or the public; and/or (x) the condition of the Premises or any improvements or other property located thereon or used in connection therewith.

7. Repairs and Maintenance; Acceptance of Premises in AS-IS Condition; Alterations; Return of Premises. During the Term of this Lease, Tenant shall keep and maintain the Premises and all improvements thereon in good, safe and presentable order, condition and repair at its sole cost and expense. Without limiting the foregoing, Tenant shall maintain, repair and replace in good and secure condition an eight foot (8') high fence around the perimeter of the Premises and maintain the paved areas and all lawns and landscaping in good, safe and presentable condition and repair. TENANT ACKNOWLEDGES AND AGREES THAT IT HAS INSPECTED THE PREMISES PRIOR TO ITS EXECUTION OF THIS LEASE AND THAT LANDLORD HAS DELIVERED, AND TENANT HAS ACCEPTED AND SHALL ACCEPT THE PREMISES IN AS-IS, WHERE IS CONDITION, WITH ALL FAULTS AND DEFICIENCIES, WHETHER LATENT, PATENT, APPARENT OR OTHERWISE, AND REGARDLESS OF WHETHER THE SAME ARE KNOWN TO LANDLORD. Tenant acknowledges and agrees that (a) Tenant previously constructed and installed the improvements currently in place on the Premises and that any construction or substantial alteration or expansion of any such improvements shall be subject to Landlord's prior written consent and approval of plans therefor, and (b) Tenant agrees that Landlord shall not be required to make any alterations, reconstructions, replacements, changes, additions, improvements or repairs of any kind or nature whatsoever to the Premises or any portion thereof (including, without limitation, any portion of the improvements thereon) at any time during the Term of this Lease.. WITHOUT LIMITING THE FOREGOING, LANDLORD MAKES NO REPRESENTATIONS AND WARRANTIES UNDER THIS LEASE WITH RESPECT TO THE CONDITION OF THE PREMISES, ANY IMPROVEMENTS THEREON OR OTHERWISE, EXPRESS OR IMPLIED, ALL OF WHICH ARE DISCLAIMED. Tenant shall, upon expiration or termination of this Lease, peacefully quit, surrender and deliver unto Landlord the Premises in good condition and repair, with the exception of normal wear and tear. All alterations, improvements and other additions made to the Premises shall become the property of Landlord and shall not be removed by Tenant upon termination or cancellation hereof; provided, however, all furniture, trade fixtures and personal property installed or placed by Tenant in the Premises shall at all times remain the property of Tenant and shall be removed upon termination of this Lease. In removing such property of Tenant, Tenant agrees to repair any damage resulting from such removal at the sole expense of Tenant. In the event any equipment, trade fixtures or other personal property are left in the Premises after expiration or termination of this Lease, Landlord may either (i) retain such property, or (ii) have such property removed and disposed of at Tenant's cost and expense (including the cost of repairing any damage caused by such removal) with any such costs incurred by Landlord to be reimbursed by Tenant.

8. Compliance with Laws, Orders and Ordinances; No Hazardous Materials. Tenant agrees that in the construction, alteration, maintenance, repair, operation, use and

occupancy of the Premises during the Term of this Lease, Tenant will, and will cause all Persons claiming by, through or under Tenant, to comply with all laws, ordinances and certificates of occupancy issued pursuant to any law or by any public officer and the orders, rules, regulations and requirements of all federal, state and municipal governments and appropriate departments, commissions, boards and officers thereof which may be applicable to the Premises or to the use or manner of use of the Premises including, but not limited to, the Occupational Safety and Health Act, as amended (“OSHA”) and the Americans With Disabilities Act of 1990 (as amended, the “ADA”). Tenant shall likewise observe and comply with the requirements of all policies of public liability, fire and all other policies of insurance at any time in force with respect to the Premises or improvements or to the use or manner of use of the same. Tenant shall procure, maintain and comply, and shall cause the Premises to comply, with any and all permits, approvals, licenses and other governmental authorizations required for its lawful use, operation, maintenance and any alteration of the Premises and improvements thereon. Tenant, at its expense, shall comply with all easements and restrictive covenants or other matters of record affecting the Premises and comply with and perform all of the obligations set forth therein to the extent that the same are applicable to the Premises. Throughout the Lease Term, Tenant shall not use, generate release, discharge, store, dispose or transport any Hazardous Materials (as hereinafter defined) on, under, in, above, to or from the Premises. For purposes of this provision, the term “*Hazardous Materials*” shall mean and refer to any wastes, materials or other substances of any kind or character that are or become regulated as hazardous or toxic waste or substances, or which require special handling or treatment, under any applicable local, state or federal law, rule, regulation or order.

9. Insurance. Tenant, at its sole expense, shall obtain and maintain in force at all times during the Term of this Lease, the following:

(a) Commercial general public liability insurance against any and all claims arising out of liability for personal injury, including illness and death, with limits of not less than \$2,000,000 per occurrence, and property damage in and about the Premises and otherwise resulting from any acts and operations of Tenant, with a combined single limit of \$2,000,000 per occurrence;

(b) Automobile Liability – with limits of not less than \$1,000,000 each and every occurrence. Coverage must include owned, hired and non-owned vehicles.

(c) Premises insurance covering Tenant’s Premises protecting against risk of physical loss or damage to improvements, fixtures or other property located on the Premises in amounts determined by Tenant; and

(d) Workers’ compensation and employer's liability insurance as required by applicable law.

All insurance (and renewals thereof) required by this Article shall be issued by responsible insurance carriers authorized to do business in the State of Washington having a rating of at least A VII, as provided by A.M. Best Company. Each policy shall expressly provide that it shall not be cancelled or changed without at least thirty (30) days’ prior written notice to

all parties insured or named therein. The insurance described in Sections 9(a) and (b) and the employer's liability insurance described in 9(d) shall include Landlord and its Affiliates, and their respective employees, officers and directors and any Landlord lender, if any, as additional insureds or additional covered parties. All of the insurance required by this Section shall be primary and noncontributing with any insurance which may be carried by Landlord, shall afford coverage for all claims based on any act, omission, event or condition which occurs or arises during the policy period, and may be obtained by endorsement on blanket policy(ies) of insurance carried and maintained by Tenant. Tenant agrees to provide Landlord at least thirty (30) days advance written notice of the cancellation of and/or any material modifications in the above listed coverage. Tenant agrees that all of Tenant's above insurance is primary coverage and not excess of any insurance issued to Landlord. Tenant shall cause its insurers under the above policies to waive for the benefit of Landlord (i) any right of recovery which the insurer may have or acquire against Landlord or any of its Affiliates, or its or their employees, officers or directors for payments made or to be made under such policies and (ii) any lien or right of subrogation which the insurer may have or acquire for payments made or to be made to any person or entity who asserts a claim against Landlord or any of its Affiliates, or its or their employees, officers or directors. Upon issuance and each renewal thereof, Tenant shall deliver to Landlord a certificate thereof and, upon request, reasonable evidence of paid premium, failing which Landlord shall have the right from time to time to obtain such insurance and all premiums paid by Landlord shall be reimbursed by Tenant upon written demand. Tenant agrees that, if any property owned by it and located in the Premises shall be stolen, damaged or destroyed by an insured peril, Landlord shall not have any liability to Tenant, nor to any insurer of Tenant, for or in respect of such theft, damage or destruction, and Tenant shall require all policies of risk insurance carried by it on its property in or about the Premises to contain or be endorsed with a provision in and by which the insurer designated therein shall waive its right of subrogation against Landlord. Notwithstanding the foregoing, Tenant may self-insure the above coverage requirements pursuant to and in accordance and compliance with RCW Chapter 48.62 and other applicable statutes and regulations.

10. Indemnification. Tenant shall indemnify, defend and hold harmless Landlord, its Affiliates and their shareholders, officers, directors, agents and employees from and against all claims, demands, liabilities, losses, damages, costs and expenses, directly or indirectly arising or alleged to arise out of, resulting from or related to Tenant's use and occupancy of the Premises, including, without limitation, negligence or misconduct of Tenant or Tenant's officers, members, managers, agents, employees, invitees or guests or others acting by, through or under Tenant or on the Premises (including, without limitation, the general public); except to the extent resulting from the negligence or willful misconduct of Landlord or its employees (excluding any negligence asserted against Landlord due to the condition or any other feature or aspect of the land constituting the Premises or any improvements, fixtures or other property thereon). Tenant shall promptly advise Landlord of any claim directly or indirectly related to or arising out of this Lease and Tenant shall investigate and defend against such claim. Landlord shall have the right, at its option, and at its own expense, to participate in such defense, without relieving Tenant of any of its obligations hereunder. For purposes of this Lease, (a) "Affiliate" shall mean with reference to any Person (i) any other Person directly or indirectly Controlling, Controlled by or under common Control with such Person; (ii) any officer, director, member, manager or partner of such Person; or (iii) if such other Person is an officer, director, member, manager or partner,

any company for which such other Person acts in any such capacity (b) “Control” and its derivatives, with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other voting interests, by contract or otherwise; provided that the direct or indirect ownership of more than fifty percent (50%) of the voting securities, or other voting interests, of a Person shall constitute control of such Person, and (c) “Person” shall mean any individual, general partnership, limited partnership, limited liability company, corporation, joint venture, trust, cooperative or association, or any foreign trust or foreign business organization, and the heirs, executors, administrators, legal representatives, successors and assigns of such “Person” where the context so permits.

11. Events of Default. The following events shall be deemed to be events of default by Tenant hereunder:

- (a) Failure by Tenant to pay any portion of the rent or failure to pay any other amount due from Tenant under the terms of this Lease by the due date specified herein and such failure continues for ten (10) days after written demand therefor; and
- (b) Failure by Tenant to comply with any term, covenant or provision of this Lease, other than as referred to in Section 11(a) above, and Tenant shall not commence to correct such failure within thirty (30) days after written notice thereof to Tenant from Landlord specifying such failure and requesting that it be remedied, or having so commenced to correct such failure, Tenant neglects and fails to prosecute such correction with due diligence to completion within an additional thirty (30) days.

Upon the occurrence of any of the aforesaid events of default, Landlord shall have the right to terminate this Lease by written notice to Tenant and/or to pursue any and all rights and remedies under this Lease or under applicable law or equity. In addition to any other remedy Landlord may have in this Lease or at law or in equity, if any of the above described events of default occur, Landlord shall have the right, but not the obligation, to cure such default and Tenant shall reimburse Landlord’s actual costs incurred to do so plus an administrative fee of fifteen percent (15%) of such costs.

12. Inspection of Premises. Landlord shall have the right to enter upon the Premises or any portion thereof for the purpose of inspecting the same or correcting any condition which may exist thereon which is in violation of this Lease or for any other reasonable purpose, but such rights shall be exercised in a manner so as not to interfere unreasonably with the business of Tenant. At any time within one year (1) year prior to the expiration of this Lease, Landlord may show the Premises to prospective purchasers or tenants and may display a notice on the Premises advertising the same for sale or lease. Nothing herein contained shall prevent Landlord from entering upon the Premises at any time and under any condition for the purpose of correcting any emergency or the violation of any ordinance, statute or law.

13. Condemnation; Damage or Destruction. If the Premises or any part thereof shall be taken or condemned for any public purpose, this Lease shall terminate as to the part

taken or condemned effective when the physical taking shall occur. If the improvements on the Premises are damaged or destroyed by fire or other casualty, Tenant shall repair, restore and replace such improvements at its sole cost and expense.

14. Assignment and Subletting. Tenant shall not have the right at any time during the Term hereof to assign or sublet the Premises, in whole or in part, without the prior written consent of Landlord.

15. Quiet Enjoyment. So long as Tenant is not in default of the terms hereunder, Tenant shall peacefully hold and quietly enjoy the Premises without interruption by Landlord, or any person claiming by, through or under Landlord.

Any successor-in-interest to Landlord shall take title to the Premises subject to the Lease terms.

16. Estoppel Certificates. Tenant agrees that, from time to time upon not less than ten (10) days prior request by Landlord, Tenant shall execute and deliver to Landlord a written certificate certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the dates to which the rent has been paid; (iii) that Tenant is in possession of the Premises, if that is the case; (iv) that Landlord is not in default under this Lease, or, if Tenant believes Landlord is in default, the nature thereof in detail; (v) that Tenant has no off-sets or defenses to the performance of its obligations under this Lease (or if Tenant believes there are any off-sets or defenses, a full and complete explanation thereof); and (vi) such additional matters as may be requested by Landlord, it being agreed that such certificate may be relied upon by any prospective purchaser, mortgagee, or other person having or acquiring an interest in the Premises

17. Mechanic's Liens. Tenant shall not permit any mechanic's, laborer's, or materialman's lien to stand against the Premises for any labor or material furnished to Tenant or claimed to have been furnished to Tenant in connection with work of any character performed or claimed to have been performed on the Premises by or at the direction of Tenant and shall defend, indemnify and hold harmless Landlord and the Premises therefrom. Tenant promptly shall pay all contractors and materialmen so as to minimize the possibility of a lien attaching to the Premises. Tenant shall immediately take all steps to pay, discharge and obtain the release of any such liens which are filed against the Premises no later than ten (10) days after notice thereof..

18. Subordination. Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Premises and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Premises, and Tenant agrees upon demand to execute such further instruments subordinating this

Lease or attorning to the holder of any such liens as Landlord may request provided such instrument does not amend the terms of the Lease and includes standard nondisturbance language.

19. **Memorandum of Lease.** This Lease shall not be recorded, but Tenant shall be entitled to record a memorandum of lease in a form approved and signed by Landlord in the public land records to put third parties on legal notice hereof.

20. **General Terms, Covenants and Agreements.**

(a) **Entirety, Amendment and Waiver.** This Lease constitutes the entire understanding and agreement by and between the parties hereto relative to the subject matters herein set forth. Except as otherwise set forth below, there are no terms, obligations, covenants, statements, representations, warranties or conditions relating to the subject matters hereof other than those specifically contained herein. Except as otherwise set forth herein, this Lease supersedes all prior oral or written negotiations, agreements and covenants relative to the subject matters herein contained. No amendment or modification of the terms of this Lease shall be deemed valid unless first reduced to writing and signed by both parties hereto and no waiver of any of the terms of this Lease shall be binding unless reduced to writing and signed by the party or parties sought to be charged with such waiver.

(b) **Invalidity and Enforceability.** Should any clause or provision of this Lease be determined by a court of competent jurisdiction to be invalid, void or voidable, such clause or provision shall not affect the whole of this instrument and the balance of the provisions hereof shall remain in full force and effect. Further, if the original intent of any clause or provision held to be invalid, void or voidable can be preserved and such invalid, void or voidable clause or provision corrected by revision of the verbiage utilized in this Lease, then the parties hereto shall enter into such written amendments to this Lease as shall be necessary in order to effectuate the enforceability of such clause or provision and the original intent of the parties as reflected hereunder.

(c) **Binding Effect.** It is agreed that the provisions, covenants and conditions of this Lease shall be binding upon each of the parties hereto.

(d) **Notices and Communications.** All notices required or which may be given under the terms of this lease or any other communications between Landlord and Tenant provided by the terms hereof or pertaining or relating to this Lease shall be deemed to be properly given and served if reduced to writing and sent by (i) registered or certified mail, postage prepaid, with return receipt requested, (ii) by nationally recognized overnight delivery service company (e.g. FedEx, UPS), or (iii) by email (subject to confirmation of receipt by reply email or other writing by the intended recipient); and to the applicable party at the address and contact information set forth for such party on the signature page

hereof below. Unless otherwise stated, the effective date of any such notice or communication shall be the date on which the same is received (subject to confirmation if sent by email pursuant to the above). Either party hereto may change the address to which notice is to be sent to such party by prior written notice to the other.

(e) **Costs and Attorneys' Fees.** If either party shall bring an action to recover any sum due hereunder, or for any breach hereunder, and shall obtain a judgment or decree in its favor, the court may award to such prevailing party its reasonable costs and reasonable attorneys' fees, specifically including reasonable attorneys' fees incurred in connection with any appeals (whether or not taxable as such by law). Landlord shall also be entitled to recover its reasonable attorneys' fees and costs incurred in any bankruptcy action filed by or against Tenant, including, without limitation, those incurred in seeking relief from the automatic stay, in dealing with the assumption or rejection of this Lease, in any adversary proceeding, and in the preparation and filing of any proof of claim.

(f) **Limitation of Liability.** Any liability of Landlord under this Lease shall be limited solely to its interest in the Premises and in no event shall any personal liability be asserted against Landlord in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord.

(g) **Applicable Law.** This Lease has been prepared in accordance with the laws of the State of Washington and is to be interpreted, construed and enforced in accordance with the laws thereof. LANDLORD AND TENANT WAIVE TRIAL BY JURY IN THE EVENT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER LANDLORD OR TENANT AGAINST THE OTHER IN CONNECTION WITH THIS LEASE.

(h) **Duplicate Originals.** Any fully executed copy of this Lease shall be deemed for all purposes as a duplicate original hereof.

(i) **Counterparts.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same document. In the event that any signature of this Lease is delivered by facsimile transmission or by e-mail as an attached, scanned document, such signature shall create a valid and binding obligation of the party executing the same with the same force and effect as if such e-mailed or facsimile signature page were an original thereof.

(Signature Page Follows)

IN WITNESS WHEREOF, Landlord and Tenant have executed and delivered this Lease as of the Effective Date.

<p>“LANDLORD”:</p> <p>HF SINCLAIR PUGET SOUND REFINING LLC</p> <p>By: _____ Print Name: _____ Title: _____</p> <p>Address:</p> <p>HF Sinclair Puget Sound Refining LLC Attn: _____ _____ _____</p> <p>Phone: _____ Email: _____</p> <p>With a copy to:</p> <p>HF Sinclair Puget Soud Refining LLC Attn: General Counsel 2323 Victory Avenue, Suite 1400 Dallas, TX 75219 Phone: (214) 871-355 Email: generalcounsel@hfsinclair.com</p>	<p>“TENANT”:</p> <p>SKAGIT TRANSIT SYSTEM</p> <p>By: _____ Print Name: _____ Title: _____</p> <p>Address:</p> <p>Skagit Transportation System Attn: _____ _____ _____</p> <p>Phone: _____ Email: _____</p>
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EXHIBIT A

Legal Description of the Premises

A portion of the property owned by Texaco Refining and Marketing Inc. lying in the northwest quarter of Sec. 4, T 34 N, R 2 E, W.M., further described as:

Beginning at the West 1/4 Corner of Sec. 4, T 34 N, R 2 E, W.M.;

thence N.01°45'08" E., 397.43 feet along the west line of said northwest quarter, to the intersection of South March's Point Road with March's Point Road;

thence along the centerline of South March's Point Road S.88°04'02" E., 67.66 feet, to the point of curvature;

thence along a curve to the right with a radius of 191.00 feet a distance of 83.34 feet, to the point of tangency;

thence S. 63°04'02" E., 232.09 feet, to the point of curvature;

thence along a curve to the left with a radius of 440.70 feet, a distance of 200.43 feet, to the point of tangency;

thence N.00°52'30" E., 30.00 feet to the north right-of-way line of South March's Point Road and the true point of beginning.

thence N. 00°52'30" E., 20.00 feet;

thence westerly along a curve to the right of the north right-of-way line of South March's Point Road with a radius of 390.7 feet, a distance of approximately 12.78 feet;

thence north, 158.31 feet;

thence east, 60.00 feet;

thence north, 183.00 feet;

thence east, 271.00 feet;

thence south, 365.09 feet to the north right-of-way line of South March's Point Road;

thence westerly along the north right-of-way line of South March's Point Road N. 89°29'20" W., 202.15 feet;

thence N. 89°07'30" W., 116.41 feet to the true point of beginning.
Encompassing an area of approximately 2.50 acres.



TO: Skagit Transit Board of Directors
FROM: Crystle Stidham, Chief Executive Officer
SUBJECT: Approve extension to Modular Office Lease – 25-010

INFORMATION:

Skagit Transit leased a 14' x 66' modular office building from Pacific Mobile Structures in April 2021 for Facilities Staff during the construction of MOA2 Phase 1. In April 2024 the structure also provided an office for our Capital Projects Manager to wrap up Phase 1 construction and prepare Phase 2 & 3 design. The competitive procurement process was done by KCDA, and through cooperative purchasing, Skagit Transit was able to piggyback the competitive process and awarded contract. The lease was signed at \$1,337.95 per month, plus delivery and installation fees. The lease expired July 31, 2024, and Skagit Transit has been paying month to month without a lease. The modular office is located at 11784 Bay Ridge Drive in Burlington.

Due to the duration of the funding, design, and construction phases of the project, Skagit Transit needs to extend the lease of the modular office. It is anticipated that the building may be needed until December 31, 2027. Skagit Transit has been able to negotiate that the monthly rate remains without escalation at \$1,337.95 for the duration and a termination without penalty clause is included in the lease extension. The lease is back dated to August 1, 2024 to reflect the full requirement of the modular office.

As of February, 2025, the amount spent on the modular office lease is \$62,872.58.

While the original lease did not require Board approval, the extension, if the building is used until the end of the lease, the total cost of the lease will exceed \$100,000.00 and requires Board approval. With estimated removal costs, the total contract value will be approximately \$115,000.00.

RECOMMENDATION:

Staff recommends that the Board of Directors authorizes the CEO to enter into the extension of the lease for the modular office at MOA2 through to December 31, 2027.

BUDGET IMPACT:

None, cost was included in approved 2025 budget.

Lease Agreement/Extension #RO018799



Date: 2/28/2025

Company:
Skagit Transit
600 County Shop Ln
Burlington, WA 98233-9772

Contact:
Nate Burns – 360-757-8801
NBurns@skagittransit.org

Site Location:
Skagit Transit
11784 Bay Ridge Dr
Burlington, WA 98233-3671

Site Contact:
Eric Esparza – 360-770-1135
EEsparza@skagittransit.org

Bud Smith
Cell: 360.722.1830
Office: 360.572.5008

DELIVERY: 4/26/2021 **CURRENT TERM END:** 7/18/2024 **PO/Job#:** 104601

Extension Term: 41 Months **Extension Start:** August 1, 2024 **Extension Term End:** December 31, 2027

Rental Costs Per Month	Eff. Date	Qty	Rate	Extended	Tax
Rental - Mobile Unit 14x66 Office – Unit# 06382	4/26/2021	1	\$1,232.00	\$1,232.00	\$105.95
Rental - OSHA Step	4/26/2021	2	\$0.00	\$0.00	\$0.00
Fee - Personal Property Tax	4/26/2021	1	\$0.00	\$0.00	\$0.00
Rental - Modular Walls	4/26/2021	1	\$0.00	\$0.00	\$0.00
Rental - Security Kit - Doors & Windows	4/26/2021	1	\$0.00	\$0.00	\$0.00
			Subtotals	\$1,232.00	\$105.95
			Total Due Each Month		\$1,337.95

Lease Agreement/Extension #RO018799

By signing below, the Lease Agreement becomes a binding contract between Pacific Mobile Structures (Lessor and Skagit Transit (Lessee in accordance with the terms and conditions set forth on the proceeding pages. Payment is due upon receipt of the first invoice. Lessee is to provide site improvements, utility connections, and handicap accessibility to the building. Building permits/fees and prevailing wages are not included. Site needs to be dry, compacted with minimum 1,500 PSF, level to +/- 6" difference in grade, and accessible by normal truck delivery. All costs to roll, crane or forklift building are not included. Ramping quoted assumes a grade difference of 30" to 36" from door threshold to ramp entrance. Standard setup does not include removal of axles, tires, and tow bars (available upon request. Extra trip charges may occur if Lessee stops work in progress. Removal costs are based on original term end date; after this date, costs will be based on prevailing rates at the date of termination. Physical Damage & Commercial Liability insurance coverage is required beginning on the date of delivery. Before the return of the building, two weeks' notice is required.

Company Name: Skagit Transit

Printed Name

Title of Authorized Corporate Signer

Signature

Date

Invoicing Options

Please use the following email addresses for electronic delivery:

A/P email address on file: kborden@skagittransit.org

New A/P email address: _____

Skagit Transit is opting out of electronic delivery.

Invoices will be mailed to:

600 County Shop Ln
Burlington, WA 98233-9772

New billing address:

Lease Agreement - Terms and Conditions



1. Lease

The transaction is a lease and not a sale. LESSEE does not acquire through this Lease or by payment of rental amounts, any right, title or interest in leased equipment, or any right to purchase such leased equipment. LESSEE acknowledges that the leased equipment is personal property and shall not, at any time, constitute real property, an improvement thereon or a fixture.

2. Rental Period

The rental period shall commence upon the date of delivery of the equipment by LESSOR to the LESSEE and continue until the termination date set forth in each Rental Order, or as earlier terminated as provided herein.

3. Determination of Rental Charges; Leased Equipment

LESSEE shall pay rent, on a monthly basis, in the amounts set forth in the Rental Order issued by LESSOR reflecting the negotiated rental rate and describing the leased equipment.

4. Payment

Payments are due on the first of each month in the amount described in each Rental Order and shall be deemed late if not paid by the 10th of each month, at which time a finance charge of 1% per month will be assessed until paid. Invoices issued by LESSOR are solely for LESSEE's convenience and payment is due regardless of timely delivery of any invoice.

5. Access, Site Conditions, Utility Service

LESSEE shall provide free and clear access for delivery and return of leased equipment by standard mobile transport vehicles. LESSEE shall provide site that is dry, compacted with minimum 1,500 PSF, and level ground on no more than six-inch slope from one end to the other for safe installation and removal of the leased equipment. Site selection is the sole responsibility of LESSEE and LESSOR shall have no liability for determining the adequacy of any site. Furthermore, LESSOR solely reserves the right, for any reason, to refuse to release delivery and/or provide removal at any site it deems inadequate for use, installation and/or removal. LESSEE shall be responsible for obtaining any permits required to install, remove and operate the equipment. LESSEE shall provide at LESSEE's expense site improvements, adequate electrical power, water and other utility services with proper connection to leased equipment and handicap accessibility to the building. LESSEE shall provide at LESSEE's expense the disconnection of electrical power, water and other utility services prior to LESSOR's pick up of the leased equipment.

6. Other Fees, Expenses and Taxes

In addition to the rental payments provided for herein, LESSEE shall pay all expenses, fees, charges, and fuel surcharges incurred in connection with the leased equipment during its delivery, use and return. Additional charges include, but are not limited to, the following instances: (1) where travel permits and/or pilots are required for delivery/return; (2) where the delivery site is not a level, compacted and accessible site; (3) where tie downs are required. The number of seismic tie-downs is estimated with assumptions to site surface and seismic zone. If engineering is requested, then the quantities will be adjusted to the engineered plans. If the tie down option is not taken, LESSEE assumes liability; (4) where alternate steps are needed (temporary steps furnished but steps may not meet all local codes); (5) where state/federal prevailing wages are required (unless quoted otherwise); (6) where axles, tires and tow bars need to be removed; (7) where extra trip charges are needed if LESSEE stops work in progress; (8) where grade for ramping is different than 30" to 36" from door threshold to ramp entrance; (9) where LESSEE delays the delivery of the equipment greater than 30 days from proposed delivery date. If LESSOR is unable to deliver the leased equipment due to LESSEE's site delays, a storage fee will begin thirty (30) days after the predetermined delivery date. LESSEE agrees to pay a pro-rated monthly storage fee at a rate of \$1.00 per square foot of each floor until LESSEE is able to take delivery. If space is unavailable, LESSEE must either transport to an alternative site or LESSOR will do so unilaterally and pass the expense to LESSEE. If the leased equipment remains undeliverable after four months, the contracted rental rate will commence at that time; (10) where lease is cancelled prior to delivery of equipment and LESSOR has made modifications to the building or performed scope of work items. LESSEE also agrees to pay any fines, servicing costs, sales taxes, use taxes, personal or real property taxes and other use taxes, and all assessments and other governmental charges whatsoever payable on LESSEE's use, possession, rental, shipment, transportation, delivery or operation thereof. If a lease is terminated early, the remaining contractual balance shall be immediately due and payable, unless waived by LESSOR in its sole discretion.

7. Delivery and Return of Leased Equipment

LESSOR shall not be liable to LESSEE for any failure or delay in delivering the leased equipment. By taking delivery thereof, LESSEE acknowledges that the leased equipment is in good working condition, free of any physical defect or damage, and is fit for the purpose for which it is leased. Further, the leased equipment shall remain at the delivery site until the termination of the lease, at which time LESSOR shall pick up the leased equipment. The leased equipment shall not be moved without LESSOR's prior written consent. Two weeks' notice is required prior to equipment return date. Rent is required to be paid until the leased equipment is picked up. Delivery and return costs will be quoted at time of rental. However, return costs are to be at the prevailing rate at termination of lease, thus they are subject to change depending on special circumstances such as fuel costs and delivery routes.

8. Eligible Use, Assignment, and Subletting

LESSEE shall use or permit the use of the leased equipment only for lawful purposes and operate in compliance with all laws. LESSEE shall use the interior of the equipment only for typical office, storage or restroom purposes and shall not in any scenario use the interior of the equipment for agriculture purposes. If the leased equipment is used by LESSEE or by any party in association with unlawful or ineligible purposes prior to it being returned to LESSOR, this shall result in an immediate DEFAULT of the lease. LESSEE agrees to reimburse LESSOR upon demand for any and all damages and incidental costs LESSOR incurs, including, but not limited to, time and cost expenses associated with participating in governmental administrative or law enforcement processes, attorney fees, and remedial costs. LESSEE shall not assign, transfer, sublet, or in any way assign its rights hereunder, and shall not pledge, permit to be liened, mortgaged, or otherwise encumber its rights or interests hereunder. All third-party claims of possession, interest or ownership by or through LESSEE as stated herein, shall be deemed invalid. LESSOR may assign its rights hereunder without notice to, or consent from, LESSEE.

9. Non-Liability of LESSOR and Indemnification

Unless caused solely by LESSOR's gross negligence or willful misconduct, LESSOR shall not be liable to LESSEE for any third party claims, actions, suits or proceedings of any kind and nature whatsoever, including any damages, liabilities, penalties, costs, expenses and reasonable consultant and legal fees based on, arising out of, connected with or resulting from the leased equipment or by the use, maintenance, operation, handling or storage thereof, for the loss of LESSEE's business or damages whatsoever or howsoever caused or for LESSEE's obligations under this Lease (hereinafter "Claim(s)"), including, without limitation, Claims relating to ownership, use, possession or disposal of the leased equipment, Claims arising in contract or tort (including negligence, strict liability or otherwise), Claims arising out of latent defects of the leased equipment (regardless of whether the same are discoverable by LESSOR or LESSEE), Claims arising out of or relating to the violation of applicable law, including environmental law, or the existence or release of hazardous materials at the site where the leased equipment is located, or Claims arising out of any trademark, patent or copyright infringement, but excluding (a) any Claims that accrue in respect of circumstances that occur after LESSOR has taken possession of the leased equipment after termination of this Lease, provided that such Claims do not relate to LESSEE's use, possession or operation of the leased equipment, or (b) any Claims that result from the gross negligence or willful misconduct of LESSOR. If any Claim is made against LESSEE or LESSOR, the party receiving notice of such Claim shall promptly notify the other, as set forth in Section 11, but the failure of such person receiving notice to notify the other shall not relieve LESSEE of any obligation hereunder. LESSEE shall indemnify, defend and hold harmless LESSOR, its employees and agents from any and all losses, damages, claims, demands, or liability of any kind whatsoever, including legal expenses and attorney's fees arising from the use, condition or operation of the leased equipment.

10. Insurance Requirements

LESSEE, at its sole cost and expense, will obtain and keep in force, from the delivery date until the removal of the equipment, the following policies:

(a) Blanket Commercial General Liability Insurance providing coverage on ISO form CG 00 01 or a substitute providing equivalent coverage, and subject to policy limitations or exclusions reasonably acceptable to LESSOR, in the amount of not less than \$1,000,000 per occurrence, naming LESSOR as additional insured and endorsed to state that it shall be primary and non-contributory insurance as respects to LESSOR's insurance. All insurance held by LESSOR shall be excess, secondary and non-contributory as respects to LESSEE's insurance.

i. if LESSOR does not receive the general liability certificate prior to delivery, then the LESSEE will pay a monthly non-insurance penalty fee for each month that the LESSEE fails to provide the required certificate of insurance. Such fees shall be calculated by LESSOR at its then prevailing rate(s) and will not be refunded in arrears. LESSOR is not an insurance company and the fee is not an insurance policy.

(b) Commercial property Insurance, providing coverage under ISO Cp 10 30. Causes of Loss-Special Form or the equivalent, and subject to policy limitations or exclusions reasonably acceptable to LESSOR, for an amount no less than 100% of the replacement cost of the leased equipment as established by LESSOR, with

Lease Agreement - Terms and Conditions



LESSOR added as loss payee.

i. If LESSOR does not receive the property insurance certificate as required prior to delivery or if the LESSEE selects the property Damage Waiver, then the LESSEE will automatically be enrolled in the property Damage Waiver program (program). LESSOR is not an insurance company and the program is not an insurance policy. The program only covers damage caused by fire, theft, vandalism and malicious mischief. The LESSEE is responsible for the first \$2,000 in damages, per unit/per loss occurrence. The program only covers the unit itself, and LESSEE is responsible for insuring the contents. The program does not cover property damage caused by any of the following: (a) acts of God (earthquake, seismic activity, high winds, hurricane, tornado, flood), (b) acts of terrorism, (c) building contents, (d) damages caused by LESSEE or its employees, (e) collision damage from vehicles and other equipment, (f) collision damage while being transported or moved, or (g) abuse or neglect by LESSEE. The responsibility for property damage due to these perils is on the LESSEE. either party can cancel the program with ten (10) days prior written notice. If the program is canceled, the LESSEE must provide property insurance as required under section 10(b). All program fees must be paid in order for this option to be valid. If the LESSEE fails to pay their rent or the program fees, the program will be terminated automatically. Fees will not be refunded in arrears. Claims must be reported to LESSOR by fax or email within 48 hours of their occurrence.

LESSEE shall be liable for all deductible portions of all required insurance. LESSEE will deliver certificates evidencing all such insurance to LESSOR prior to delivery of the equipment, provided, however, that LESSOR shall be under no duty either to ascertain the existence of or to examine such insurance policies or to advise LESSEE in the event such insurance coverage shall not comply with the requirements hereof. each insurer shall agree by endorsement to the policy or policies issued by it or by an independent instrument furnished to LESSOR, that it will give LESSOR at least ten (10) days' prior written notice of cancellation of the policy for nonpayment of premiums and at least thirty (30) days' prior written notice for alteration or cancellation due to any other reason or for non-renewal of the policy. If the insurers are unable to or unwilling to provide such notice, LESSEE shall provide such notice. All required insurance shall be maintained with insurance companies rated A- X or better by AM Best (or an equivalent rating by another nationally recognized insurance rating agency of similar standing) or with other insurance companies satisfactory to LESSOR.

11. Accidents or Claims

LESSEE shall within 24 hours after any property damage or casualty event involving the leased equipment notify LESSOR by telephone, and within 48 hours notify LESSOR in writing. Said report shall state the time, place, and nature of the event, the damage sustained, the names and addresses of persons involved, persons injured and witnesses, and any other information relating to said event and it shall promptly forward to LESSOR all correspondence, notices or documents received in connection with any claim or demand relating to the leased equipment or its operation, and shall aid in the investigation and defense of all such claims and demands. Nothing herein shall be deemed to modify the provisions of the paragraph herein in which LESSEE holds LESSOR harmless and indemnifies LESSOR against all these matters, and LESSOR shall have no responsibility to take any action whatsoever in the event of such casualty.

12. Maintenance and Damage

LESSEE shall at LESSEE's own expense, and at all times, keep the equipment in good and efficient working order, condition and repair and shall maintain thereon such identification of ownership as LESSOR may require. LESSOR will maintain and make any repairs required from normal use to the roof, doors, windows, light fixtures, heating, ventilating and air conditioning systems (HVAC), except that LESSEE shall replace HVAC filters, light bulbs and ballasts as required and pay for any damage caused by the LESSEE. LESSEE shall bear the risk of damage, theft or destruction of the leased equipment from every cause, except as outlined in paragraph 10(b) (i), if selected and shall make all replacements, repairs or substitution of parts of equipment thereon at its expense, all of which shall constitute LESSEE's obligatory maintenance of the leased equipment. If LESSEE does not adequately maintain the equipment or adequately repair any damage for which LESSEE is responsible, LESSOR shall have the option to perform the maintenance or repair at LESSEE's expense. LESSEE shall at its expense provide adequate janitorial service to keep the leased equipment in good condition, fair wear and tear excepted. On termination of this lease, the leased equipment shall be returned to LESSOR in the same condition as when delivered, fair wear and tear excepted. In the event that the leased equipment is completely destroyed beyond repair, LESSEE shall continue to pay rent to LESSOR, until the LESSOR is made whole through receipt of full payment for the replacement cost of the leased equipment.

13. Inspection by LESSOR

LESSOR may inspect the leased equipment at any reasonable time and may provide a notice of non-responsibility or preservation of LESSOR's interest.

14. Default

An event of default will have occurred if LESSEE: (a) does not pay rent when due, or otherwise fails to perform as required under this Lease or under any other agreement with LESSOR, (b) becomes insolvent, assigns its assets for the benefit of creditors, or enters (voluntary or involuntarily) into a bankruptcy or receivership proceeding, (c) shall suffer an adverse material change in its financial or business condition from the date hereof and as a result LESSOR deems itself insecure or (d) uses the equipment in an ineligible way, such as use of the interior of the equipment for agriculture purposes, which is prohibited.

15. Remedies

Upon the occurrence of an event of default, LESSOR may, in its sole discretion, (a) do one or more of the following with respect to all or part of the leased equipment, concurrently or separately: (i) demand the return of the leased equipment, (ii) enter upon LESSEE's premises and without any court order or other process of law, repossess and remove all or part of the leased equipment, or render the leased equipment unusable without removal, either with or without notice to LESSEE and with or without terminating this Lease, and LESSEE hereby waives any trespass or other right of action for damages by reason of such entry, removal, or disabling of the leased equipment, (iii) proceed by appropriate court action or actions either at law or in equity to enforce performance by LESSEE of the applicable covenants of the Lease, (b) demand and recover judgment for the remaining balance of all rent due through the remaining term of the lease, and recover all other amounts due hereunder and any other damages caused by such default, and (c) exercise any other remedies available under the Uniform Commercial Code or any other law. All of LESSOR's rights and remedies hereunder and at law and in equity shall be cumulative; any waiver of such rights or remedies must be in writing, and a waiver of LESSOR's rights or remedies on one occasion shall not constitute a waiver of any other existing or future right or remedy. Should LESSOR be required to take possession of the leased equipment, LESSEE agrees to pay the cost of repossession, storing, shipping, and repairing the leased equipment.

16. LESSEE's Possession on Termination

If LESSEE retains possession of the leased equipment beyond the Rental Order term expiration date without proper written renewal notice, LESSOR shall have the option of (a) deeming this Lease renewed as a month to month tenancy per LESSOR's standard rental rates at such time, as determined by LESSOR in its sole discretion, or (b) repossessing its leased equipment and other property at any time without notice.

17. Attorney's Fees, Collection Fees, Interest

If LESSEE defaults on this Lease, LESSOR shall be entitled to recover from LESSEE all items of damages, costs and expenses, including court costs, reasonable attorney's fees and repossession fees, incurred by LESSOR to enforce its rights and remedies hereunder, whether suit is filed or not, and including all attorneys' fees and costs incurred in any bankruptcy proceeding. LESSOR shall also be entitled to interest on delinquent invoices at the rate of 1.0% per month or the maximum rate permitted by law until such invoice is paid in full.

18. Miscellaneous; Consent to Jurisdiction; Jury Waiver

This Lease shall be construed and interpreted under the laws of the state in which the equipment is located. LESSEE consents to the jurisdiction of state and federal courts located in the state of Washington for the determination of all disputes arising under this Lease. All signed copies shall constitute duplicate originals. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY. The Parties shall endeavor to resolve their disputes by first discussing any such disputes in person and in good faith. If the Parties' direct discussions fail to resolve any and all issues, any controversy or claim arising out of or relating to this Lease, its enforcement or interpretation or because of an alleged breach, default or misrepresentation in connection with any of its provisions, shall be resolved by arbitration pursuant to the Construction Industry Arbitration Rules of the American Arbitration Association.

19. Entire Agreement

This Lease, and any Rental Order issued in connection herewith, contains the entire agreement between the LESSOR and LESSEE and may not be altered, modified, terminated or otherwise changed unless agreed to in writing by LESSOR. This Lease contains the entire understanding of the parties and supersedes any other document from the LESSEE or any other agreement, including verbal, among the parties.

20. Notices

All notices required under the terms and provisions of this Lease shall be in writing and shall become effective three (3) days following mailing if mailed by US certified mail, or upon receipt if given in any other manner, addressed to Pacific Mobile Structures at PO Box 1404, Chehalis WA 98532, and to LESSEE set forth on the face page hereof, or at such other address as either party may designate in writing. The payment remittance address is to Pacific Mobile Structures at PO Box 24747, Seattle WA 98124.



TO: Skagit Transit Board of Directors

FROM: Crystle Stidham, Chief Executive Officer

SUBJECT: Approve Front-loading 166.70 Hours of General Leave for Joe Stewart

INFORMATION:

The purpose of this report is to request the Board's approval to front-load 166.70 hours of general leave for Joe Stewart, the leading candidate for the Director of Finance position, anticipated to start employment on April 1, 2025.

No additional hours will be earned or accrued until February 1, 2026. All other components of the Personnel Policy Manual will apply.

As stated in the Personnel Policy Manual:

Please understand that no supervisor, manager or representative of Skagit Transit other than the Skagit Transit Board of Directors has the authority to enter into any agreement with you for employment for any specified period or to make any written or verbal commitments contrary to the foregoing.

As such, this request requires board approval before proceeding. Joe has requested front-loading of this leave as a component of his total compensation package.

RECOMMENDATION:

Staff recommends the board approve front-loading 166.70 hours of general leave for Joe Stewart.

BUDGET IMPACT:

None



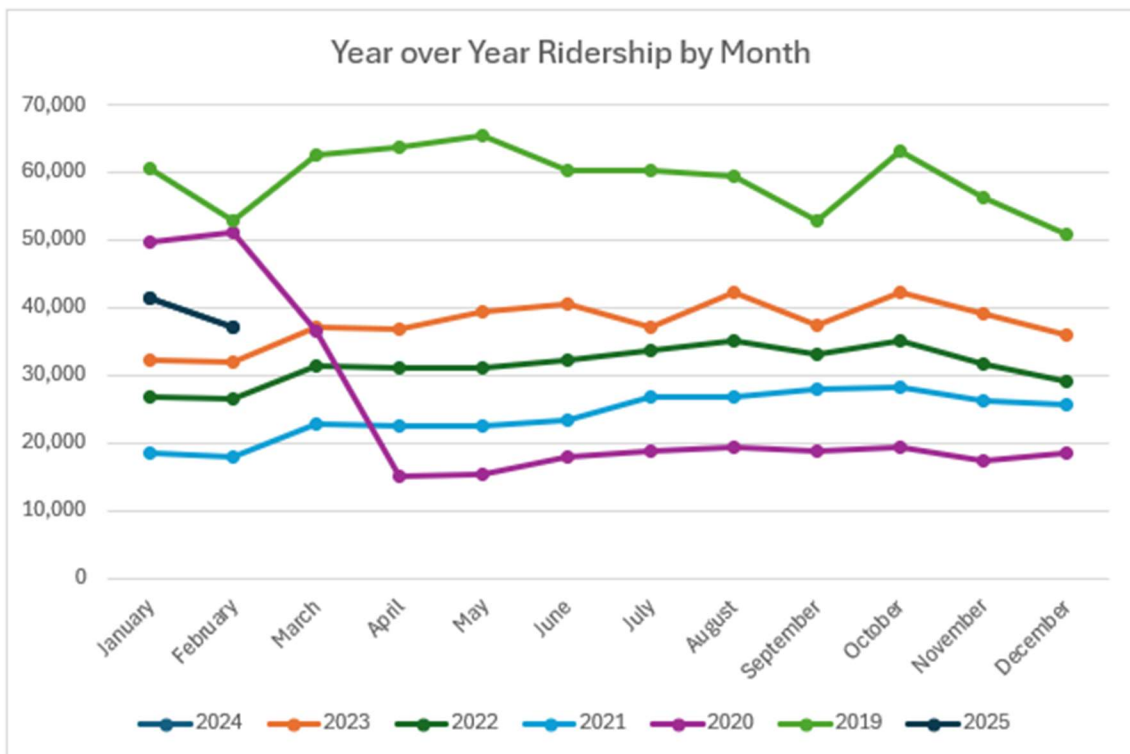
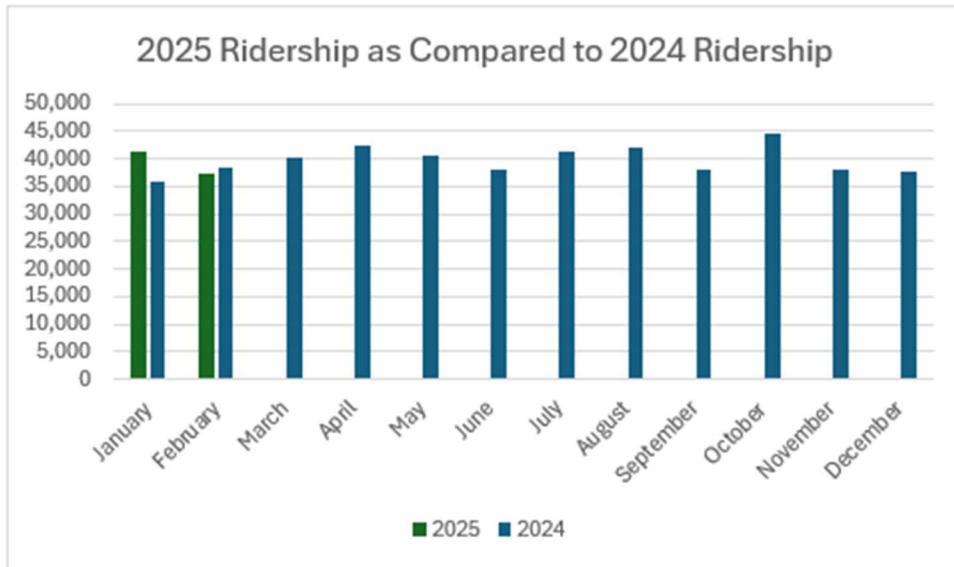
FEBRUARY 2025 Performance Report

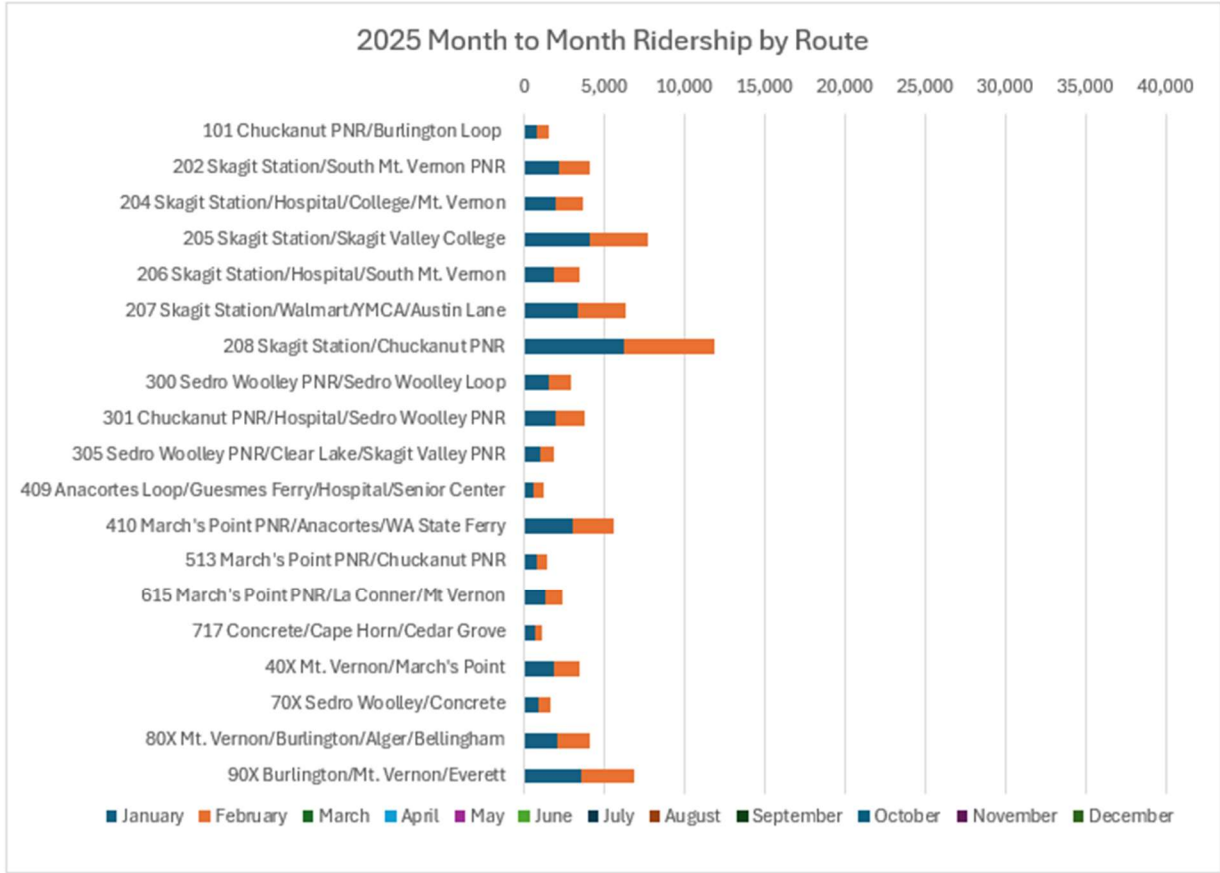
Ridership Comparison: Fixed Route

Month to Month	Actual	% Change 2025 vs	YTD	Actual	% Change 2025 vs
2025	37,202	-----	2025	78,581	-----
2024	35,761	4%	2024	74,108	6.04%
2019	52,809	-29.55%	2019	113242	-30.61%

			PPH	Cost per Trip	% of Wkdy Ridership	% of Wkdy Rev Hrs	% of Wkdy Total Hrs	
Average Weekday Ridership:	2024	1,656	40X	5.2 \$	44.66	4.39%	4.45%	6.00%
	2025	1,592	70X	2.3 \$	102.13	2.13%	4.94%	7.51%
Average Saturday Ridership:	2024	173	80X	9.3 \$	25.13	5.42%	3.09%	5.15%
	2025	177	90X	4.9 \$	47.85	8.87%	9.63%	18.45%
Average Sunday Ridership:	2024	146	101	2.5 \$	92.85	2.03%	4.27%	2.90%
	2025	154	202	5.0 \$	46.47	5.20%	5.48%	3.71%
Passengers Per Hour:			204	4.5 \$	52.24	4.67%	5.53%	4.22%
Weekday	5.5		205	8.9 \$	26.15	9.69%	5.75%	3.00%
Saturday	4.9		206	4.4 \$	52.99	4.27%	5.13%	2.88%
Sunday	4.0		207	5.6 \$	41.99	8.14%	7.75%	5.95%
System	5.3		208	8.7 \$	26.91	15.14%	9.24%	5.32%
			300	4.3 \$	53.90	3.91%	4.77%	3.77%
			301	4.6 \$	50.18	4.96%	5.64%	3.78%
			305	3.3 \$	69.69	2.41%	3.82%	4.55%
Average Weekday Ridership (Connect 2024)	1,789		409	2.3 \$	100.80	1.48%	3.39%	2.56%
	2025	1,589	410	7.9 \$	29.61	6.92%	4.65%	4.95%
			513	2.1 \$	110.40	1.71%	4.29%	5.71%
Average Weekday Ridership (Urban):	2024	1,813	615	3.2 \$	72.30	2.79%	4.57%	5.52%
	2025	1,821	717	1.7 \$	134.03	1.19%	3.62%	4.07%
Average Weekday Ridership (Rural):	2024	661						
	2025	672						
						<i>Umo Unknown rides</i>	4.68%	
			Average:	5.3 \$	44.09			

Fixed Route Highlights





Ridership Comparison: Paratransit

Month to Month	Actual	YoY	YTD	Actual	YoY
2025	5,744	-----	2025	12,081	-----
2024	5,094	12.76%	2024	10,695	12.96%
2019	5,090	11.39%	2019	11,156	7.66%

Paratransit On Time Performance: 97%

Paratransit Monthly Report	Boardings / Ridership	Actual Hours	Revenue Hours	Actual Miles	Revenue Miles	Cost Per Trip
TOTAL WEEKDAYS	5,046	3,088	2,750	38,039	32,021	\$63.91
TOTAL SATURDAY	358	228.9	201.5	2756	2396	\$69.43
TOTAL SUNDAY	257	149.9	133.1	1433	1189	\$60.94
TOTAL SUPERVISOR	62	39.8	30.3	658	427	\$48.55

Passenger Information

<i>Clients</i>	92.24	%
<i>Companions</i>	0.00	%
<i>Attendants</i>	3.46	%
<i>Others</i>	4.30	%
<i>Pass. Per Trip</i>	1.06	
<i>Average Length</i>	32.59	Minutes
<i>Average Distance</i>	6.28	Miles
<i>Transferred Passengers</i>	1	

Requested Trip Information

<i>Total Requested</i>	7097	<i>No Shows</i>	40
<i>Unscheduled</i>	2	<i>Cancels CD</i>	83
<i>Unscheduled</i>	0.03%	<i>No Shows</i>	1.73 %
<i>Cancel Adv.</i>	554		
<i>Late Cancels</i>	365	<i>No Shows Other</i>	0
<i>Same Day</i>	505	<i>Cancel Other</i>	75
<i>Site Closure</i>	124	<i>Missed</i>	0
<i>User Error</i>	50	<i>MissedT</i>	0
<i>Cancels</i>	23.57%	<i>Missed</i>	0.00 %
	<i>Transferred Trips</i>		1

Hours Allocation

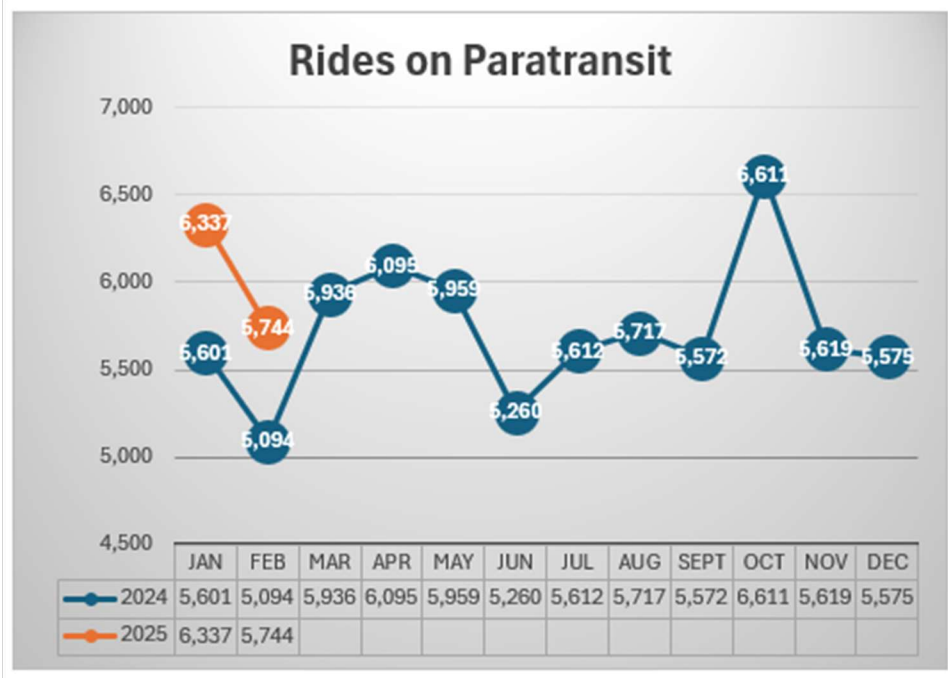
<i>Total</i>	3513.72	Hours
<i>Deadhead</i>	11.18	%
<i>Service</i>	88.82	%
<i>Live</i>	88.78	%
<i>Brk, Lnch, or Out</i>	0.04	%
<i>User defined breaks</i>	0.04	%

Miles Allocation

<i>Total</i>	42939.8	Miles
<i>Deadhead</i>	15.97	%
<i>Service</i>	84.03	%
<i>Live</i>	83.97	%
<i>Brk, Lnch, or Out</i>	0.05	%
<i>User defined breaks</i>	0.00	%

Vehicle Type

	Paratransit		Fixed Route	
	Cash	Umo	GFI	Umo
	2,598	3,146	23	1,190
Passenger Total		5,744		1,213
Total Paratransit Ridership				6,957



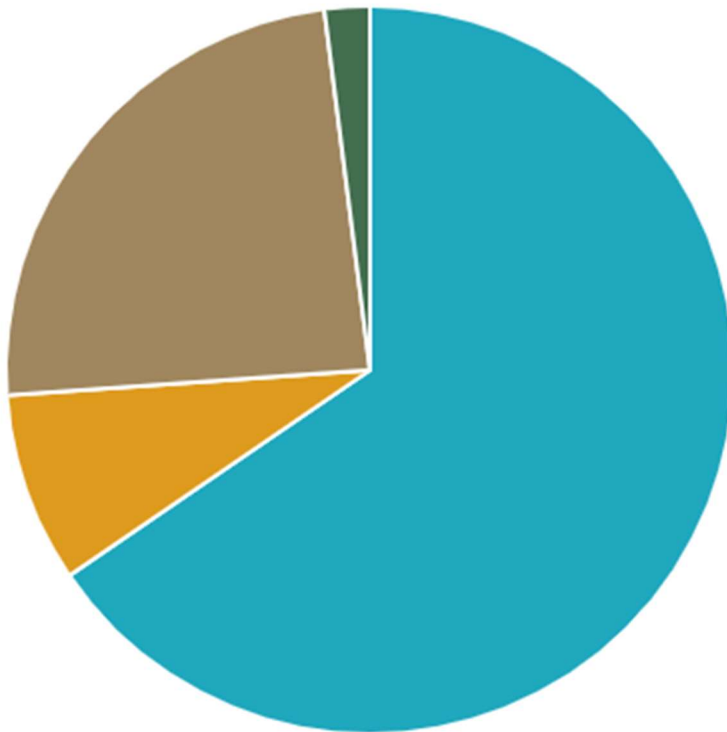
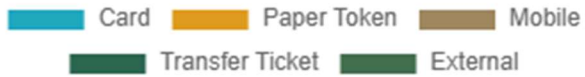
Fare Report:

Fare Report: *Cash, GFI and Umo fares collected on fixed route and paratransit by service type*

	Paratransit	Full Fare	Reduced Fare		Free Rides	
			Univ Passes	Seniors/PwD	Courtesy & PCA	Youth
Fixed Route	1213	18910	946	8956	1962	5580
Paratransit	5461	110	0	89	0	84
TOTAL	6674	19020	9991		7626	
<i>Percent of Total Ridership</i>	15.4%	43.9%	2.2%	20.7%	4.5%	13.1%

Skagit Transit Fare Payments by Media Type

Media Type	Count	Percentage
Card	16,891	65.46%
Paper Token	2,177	8.44%
Mobile	6,218	24.10%
Transfer Ticket		
External	518	2.01%
	25,804	100.01%



Monthly Maintenance Facts and Figures

Diesel Fuel Consumed	21,774 Gallons
Propane Fuel Consumed	8,808 Gallon Equivalents

WEEKLY REVENUE HOURS			
	WEEKDAY	SATURDAY	SUNDAY
40X	273.48	39.10	
70X	318.57	29.02	
80X	154.03	27.45	35.60
90X	598.30	39.32	39.28
101	233.12	29.40	37.58
202	297.02	44.28	44.15
204	311.70	38.53	38.70
205	316.10	44.10	43.97
206	274.85	47.48	38.58
207	465.77	39.32	39.80
208	501.63	74.17	74.08
300	264.63	36.03	35.03
301	313.08	41.30	42.48
305	201.48	33.48	33.30
409	199.82	38.25	
410	199.82	38.00	
513	301.45		
615	279.15	42.23	
717	243.55	10.97	
TOTAL	5747.55	692.43	502.55
TOTAL MONTHLY FIXED ROUTE REVENUE HOURS			6942.53
TOTAL MONTHLY PARATRANSIT REVENUE HOURS			3092.70

WEEKLY REVENUE MILES			
	WEEKDAY	SATURDAY	SUNDAY
40X	6283.80	934.10	
70X	10792.80	803.50	
80X	8858.60	824.80	1060.80
90X	20766.80	1348.40	1348.10
101	2791.40	363.90	396.30
202	3659.60	528.10	537.70
204	4283.70	549.60	556.30
205	2355.20	339.60	332.30
206	2817.70	392.60	385.60
207	6529.20	547.00	547.20
208	5236.40	772.40	773.20
300	3802.90	515.30	510.50
301	3732.40	510.70	513.40
305	4393.20	717.00	725.80
409	2732.00	515.60	
410	1122.60	468.40	
513	6607.20		
615	6541.90	908.50	
717	932.50	240.20	
TOTAL	104239.90	11279.70	7687.20
TOTAL MONTHLY FIXED ROUTE REVENUE MILES			123206.80
TOTAL MONTHLY PARATRANSIT REVENUE MILES			36345.00

CAC REPORT

March 11, 2025

Skagit Transit's Belle Tromp, Operations Manager, was our speaker, discussing the areas of focus for the department and exhibiting her passion for the transportation industry. She fielded several questions, and was also on hand to participate in the meeting.

Due to glitches in the Teams platform throughout the meeting, not all agenda topics were covered, but will be addressed during our April meeting.

The ridership report was given by Alan Brooks, showing an upward trend for 2024 with some fluctuations.

Judy also gave a brief legislative alert on HB 1418, PTBA governing body members, amending RCW 36.57a.050, which has been referred to Transportation for its first reading, as of March 7.

The committee was informed of the arrival of the new Planning And Outreach Supervisor as of April 1.

Next meeting, April 8.

Respectfully Submitted,

Judy Jones

CAC Chair