

and no Party may receive Wake County Transit Tax Revenues unless they remain in compliance with the terms and conditions of this Participation Agreement.

4.02 Implementation Agreements. The Parties to this Participation Agreement acknowledge that all Implementation Elements contained in the Wake Transit Work Plan, whether partially or fully funded with Wake County Transit Tax Revenues, will not move forward until Implementation Agreements, which shall include a Capital Funding Agreement and an Operating Agreement, are executed by and between the Party or Parties and GoTriangle, as administrator of the Special District. Each Capital Funding Agreement and Operating Agreement shall contain all elements in the definitions of such agreements as set forth in this Participation Agreement. If any Implementation Agreement involves federal or state funding that is otherwise under the distribution and program management responsibility of CAMPO or, regardless of funding source, constitutes a regionally significant project as defined in 23 CFR § 450.104, CAMPO shall also be a party to the agreement. The purpose of this Section is to acknowledge, as defined, the minimum requirements of Implementation Agreements. Nothing herein shall be construed to bind a future governing board of a Party or otherwise alter its ability to negotiate or approve the contents of an Implementation Agreement.

4.03 Community Funding Areas. Community Funding Areas projects shall be included in the Wake Transit Work Plan and shall meet all eligibility requirements set forth in this Article.

ARTICLE V SUPPLANTATION/SUPPLEMENTATION

5.01 As of the Effective Date of this Participation Agreement, N.C.G.S. § 105-508.2 and N.C.G.S § 105-564 require that the net proceeds of the special tax district be used to supplement and not to supplant or replace existing funds or other resources for public transportation systems. The Parties acknowledge that the only funds subject to these requirements as of the execution of this Participation Agreement are the ½ percent sales tax proceeds collected under N.C.G.S. § 105-508.2 and the regional transit authority vehicle registration tax proceeds collected under N.C.G.S § 105-564. It is the intent of the Parties of this Participation Agreement to comply with these statutes and as may hereafter be amended.

5.02 All Parties ~~commit to~~ will consider pursue-pursuing state and federal funding sources, which are not controlled locally, when appropriate for implementation of eligible projects. Efforts to use existing funds or other resources, including state and federal funding sources, will be documented and publically available as a condition of receiving Wake County Transit Tax Revenue. To the extent permitted by law, any audits required as a condition of receiving the identified funding sources shall be available for public inspection as well.

~~5.03 The most recently reported local fiscal year prior to the Effective Date of this Participation Agreement shall be the baseline for comparison of annual budgets for all Parties for the Term of the Agreement. It is anticipated that this year will be the locally reported fiscal year for FY 16.~~

5.0403 Nothing herein shall be construed to modify, abridge, or deny the authority or discretion of any Party or municipality to independently develop, administer, or control transportation projects pursuant to enumerated authority or funding sources separate from the authority and funding sources outlined in this Participation Agreement.

5.045 In the event that the statutory language or judicial interpretation of the terms set forth in N.C.G.S. 105-508.2 or N.C.G.S § 105-564 change after execution of this Participation Agreement, ~~then and in that event, any such change shall have prospective application only. Provided that all Parties shall work together have acted in good faith to determine if the intent and purpose of the Participation Agreement can be accomplished by executing any Amendments deemed necessary, no determinations of compliance with supplantation/supplementation requirements for the purpose of past funding shall be re-examined.~~

ARTICLE VI AMENDMENT, TERMINATION AND NOTICE

6.01 **Amendment.** This Participation Agreement may be amended to add parties or to change content. After the Effective Date of this Participation Agreement, any Eligible Participant Party or Governance ILA Party may become a Party to this Participation Agreement upon execution of the Participation Agreement by an authorized designee of that Party's governing board (or equivalent). If any Party desires to amend the content of the Participation Agreement, then the proposed amendment and the reasons for the proposed amendment shall be communicated in writing to the TPAC. All Parties that have executed the Participation Agreement must agree to the amendment in writing.

6.02 **Termination upon a year's notice.** Any Party may terminate its participation in this Participation Agreement by giving written Notice to each other Party of intent to terminate, as well as reasons for terminating (which shall be in the sole discretion of the terminating party), at least one (1) year prior to the effective termination date. Notwithstanding the above, any withdrawing Party shall have a duty to fulfill all obligations and duties of Implementation Agreements unless such Agreements are terminated in accordance with their provisions. Any Party terminating participation shall be ineligible for future Wake County Transit Tax Revenue Funding for any Implementation Element until and unless the Party re-enters into the Participation Agreement.

6.03 **Cooperation Provisions.** In the event of a termination, the terminating Party shall not be relieved of any existing and unperformed obligations up until the effective date of termination, and the Participation Agreement shall remain in effect as to the non-withdrawing Parties. The non-withdrawing Parties, beginning at the time notice of termination is received, shall work together in good faith to determine if the intent and purpose of the Participation Agreement can be accomplished by executing any Amendments deemed necessary and/or adding any parties deemed necessary to perform the executory obligations of the withdrawing Party.