

UMBRELLA AGREEMENT

THIS UMBRELLA AGREEMENT made as of this 5th day of July, 1989, by and between the CITY OF RICHMOND ("City"), a municipal corporation of the Commonwealth of Virginia, the COUNTY OF CHESTERFIELD ("Chesterfield"), a political subdivision of the Commonwealth of Virginia, the City and Chesterfield being hereinafter sometimes collectively referred to as the "Participants", and the GREATER RICHMOND TRANSIT CO. (the "Transit Company"), a public service corporation organized and existing under the laws of the Commonwealth of Virginia with its principal office in the City of Richmond;

W I T N E S S E T H :

WHEREAS, the Transit Company is a corporation organized and existing as a public service corporation under the laws of the Commonwealth of Virginia with its principal office in the City of Richmond and is a wholly owned instrumentality of the City and Chesterfield, and

WHEREAS, the Transit Company is the principal passenger carrier in the Richmond urbanized area engaged in mass transit; and

WHEREAS, the Participants, desiring to alleviate highway congestion, promote highway safety, increase the utility and benefits and expand the services of mass transit for the safety and comfort of the public and otherwise to contribute to the economy and welfare of the Commonwealth of Virginia, and the City and Chesterfield hereby find that there is a need for

a system of public transportation in the City and Chesterfield, and that the Transit Company is a public service corporation wholly owned by public bodies for the benefit of the public and qualified to operate such a system; and

WHEREAS, it is proposed that the Transit Company, upon the request of any of the Participants, will provide and continue to operate, subject to the provisions of this agreement, motor vehicles for the regular transportation of passengers over such routes and to such points within the boundaries of the City and Chesterfield as any such request by a Participant may specify for its area, pursuant to such terms and conditions as may be agreed upon and, accordingly, such transportation of passengers by motor vehicle will be excluded from the requirements of Chapter 12 of Title 56 of the Code of Virginia, as amended, entitled "Motor Vehicle Carriers Generally"; and

WHEREAS, in furtherance of the foregoing the Participants desire to enter into this Agreement pursuant to Section 15.1-526.2 of the Code of Virginia, as amended, with a view to providing mass transit for passengers on a regional basis in contiguous localities for the purpose of providing continuous service within and between political subdivisions as and to the extent the same may be required by the Participants now or in the future, all pursuant to the terms and conditions herein set forth; and

WHEREAS, the Participants, which own and hold all the outstanding shares of the common stock of the Transit Company, and the Transit

Company desire that the certificates evidencing such shares of common stock held by them be made subject to the terms and conditions hereof;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is hereby mutually agreed between the parties hereto as follows:

1. GOVERNANCE

1.01. Election of Directors.

(a) Each of the Participants shall have the right to nominate as Directors of the Transit Company three persons who shall be citizens of its respective political subdivision and each Participant agrees to vote its shares of the common stock of the Transit Company at all regular, special or adjourned meetings of the stockholders of the Transit Company for the Directors so nominated by the Participants, it being the intention of the Participants that each of them shall have the right to be represented by three members of the Board of Directors of the Transit Company. Immediately following the execution of this Agreement, each of the Participants will execute a unanimous consent of the shareholders of the Transit Company in the form of Exhibit UA-1 hereto attached electing the newly constituted Board of Directors of the Transit Company, such Directors to take office immediately.

(b) If a vacancy occurs on the Board of Directors, the Participant whose Director vacated his position shall have the right to nominate a new Director which new Director shall be a citizen of the

Participant's political subdivision. Each Participant will cause its Directors to vote for the Director nominated by the Participant, it being the intention of the Participants that each of them shall have the right to be represented by three members of the Board of Directors of the Transit Company.

1.02. Actions by Board of Directors. The Board of Directors of the Transit Company immediately upon having been elected pursuant to Paragraph 1.01 set forth next above, shall hold an organizational meeting for the purpose of considering and acting upon, inter alia, the following:

(a) The election of a Chairman and Vice Chairman of the Board of Directors.

(b) The election of officers.

(c) Consideration of proposals from each Participant concerning a system of legal representation by counsel for the Participants which will further the public interest in and efficient operation of the Transit Company.

(d) The selection of independent auditors.

(e) Such other matters as the Board of Directors may deem appropriate.

2. RESTRICTIONS ON TRANSFER OF SHARES

2.01. Each and every certificate representing a share or shares of the common stock of the Transit Company heretofore issued to the

Participants or to be issued to them, is, and shall be, held, owned and transferred subject to all of the terms and conditions of this Agreement.

2.02. Each and every of said certificates issued to Participants, or to be issued to them as aforesaid, shall have written across its face and signed by the Secretary of the Transit Company the following words:

"This Certificate is held and owned and is to be transferred only in accordance with the terms and conditions of a certain agreement between the City of Richmond, the County of Chesterfield, and the Greater Richmond Transit Co., dated the _____ day of _____, 1989, a copy of which agreement is, and shall remain, on file with the Greater Richmond Transit Co."

2.03. A signed copy of this Agreement shall be filed with the Transit Company and shall remain on file with the Transit Company until such time as this Agreement shall be cancelled by the mutual action of the parties hereto or expire pursuant to Paragraph 4.01 hereof.

2.04. If any Participant shall desire at any time to dispose of the shares of the common stock owned by it, whether now owned or hereafter acquired, it shall, by written notice to the Secretary of the Transit Company, offer to sell to the Transit Company all, but not part of the shares owned by it, and the Transit Company shall be obligated, to the extent permitted by law, to purchase the same at the price per share originally paid for the same by the selling Participant. The purchase price shall be paid by cash or certified check on or before the 30th (the "Cutoff Date") day following receipt of the notice of the selling Participant's desire to sell. The stock certificate evidencing the shares to be sold shall be delivered to the Transit Company against payment therefor, together with

such instruments of transfer as may be required by the Transit Company. No Participant may offer to sell its shares to the Transit Company, nor shall the Transit Company be obligated to purchase such shares, unless and until such Participant has fulfilled all of its obligations to the Transit Company pursuant to this Agreement, all Route Contracts to which it is a party as anticipated under Paragraph 3.03 set forth below, or any other agreement described or anticipated by this Agreement.

In the event the Transit Company is prohibited by law from purchasing on or before the Cut-Off Date all shares of common stock of the Transit Company offered for sale by a Participant, such Participant shall send the remaining Participant (the "Remaining Participant") a written notice of its offer to sell all shares of common stock of the Transit Company not purchased by the Transit Company at the price per share originally paid for such shares. The Remaining Participant shall be entitled to purchase the shares. The closing for the sale of any shares purchased under this paragraph shall take place within 45 days of receipt by the Remaining Participant of the written notice referenced above sent by the selling Participant.

2.05. Each Participant shall have the right to acquire such new shares of the common stock of the Transit Company as may hereafter be authorized and issued by it in proportion to the number of shares held by it at the time of such issue.

2.06. The Participants shall not sell, hypothecate, pledge, give away, assign, transfer or in any way dispose of the shares owned by them in any manner other than as provided in this Agreement.

3. TRANSPORTATION OF PASSENGERS

3.01. Routes and Maintenance Thereof. Subject to the terms and conditions herein and in the form of Route Contract attached hereto as Exhibit UA (such form of Route Contract being herein referred to as the "Route Contract"), and subject to the availability of adequate assets and resources of the Transit Company, the Transit Company will operate and manage such routes for the transportation of passengers as any Participant may request, it being understood that no route being operated will be discontinued so long as the Participant who originally requested that such route be initiated is in substantial compliance with all of the terms and conditions of the Agreement and the Route Contract executed by such Participant. For the purpose of Paragraphs 3.01 and 3.02, all routes existing on the date hereof that pass through the City of Richmond shall be deemed to have been originally requested by the City of Richmond.

3.02 Purpose of this Agreement. Pursuant to the requirements of Section 15.1-526.2 of the Code of Virginia, as amended, the parties hereto agree that this Agreement and the operations of the Transit Company pursuant hereto will be for the purpose of providing public transportation in contiguous localities for transportation services or the interchange of passengers for the purpose of providing contiguous service within and

between political subdivisions and such other activities as may be agreed upon by the parties hereto.

3.03 Route Contracts. The Transit Company agrees that it will continue to operate and maintain any route in existence as of the date hereto and, subject to the availability of adequate assets and resources, will initiate, operate and maintain any route requested by any Participant following the execution of this Agreement upon the execution of a Route Contract. The Transit Company will continue to operate any such route until such time as 1) it is requested to terminate it by the Participant originally requesting such route, or 2) until such time as the Participant who is a party of the Route Contract fails to comply with the terms and conditions of such Route Contract, or 3) upon the sale of the Participant's shares pursuant to Paragraph 2.04 hereof.

4. TERMINATION

4.01 Conditions for Termination. This Agreement will be terminated:

(a) As to any Participant which sells the shares of the common stock of the Transit Company owned by it pursuant to the provisions of Paragraph 2.04 hereof;

(b) Upon the dissolution of the Transit Company; or

(c) By the mutual agreement of the parties hereto to do so.

4.02 No Liability Upon Termination. In the event of the termination and abandonment of this Umbrella Agreement pursuant to the provisions of this Article 4, this Umbrella Agreement shall become void and have no

effect, without liability on the part of any of the parties hereto or their respective governing bodies or officers, except as may arise or exist pursuant to other agreements between a party hereto and the Transit Company.

5. ACCESS TO RECORDS

5.01 Each Participant shall have complete and unrestricted access to the records, financial and otherwise, of the Transit Company whether such records are in the possession of the Transit Company or of another person. Any Participant may conduct an audit of the Transit Company, at the expense of such Participant, as such Participant may desire and the Transit Company shall cooperate fully in such audit.

IN WITNESS WHEREOF, the City of Richmond has caused its name to be subscribed hereunto by its City Manager and its seal to be hereto affixed and attested by its City Clerk, they being duly authorized so to do by Ordinance No. 89-180-162 adopted by the Council of the City of Richmond, on the 26th day of June, 1989; and the County of Chesterfield has caused its name to be subscribed hereunto by the Chairman of its Board of Supervisors and its seal to be hereto affixed and attested by its Clerk of the Board of Supervisors, they being duly authorized so to do by resolution adopted by the Board of Supervisors of the County of Chesterfield, on the 12th day of April, 1989; and the Transit Company has caused its name to be subscribed by its Chairman and its seal to be affixed and attested by its Secretary, such officers being duly authorized so to do

by resolution of its Board of Directors adopted on the 19th day of June,
1989.

ATTEST:

CITY OF RICHMOND

(SEAL)

Gelene B. Williams

By *Joseph B. Inay*
City Clerk

By *Robert C. Bell*
City Manager

ATTEST:

COUNTY OF CHESTERFIELD

(SEAL)

By *James S. Daley*
Clerk of the Board
of Supervisors

By *W. H. Hargrave*
Chairman, Board of Supervisors

ATTEST:

GREATER RICHMOND TRANSIT CO.

(SEAL)

By *William J. Hoyer*
Assistant Secretary

By *B. B. Bledsoe*
Chairman