

MOTION:

October 20, 2009

SECOND:

Regular Meeting

Res. No. 09-

RE:

**APPROVE REVISIONS TO THE VIRGINIA RAILWAY EXPRESS
MASTER AGREEMENT TO ADD SPOTSYLVANIA COUNTY**

ACTION:

WHEREAS, on August 18, 2009, the Board of Supervisors of Spotsylvania County approved and authorized execution of the following: (1) an Agreement Governing Spotsylvania County's Admission to Membership in PRTC and Participation in the VRE (the "VRE Membership Agreement"); (2) an Amended VRE Master Agreement; (3) an Amended PRTC Founding Ordinance and Master Agreement (the "PRTC Founding Ordinance"); and

WHEREAS, the VRE Membership Agreement must be approved by NVTC and PRTC, the Amended VRE Master Agreement must be approved by PRTC, NVTC, and each participating and contributing Jurisdiction, and the PRTC Founding Ordinance must be approved by PRTC; and

WHEREAS, in order to complete the required steps for Spotsylvania County to become a member of PRTC, a certification from the Secretary of the Commonwealth must be obtained stating that the requirements for enlarging PRTC have been complied with, and that certification must be entered into the minutes of a Spotsylvania County Board of Supervisors' meeting; and

WHEREAS, the VRE Membership Agreement approved by Spotsylvania County provides that approval of the three agreements and completion of the certification process must occur by all required parties by November 30, 2009; and

WHEREAS, the VRE Membership Agreement approved by Spotsylvania County provides that the effective date of Spotsylvania County's membership in PRTC and its participation in VRE is February 15, 2010, subject to each party's right to terminate the VRE Membership Agreement on 30 days notice prior to the effective date; and

WHEREAS, the VRE Operations Board has recommended to NVTC and PRTC that the Amended VRE Master Agreement be approved; and

WHEREAS, NVTC and PRTC will consider approval of the foregoing agreements at their meetings in November, 2009, and have forwarded to the participating and contributing VRE jurisdictions the Amended VRE Master Agreement and requested that it be considered for approval by their governing bodies by October 31, 2009;

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NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors approves the Amended VRE Master Agreement to include Spotsylvania County as a signatory, effective February 15, 2010, and contingent upon each participating and contributing jurisdiction, and both NVTC and PRTC, approving the Amended VRE Master Agreement;

BE IT FURTHER RESOLVED that the Prince William Board of County Supervisors hereby authorizes its Chairman to execute the Amended VRE Master Agreement on behalf of the Prince William Board of County Supervisors.

Votes:

Ayes:

Nays:

Absent from Vote:

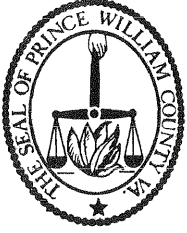
Absent from Meeting:

For Information:

Acting County Executive
County Attorney
Director Transportation

CERTIFIED COPY

Deputy Clerk to the Board



COUNTY OF PRINCE WILLIAM

1 County Complex Court, Prince William, Virginia 22192-9201
(703) 792-6620 Metro 631-1703 FAX: (703) 792-6633


COUNTY ATTORNEY

Angela Lemmon Horan
County Attorney

October 14, 2009

Agenda Date: October 20, 2009
County Attorney's Time

TO: BOARD OF COUNTY SUPERVISORS

FROM: ANGELA LEMMON HORAN 
County Attorney

**RE: APPROVE REVISIONS TO THE VIRGINIA RAILWAY EXPRESS
MASTER AGREEMENT TO ADD SPOTSYLVANIA COUNTY**

The Board of County Supervisors, as a member of the Potomac and Rappahannock Transportation District Commission ("PRTC"), has been asked by the PRTC to consider approving amendments to the Virginia Railway Express ("VRE") to allow Spotsylvania County to join the VRE if Spotsylvania is admitted to the PRTC by vote of the PRTC Board. The PRTC Board will take the Board of County Supervisors' agreement to the attached amendments to the VRE Master Agreement as a sign of Prince William's willingness that Spotsylvania should become a member, not only of VRE, but of PRTC as well.

Representatives of the VRE will make the attached presentation for Spotsylvania's inclusion in PRTC during my time at the Board's October 20, 2009, meeting. The requested action is well within the Board's legal authority. Further, I understand that County Staff from the Office of Executive Management and Transportation concur in a policy recommendation that Spotsylvania County should be allowed to join PRTC and VRE on the terms it has offered.

A significant number of riders of the system today live in Spotsylvania County. As all trips are subsidized by the participating VRE jurisdictions, the cost of Spotsylvania rider trips will continue to be borne by the participating jurisdictions alone unless and until Spotsylvania County joins VRE. Once Spotsylvania begins contributing its share of the system subsidy (an obligation which will be deferred for two years), the other participating jurisdictions, Prince William included, will be relieved of some of the subsidy burden they have been carrying. Our Budget Office estimates that in FY 2012, Prince William will realize a savings of approximately \$1,064,929 in its contribution to VRE, due to receipt of Spotsylvania's deferred contributions. Thereafter, Spotsylvania will be contributing on the same basis as other participating jurisdictions, as outlined in

the Master Agreement. We anticipate that Spotsylvania County's annual contribution to the subsidy of VRE will be approximately \$1,500,000 if ridership conditions remain the same. As a member of PRTC, Spotsylvania will also be sharing PRTC's administrative expenses as well.

We have prepared a resolution approving the changes to the VRE Master Agreement, and it is attached. What follows is a briefing prepared by VRE staff which was presented to the PRTC and the Northern Virginia Transportation District Commission ("NVTC"), PRTC's partner in the VRE, as well as copies of the proposed amendments to the PRTC Founding Ordinance and the proposed Agreement by which Spotsylvania would become a member of PRTC.

Please let us know if you have any questions.

Attachments: as stated

cc: Acting County Executive
Budget Director
Transportation Director
Finance Director

RECOMMENDATION

Approve the amended Virginia Railway Express (VRE) Master Agreement to include Spotsylvania County as a signatory, effective February 15, 2010, and contingent upon all participating and contributing jurisdictions, and both the Northern Virginia and Potomac and Rappahannock Transportation Commissions (“NVTC” and “PRTC”), approving the amended VRE Master Agreement.

BACKGROUND

On August 18, 2009, the Spotsylvania County Board voted to become a member of PRTC and to participate as a participating jurisdiction in the VRE effective February 15, 2010. Three agreements must now be executed by the appropriate parties. These are (1) a Membership Agreement among Spotsylvania County, PRTC and NVTC; (2) an amended VRE Master Agreement approved by Spotsylvania County and each participating and contributing jurisdiction as well as PRTC and NVTC; and (3) an amended PRTC Founding Ordinance and Master Agreement approved by the County and PRTC. A summary of the agreements follows.

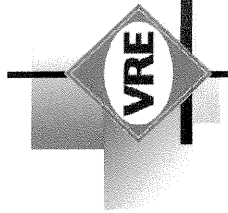
(1) Membership Agreement - governs Spotsylvania County’s admission into PRTC and participation in VRE and includes the following central provisions:

- Station - the terms of membership include Spotsylvania County funding property acquisition, environmental review, design and construction of platform and a 1,000 space parking lot (500 initially). Work shall be completed on or before the later of February 15, 2012 or completion of the railroad line extension. VRE will assist in obtaining federal and/or state grant funding for the County, if desired. However, if the required grant match amount exceeds 20%, the County may defer construction until more favorable funding is obtained.
- Railroad Infrastructure - VRE is required to fund property acquisition, environmental review, design and construction of an extension of the existing rail line to serve a Spotsylvania station, subject to CSXT approval. Work shall be completed on or before February 15, 2012, subject to funding.
- VRE subsidy – Spotsylvania County shall pay, as stated in the Amended VRE Master Agreement, its share of VRE’s annual budget. In the first fiscal year, the County shall owe a prorated amount and the full amount for each year thereafter. In addition, a deferral has been negotiated to allow deferral at a rate of 100% for FY 2010 and FY 2011 and 50% for FY 2012. If the County fails to pay its subsidy, the County agrees that it may be withheld from its share of gas tax revenue.
- Withdrawal - if Spotsylvania withdraws from the VRE by agreement, the County may remain a member of PRTC and collect the gas tax until it satisfies the agreed upon conditions of withdrawal.

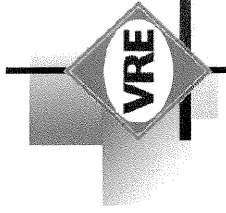
(2) Amended VRE Master Agreement - amends the VRE Master Agreement to include Spotsylvania County as a signatory and member of the Operations Board with one seat. It also adds two new financial guidelines to the existing non-binding financial guidelines used in preparing VRE's annual budget. The first guideline directs the Operations Board to make every effort to keep the total local subsidy for VRE level each year. The second guideline directs the Operations Board to make every effort to enable those participating jurisdictions that have access to dedicated transportation funding sources to rely upon those sources to fund their respective share of the costs of commuter rail service and not general fund monies.

(3) Amended PRTC Founding Ordinance and Master Agreement – provides the County two seats on PRTC and results in the gas tax being collected in the County.

Spotsylvania County Admission into VRE and PRTC



Potomac and Rappahannock
Transportation Commission

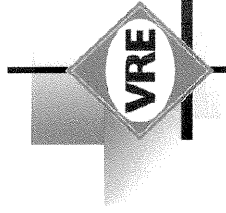


Background



Potomac and Rappahannock
Transportation Commission

- ▶ On August 18th, Spotsylvania County voted to join PRTC and become a participating member of VRE.
- ▶ Effective date is February 15, 2010.
- ▶ Three agreements must be executed:
 - Membership Agreement between Spotsylvania County, PRTC and NVTC
 - Amended VRE Master Agreement approved by all eight jurisdictions, NVTC, PRTC and Spotsylvania
 - Amended PRTC Founding Ordinance – approved by PRTC and Spotsylvania.

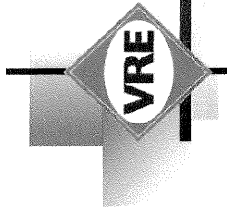


Membership Agreement



Potomac and Rappahannock
Transportation Commission

- ▶ Station – County provides a platform and 1,000 space (500 initially) parking lot. Must be complete by February 15, 2012
- ▶ Railroad Infrastructure – VRE provides an extension of third track for 4 miles to service future Spotsylvania station. Must complete by February 15, 2012
- ▶ VRE Subsidy – Deferred in FY 2010 (100%), 2011(100%) and 2012 (50%)
 - Deferral amount paid in first 60 days of FY 2013
- ▶ Withdrawal – If County withdraws from VRE, may collect gas tax until all monetary conditions of withdrawal are satisfied
- ▶ Ratified by Spotsylvania County, PRTC and NVTC

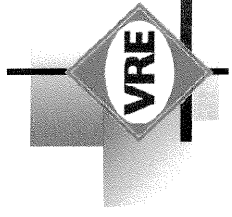


Amended VRE Master Agreement

- ▶ Provides Spotsylvania entry into VRE and one seat on the VRE Operations Board
- ▶ Adds two new financial guidelines
 1. Directs Operations Board to make every effort to keep total subsidy level from year to year
 2. Directs Operations Board to make every effort to enable jurisdictions using dedicated gas tax revenue to fund VRE subsidy and not utilize general fund monies
- ▶ Ratified by all jurisdictions and Commissions



Potomac and Rappahannock
Transportation Commission

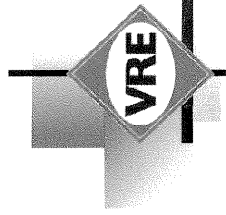


Amended PRTC Ordinance



Potomac and Rappahannock
Transportation Commission

- ▶ Provides Spotsylvania two seats on PRTC
- ▶ Results in collection of gas tax revenue for Spotsylvania
- ▶ Ratified by PRTC and Spotsylvania only

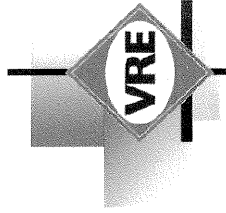


Affect on Subsidy Allocation

	FY 2010 Approved Budget*	FY 2010 with Spotsylvania*	Difference
Alexandria	124,737	124,737	-
Arlington	182,499	182,499	-
Fairfax County	4,995,534	4,634,802	(360,732)
Fredericksburg	508,503	446,222	(62,282)
Manassas	883,443	798,574	(84,869)
Manassas Park	537,496	485,234	(52,262)
Prince William County	6,173,028	5,605,066	(567,962)
Stafford County	2,971,727	2,653,037	(318,690)
Spotsylvania	-	1,446,796	1,446,796
	16,376,968	16,376,968	0

* Calculation assumes membership for entire fiscal year based on October 1, 2008 annual survey.

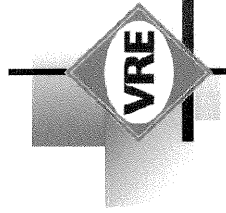
* Does not include any deferral.



Estimated Amount of Deferrals

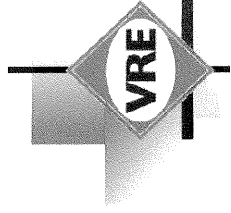
	FY 2010 Approved Budget	Spotsylvania Deferred Amounts			Total
		Feb 15, 2009 FY 2010	100% FY 2011 (est)	50% FY 2012 (est)	
Alexandria	124,737				
Arlington	182,499				
Fairfax County	4,995,534	(135,000)	(361,000)	(181,000)	(677,000)
Fredericksburg	508,503	(23,000)	(62,000)	(31,000)	(116,000)
Manassas	883,443	(32,000)	(85,000)	(43,000)	(160,000)
Manassas Park	537,496	(20,000)	(52,000)	(26,000)	(98,000)
Prince William County	6,173,028	(213,000)	(568,000)	(284,000)	(1,065,000)
Stafford County	2,971,727	(120,000)	(319,000)	(160,000)	(599,000)
Spotsylvania	-				
	16,376,968	(543,000)	(1,447,000)	(725,000)	(2,715,000)

- Deferral period – 22.5 months
- Jurisdictions will earn subsidy credits which will be paid in FY 2013



Change in Weighted Voting

	Subsidy	Current Total Jurisdictional Vote	Total Jurisdictional Vote with Spotsylvania
Fairfax	\$4,634,802	30.5%	28.3%
Fredericksburg	\$446,222	3.1%	2.7%
Manassas	\$798,574	5.4%	4.9%
Manassas Park	\$485,234	3.3%	3.0%
Prince William	\$5,605,066	37.7%	34.2%
Stafford	\$2,653,037	18.1%	16.2%
Alexandria	\$124,737	0.8%	0.8%
Arlington	\$182,499	1.1%	1.1%
Spotsylvania	\$1,446,796	0.0%	8.8%
	\$16,376,967	100.0%	100.0%

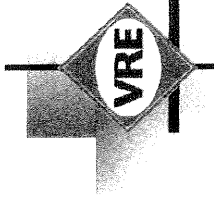


Deadlines



Potomac and Rappahannock
Transportation Commission

- ▶ All jurisdictions must approve amended VRE Master Agreement by October 31st
- ▶ Commissions must approve amended Master Agreement on November 5th
- ▶ PRTC and Spotsylvania must approve Founding Ordinance by November 5th
- ▶ Secretary of Commonwealth must certify requirements for enlarging PRTC in November
- ▶ Certification must be entered into minutes of Spotsylvania County BOS meeting by November 30th
- ▶ Spotsylvania can withdraw before January 15th

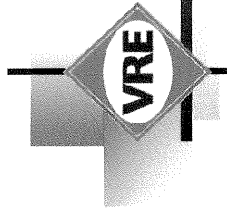


Voting Schedule



Potomac and Rappahannock
Transportation Commission

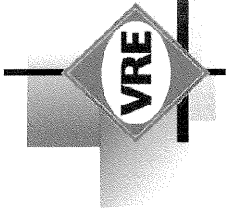
Jurisdiction	Scheduled Dates for Approval of Master Agreement
Fairfax	October 19, 2009
Fredericksburg	Approved October 13th
Manassas	Approved October 12th
Manassas Park	October 20, 2009
Prince William	October 20, 2009
Stafford	Approved October 6th
Alexandria	Approved October 13th
Arlington	October 24, 2009
NVTC	November 5, 2009
PRTC	November 5, 2009



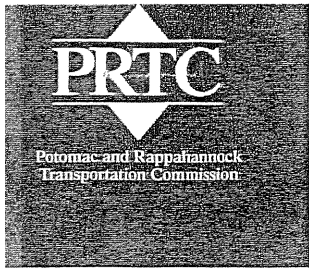
Voting Schedule



Jurisdiction	Scheduled Dates for Approval of Master Agreement
Fairfax	October 19, 2009
Fredericksburg	Approved October 13th
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Manassas Park	October 20, 2009
Prince William	October 20, 2009
Stafford	Approved October 6th
Alexandria	Approved October 13th
Arlington	October 24, 2009
NVTC	November 5, 2009
PRTC	November 5, 2009



Questions?



14700 Potomac Mills Road
Woodbridge, VA 22192

September 8, 2009

Ms. Susan L. Roltsch
Acting County Executive
1 County Complex Court
Prince William, VA 22192

Dear Ms. Roltsch:

At its September 3, 2009 meeting, the Potomac and Rappahannock Transportation Commission (PRTC) unanimously adopted the enclosed resolution marking the first step in an approval process for Spotsylvania County to join PRTC and VRE. The PRTC Board's September 3rd action follows a similar action taken by the Spotsylvania Board of Supervisors on August 18, 2009, in which the Spotsylvania Board expressed its desire to become a PRTC/VRE member. Referring again to the PRTC Board's September 3rd resolution, it directs me to forward the proposed, amended VRE Master Agreement to all of PRTC's member jurisdictions, seeking each jurisdiction's approval no later than October 31, 2009, as this communication is designed to do.

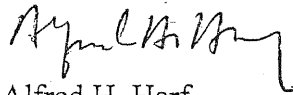
Jurisdictional approval no later than October 31, 2009 is the first of a succession of approvals required by no later than November 30, 2009 to consummate Spotsylvania County's membership. Other approvals as described in a summary prepared by VRE Legal Counsel Steve MacIsaac are required involving the PRTC Board, the NVTC Board, and the Secretary of the Commonwealth. Assuming all the approvals occur as envisioned, Spotsylvania County would become a member of PRTC and VRE effective February 15, 2010, the date specified by the Spotsylvania Board of Supervisors in its August 18, 2009 action.

Finally, I have enclosed the other two agreements referenced by Mr. MacIsaac in his summary, which will also need to be consummated no later than November 30th. While there is no member jurisdictional action required with regard to these last two referenced agreements (i.e., the so-called "membership agreement" and the amended PRTC Founding Ordinance), I thought you and members of your governing board would want to see them so you have the entire picture.

Ms. Susan L. Roltsch
September 8, 2009
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I am at your disposal if there's a need for further clarification.

Sincerely,



Alfred H. Harf
Executive Director

Enclosures: As stated

cc (w/enclosures): Steve MacIsaac
Angela Horan
Dale Zehner

Amended 7/07 8-12-09

MASTER AGREEMENT FOR PROVISION OF COMMUTER
RAIL SERVICES IN NORTHERN VIRGINIA --
ESTABLISHMENT OF THE VIRGINIA RAILWAY EXPRESS

I. INTRODUCTION

A. PARTIES

This MASTER AGREEMENT is entered into between and among the Northern Virginia Transportation Commission, hereinafter referred to as "NVTC," the Potomac and Rappahannock Transportation Commission, hereinafter referred to as "PRTC," both of which shall collectively be referred to as "the COMMISSIONS," the jurisdictions of Fairfax County, the City of Manassas, Prince William County, Stafford County, Spotsylvania County, the City of Manassas Park and the City of Fredericksburg, hereinafter referred to as the "PARTICIPATING JURISDICTIONS," and the jurisdictions of the City of Alexandria and Arlington County, hereinafter referred to as the "CONTRIBUTING JURISDICTIONS."

B. NAME OF THE COMMUTER RAIL SERVICE

The commuter rail service established hereby shall be known as the VIRGINIA RAILWAY EXPRESS.

C. PURPOSES

The purposes of this MASTER AGREEMENT are:

(1) to provide for the operation and maintenance of commuter rail service by acquiring the necessary capital equipment and financing therefor; to provide for the construction of necessary platforms, stations, parking areas, storage facilities, and all other facilities necessary for the operation of commuter rail service; to establish an adequate plan of insurance; and to pay for the operation and maintenance of a commuter rail service project consisting of trains making round trips on each of two lines originating in the Manassas area and the Fredericksburg area to Union Station in the District of Columbia, ("D.C. Service"), , or, as a contingency plan until the D.C. service can begin, to Crystal City, Virginia, ("Crystal City contingency plan"), according to formulae set forth herein;

(2) to agree and commit to a complete financial plan, and the procedure by which annual budgets shall be developed that are satisfactory to the PARTICIPATING and CONTRIBUTING JURISDICTIONS;

(3) to secure funding from state, federal and local sources for the capital and operating costs of the project and to allocate the costs thereof;

(4) to establish and organize responsibility for the administration and operation of commuter rail services and for the administration of contracts, leases and other agreements entered into by the COMMISSIONS for such service;

(5) to authorize the COMMISSIONS to execute all appropriate and necessary contracts with the National Railroad Passenger Service Corporation (Amtrak), the Richmond, Fredericksburg and Potomac Railroad Company (RF&P), the Southern Railway Company (Southern), the Consolidated Rail Corporation (Conrail), the Virginia Department of Transportation (VDOT), other appropriate federal agencies and agencies of the Commonwealth

of Virginia, and such other parties as may be required for the provision of the services contemplated hereby;

(6) to provide for land acquisition, the construction of station sites, platforms and parking facilities at mutually agreed locations, and the maintenance of rolling stock; and

(7) such other purposes as are necessary for the efficient capitalization and operation of the Virginia Railway Express.

D. EFFECTIVE DATE AND TERM

(1) Effective Date -- This Agreement shall be effective upon a date certain established by the COMMISSIONS, not more than thirty (30) days following the adoption of the pre-revenue service budget, the initial annual budgets for the D.C. service and the Crystal City contingency plan and the initial six (6) year financial plans for the D.C. Service and the Crystal City contingency plan, each provided for herein, by resolution of each of the PARTICIPATING JURISDICTIONS.

(2) After the effective date of the MASTER AGREEMENT, at such time as the COMMISSIONS may deem appropriate, the COMMISSIONS may:

(a) complete the procurement of rail equipment and locomotive vendors and award and execute contracts with such vendors for manufacture of rail passenger equipment and locomotives, such contracts to provide for the acquisition of locomotives and equipment sufficient for the D.C. Service or, at such time as the COMMISSIONS may so determine, in the event revenue service into the District of Columbia cannot occur prior to the start of commuter rail service, then locomotives and equipment sufficient for the Crystal City contingency plan; and

(b) issue bonds or notes in the name of NVTC to finance the purchase of rail passenger equipment and locomotives, insurance costs, and other costs of the commuter rail service as provided for in budgets approved by the parties hereto.

(3) The issuance of bonds by the COMMISSIONS shall not occur until the following conditions precedent have been complied with:

(a) Final agreement has been reached on a contract document ready for execution by Amtrak and the COMMISSIONS for the operation of commuter rail passenger equipment, and for the right to use Amtrak's tracks and facilities for the operation of commuter rail service.

(b) Final agreement has been reached on a contract document ready for execution by the RF&P and the COMMISSIONS for the right to use the RF&P's tracks and facilities for the operation of commuter rail service.

(c) Final agreement has been reached on a contract document ready for execution by the Southern and the COMMISSIONS for the right to use the Southern's tracks and facilities for the operation of commuter rail service.

(d) Final agreement has been reached on a contract document ready for execution by Conrail and the COMMISSIONS for the right to use Conrail's tracks and facilities for the operation of revenue commuter rail service into the District of Columbia, or for non revenue service from Crystal City, Virginia, to the District of Columbia as part of the Crystal City contingency plan.

(e) Final agreement has been reached on an insurance plan, mutually acceptable to the aforesaid railroad companies, the Virginia Division of Risk Management, and the COMMISSIONS, to cover the liabilities arising out of the operation of commuter rail service.

(4) Term -- This Agreement shall continue indefinitely unless terminated sooner as provided herein.

E. CONDITIONS PRECEDENT TO START OF RAIL SERVICE

The COMMISSIONS shall establish the starting date of commuter rail service, and the number of trains to be operated initially on each line, in accordance with the provisions of this MASTER AGREEMENT. Commuter rail service may begin contemporaneously or successively on both rail lines, as soon as practical after the effective date of this MASTER AGREEMENT, provided that such service shall not start on a line until the COMMISSIONS are satisfied that:

the station facilities on the line on which service is to begin are substantially ready for commuter service and rail passenger equipment capacity is available to carry at least 75% of estimated initial ridership on that line. Estimated initial ridership for the D.C. Service and for the Crystal City contingency plan shall be based upon the studies entitled Patronage and Revenue Forecasts for the Virginia Railway Express (May 1987) by R.H. Pratt and the Supplemental Patronage and Revenue Forecasts for the VRE (September 13, 1989), attached as Appendices A1 and A2, respectively.

F. CRYSTAL CITY CONTINGENCY PLAN

Subsequent to the effective date of this Master Agreement, and prior to the start of commuter rail service, the COMMISSIONS shall determine whether revenue service into the District of Columbia can occur. In the event that the factors necessary to enable the D.C. Service are not, or will not be, in place prior to the start of rail service, including the execution of an agreement with CONRAIL for the use of that railroad's tracks and facilities, then the COMMISSIONS may implement the Crystal City contingency plan authorized hereunder. In such event, those budgets and financial plans contained herein applicable to the Crystal City contingency plan shall determine the costs and expenses of the commuter rail service as funded by the parties hereto.

G. DEFINITIONS

As used in this MASTER AGREEMENT, the following words and terms shall have the following meanings unless the context shall indicate another meaning or intent:

(1) "Cost of Commuter Rail Service" shall mean operating and capital costs.

(2) "Capital Costs" shall mean those costs to be paid by the COMMISSIONS for capital items (other than costs, if any, classified as operating costs), including debt service, with respect to capital or operating costs which are financed with borrowed money or other types of deferred payment instruments.

(3) "Operating Costs" or "Operating Expenses" shall mean the expenses or costs of operating and maintaining the Virginia Railway Express, including, without limitation (unless otherwise specifically provided herein), costs of insurance, as defined for the purposes of this Agreement in Section VIII.B.(1), and costs of the COMMISSIONS which are not paid from bond proceeds, including operating reserves.

II. ORGANIZATION

A. CO-ORDINATION BETWEEN NVTC AND PRTC

The COMMISSIONS shall enter into all agreements with third parties necessary to the establishment and operation of the Virginia Railway Express, and the Executive Directors

thereof shall coordinate the presentation of all matters requiring the COMMISSIONS' consent so that decisions required to be reached by both may be made in an efficient and timely fashion.

B. ESTABLISHMENT OF THE OPERATIONS BOARD

(1) In order that the COMMISSIONS shall have an efficient mechanism for the formulation of operational policy and the execution of decisions required for the commuter rail service, the COMMISSIONS shall enter into an agreement setting forth the COMMISSIONS' relationship, duties and responsibilities regarding the commuter rail service, which agreement may be modified from time to time as the COMMISSIONS deem appropriate. The agreement shall establish a committee responsible to the COMMISSIONS which shall be known as the OPERATIONS BOARD to consist of the number of elected officials hereafter set forth from the governing bodies of each of the PARTICIPATING and CONTRIBUTING JURISDICTIONS selected by the COMMISSION of which the jurisdiction is a member from among its commissioners; and an ex officio representative of the Chairman of the Commonwealth Transportation Board selected as that Chairman shall determine. A copy of the aforesaid agreement, and any subsequent amendments thereto, shall be attached hereto and incorporated herein as Appendix B upon adoption by the COMMISSIONS.

(a) The CONTRIBUTING JURISDICTIONS shall each have one member on the OPERATIONS BOARD, and each may have one alternate appointed from its governing body in the same manner as regular members.

(b) The PARTICIPATING JURISDICTIONS shall each have a number of members on the OPERATIONS BOARD proportionate to the ridership from the jurisdiction as determined in accordance with Section VIII.C. Such number shall be as follows:

- (1) PARTICIPATING JURISDICTIONS with 25% or more of the total system ridership shall have three (3) members on the OPERATIONS BOARD;
- (2) PARTICIPATING JURISDICTIONS with 15% to 24% of total system ridership shall have two (2) members on the OPERATIONS BOARD; and
- (3) PARTICIPATING JURISDICTIONS with less than 15% of total system ridership shall have one (1) member on the OPERATIONS BOARD.
- (4) Each PARTICIPATING JURISDICTION may also have one alternate for each of its regular members appointed from its governing body in the same manner as regular members.

(2) The first members of the OPERATIONS BOARD shall be appointed not later than upon execution of this MASTER AGREEMENT, and shall continue as members until their successors shall have been selected, provided that under no circumstances, except in the case of the Chairman of the Commonwealth Transportation Board's representative, shall membership on the OPERATIONS BOARD continue after a member ceases to be both a member of a governing body from a PARTICIPATING or CONTRIBUTING JURISDICTION and a commissioner of his appointing transportation district commission.

(3) The OPERATIONS BOARD shall elect from among its members a chairman and such other officers as it may deem essential each to serve for a term of one year or until a successor is elected. All officers shall be eligible for reelection.

(4) The OPERATIONS BOARD shall endeavor to conduct its business by consensus to the extent possible. Nonetheless, each jurisdiction represented on the OPERATIONS BOARD shall be entitled to a vote with a weight proportionate to the jurisdiction's annual subsidy determined in accordance with Section VIII.A.(1) and (2) for the then current fiscal year, e.g., a jurisdiction paying 25% of the annual jurisdictional subsidy shall have a vote with a weight equal to 25% of the total. The members of the OPERATIONS BOARD from jurisdictions with more than one representative may each cast an individual vote with a weight based on an equal proportion of the jurisdiction's total voting weight. A quorum of the OPERATIONS BOARD shall consist of a majority of the members which shall include at least one member from a majority of the PARTICIPATING and CONTRIBUTING JURISDICTIONS. The presence of a quorum and a vote of the majority of members present, including at least one affirmative vote from a majority of the members from the PARTICIPATING and CONTRIBUTING JURISDICTIONS, which majority shall constitute not less than sixty percent (60%) of the total annual jurisdictional subsidy, shall be necessary for the OPERATIONS BOARD to take any action. The representative of the Chairman of the Commonwealth Transportation Board shall have one vote on the OPERATIONS BOARD.

(5) The OPERATIONS BOARD shall hold regular meetings at such locations and times as the members may determine, which meetings shall be called and conducted in accordance with such by-laws of the OPERATIONS BOARD as may be adopted by the members thereof. Roberts' Rules of Order, Revised shall govern those procedural matters not set forth in the by-laws.

C. FUNCTION OF OPERATIONS BOARD

The OPERATIONS BOARD shall serve as an advisory body to the COMMISSIONS and shall oversee the management, operation and control of operational decisions, functions, affairs and property of the commuter rail service on behalf of the COMMISSIONS, exercising such powers and authority as may be delegated to it by the COMMISSIONS.

(1) FINANCIAL MANAGEMENT -- The OPERATIONS BOARD shall oversee the management of all monies attributable to commuter rail service, including federal and state grant funds and local contributions, consistent with such terms and conditions as may be agreed upon for administration by the Virginia Division of Risk Management of a liability insurance plan. The financial management responsibilities of the OPERATIONS BOARD shall be specified by the COMMISSIONS in the agreement between them (Appendix B), and shall include supervision of funds collected from the sources identified in this MASTER AGREEMENT, maintenance of accounts, investments, and disbursement of funds in accordance with approved budgets.

(2) MAINTENANCE OF ACCOUNTS -- In order to ensure the proper management of the monies of the commuter rail service, for so long as the COMMISSIONS so determine, NVTC shall serve as the repository for all such monies, and shall perform all necessary accounting duties. NVTC shall disburse such funds only on direction of the OPERATIONS BOARD as authorized by the COMMISSIONS.

D. COMMUTER RAIL CHIEF EXECUTIVE OFFICER

At such time as the COMMISSIONS may direct, and in no event later than the start of service hereunder, the OPERATIONS BOARD shall recommend a CHIEF EXECUTIVE OFFICER for selection by the COMMISSIONS.

(1) The CHIEF EXECUTIVE OFFICER shall report directly to, and shall act at the direction of, the OPERATIONS BOARD.

(2) With the exception of matters expressly delegated by the COMMISSIONS or the OPERATIONS BOARD to the extent of its own authority, the CHIEF EXECUTIVE OFFICER shall act only upon the prior authorization of the OPERATIONS BOARD.

(3) The OPERATIONS BOARD may direct the CHIEF EXECUTIVE OFFICER to act only to the extent authorized by the COMMISSIONS.

(4) To the extent directed by the OPERATIONS BOARD, as authorized by the COMMISSIONS, the MANAGER shall be responsible for the proper administration of all day to day functions and affairs of commuter rail services, which responsibilities shall include but not be limited to:

(a) monthly reports to the COMMISSIONS regarding matters of administration and operation, including claims management and the financial condition of the commuter rail project;

(b) execution of annual budgets;

(c) day-to-day operational decisions incident to the provision of continuous commuter rail services, including those required in the event of emergency circumstances; and

(d) such other duties as may be delegated by the OPERATIONS BOARD and authorized by the COMMISSIONS.

(5) Until such time as the COMMISSIONS determine otherwise, the CHIEF EXECUTIVE OFFICER shall serve either as an employee of NVTC, paid by the COMMISSIONS as an operating expense, or an independent contractor similarly paid.

E. STAFF AND OTHER COMMITTEES

Upon the request of the OPERATIONS BOARD, the COMMISSIONS may employ staff, or retain independent contractors, to serve as technical advisors, consultants and the like useful in discharging the responsibilities of the COMMISSIONS and the OPERATIONS BOARD under this MASTER AGREEMENT, and may establish committees for the purposes set forth herein.

III. FINANCIAL PLANS AND BUDGETS

A. PREPARATION OF SIX-YEAR FINANCIAL PLANS

Together with the annual budget, the preparation of which is provided for in Section III.C., the OPERATIONS BOARD shall annually prepare a revised six-year financial plan for approval by the COMMISSIONS as part of the budget approval process. The financial plan shall contain a six-year forecast and shall be the basis for annual budgets and requests by the COMMISSIONS for financial assistance from the PARTICIPATING JURISDICTIONS in accordance with the funding formulae set forth herein, as well as from the CONTRIBUTING JURISDICTIONS, and other funding sources. The initial six-year plans for service into the District of Columbia and for the Crystal City contingency plan are attached to this MASTER AGREEMENT as Appendices C1 and C2, respectively.

Formulation of the financial plan shall be guided by the following principles:

(1) Accurate and adequate estimates of the costs of operation shall be prepared for all aspects of the project operation, and a preliminary financial plan shall be formulated and presented by the OPERATIONS BOARD to the COMMISSIONS and transmitted to the PARTICIPATING and CONTRIBUTING JURISDICTIONS on or before September 30 of the preceding fiscal year for their review. A final recommended financial plan shall be presented to the COMMISSIONS on or before December 1 for approval by the COMMISSIONS. The COMMISSIONS shall act by February 1, and, thereafter, transmit to the PARTICIPATING JURISDICTIONS the financial plan together with the budget for the next fiscal year and a request to budget and appropriate their share, as established herein, of the costs of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The COMMISSIONS shall simultaneously transmit to the CONTRIBUTING JURISDICTIONS a request to contribute to the costs of commuter rail service for the fiscal year.

(2) The COMMISSIONS shall utilize responsible debt financing to the extent that such is financially advantageous to the commuter rail project and is in the interests of the parties hereto. Provided, however, that in no event shall the COMMISSIONS issue a debt related to the commuter rail project, other than that initial debt necessary for the initial acquisition of equipment and facilities to begin service hereunder and the establishment of an insurance reserve, absent the unanimous consent of all parties hereto.

(3) With the exception of fares for the Crystal City contingency plan, fares shall be set to recover, initially, no less than 50% of the annual estimated operating costs unless otherwise agreed to unanimously by the PARTICIPATING JURISDICTIONS, and with the understanding that a shared objective of the COMMISSIONS and the PARTICIPATING JURISDICTIONS will be the periodic adjustment in the fare structure in order to achieve a minimum of 50 % recovery of operating costs from fare revenue.

(4) The costs of commuter rail service shall be borne by the PARTICIPATING JURISDICTIONS subject to, and in accordance with, the formula set forth in Section VIII.A.(2), below; however, the COMMISSIONS shall seek all state aid available to acquire rolling stock.

(5) Costs for parking lots, stations, and other capital costs as provided in Section IV. shall be the responsibility of the PARTICIPATING JURISDICTION in which the improvement is made; however, the COMMISSIONS shall seek financial assistance for these improvements from the Commonwealth's Mass Transit Fund and federal sources.

(6) The COMMISSIONS shall seek funds from the Commonwealth and federal government, and apply such funds for the performance of the responsibilities contained herein in accordance with the provisions of Section IV.B. hereof; no general obligation of PARTICIPATING or CONTRIBUTING JURISDICTIONS shall be required, or established hereby.

(7) Banking, investments, and accounting practices shall be governed by the requirements of state and federal grantor agencies, the terms of the agreement between the COMMISSIONS (Appendix B), operating contract(s), lease payments, and/or any indentures supporting borrowed funds.

(8) PARTICIPATING JURISDICTIONS may attempt to secure funds from private sources to off-set capital costs for which the PARTICIPATING JURISDICTION is

responsible; however, securing such funds shall not serve to decrease the financial support which the PARTICIPATING JURISDICTION is otherwise entitled to receive under Section IV. herein.

(9) To the extent federal and state aid is available, the COMMISSIONS shall seek such to fund the costs of commuter rail service, and shall credit the PARTICIPATING JURISDICTIONS with their pro rata share of such aid based on the formula set forth in Section VIII.A.(2).

(10) In preparing the annual budget for commuter rail service, the OPERATIONS BOARD shall make every effort to maintain as level the total local subsidy for the cost of commuter rail service, subject to the payment requirements of outstanding debt service; however, the amount of the subsidy for individual jurisdictions may vary from year to year due to fluctuations in ridership.

(11) In preparing the annual budget for commuter rail service, the OPERATIONS BOARD shall make every effort to enable those Participating Jurisdictions that have access to dedicated transportation funding sources to rely upon the monies received from those dedicated sources to fund their respective share of the costs of commuter rail service, subject to the payments requirements of outstanding debt service, and not general fund monies.

(12) Such other principles as may be agreed upon by the parties hereto.

B. INITIAL ANNUAL BUDGETS

(1) The FY 1990 and estimated 1991 pre-revenue capital and operating budgets for the provision of commuter rail services are attached hereto and incorporated herein as Appendices D 1 and D2, and set forth expenses to be incurred prior to, and in preparation for, the start of commuter rail service. The parties hereto understand that approval of this Master Agreement includes approval of the FY 1990 budget, and agree that, upon approval of this Master Agreement, appropriations shall be made in accordance with the FY 1990 budget and payments shall be made in accordance therewith as directed by the COMMISSIONS.

(2) The estimated FY 1992 capital and operating budgets for the provision of commuter rail services into the District of Columbia and for the Crystal City contingency plan are attached hereto and incorporated herein as Appendices E1 and E2, respectively, and set forth the costs of commuter rail service for the start of commuter rail service and its first year of operation.

C. PREPARATION OF SUBSEQUENT ANNUAL BUDGETS

Commencing with the budget for FY 1991, and consistent with the six-year financial plans (Appendices C 1 and C2) and subsequent revisions thereto, the OPERATIONS BOARD shall prepare a preliminary annual budget to cover the period from July 1 to June 30 of each fiscal year and submit it to the COMMISSIONS, the PARTICIPATING JURISDICTIONS, and the CONTRIBUTING JURISDICTIONS by September 30 of the preceding fiscal year for review and comment. The OPERATIONS BOARD shall receive all comment, written and oral. Thereafter, and upon consideration of the comments received, the OPERATIONS BOARD shall prepare a final recommended annual budget by December 1 for approval by the COMMISSIONS by February 1. Thereafter, the COMMISSIONS shall transmit to the PARTICIPATING JURISDICTIONS a request to budget and appropriate their respective shares of the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The COMMISSIONS

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shall simultaneously transmit to the CONTRIBUTING JURISDICTIONS a request to budget and appropriate the funds identified for each in the final recommended annual budget. Once the PARTICIPATING and CONTRIBUTING JURISDICTIONS have budgeted and appropriated their respective shares, payment shall be made in accordance with the COMMISSIONS' directions.

In preparing the budget, and with the COMMISSIONS' authorization, the OPERATIONS BOARD may prepare and distribute all necessary requests for proposals or bid documents, and prepare requisite specifications, for all equipment, services, and supplies which may be required for the purposes hereof; and may request the COMMISSIONS to employ architects, engineers, consultants, and others as it may deem necessary to draft such specifications, to design structures, to estimate costs, or to advise with respect to insurance programs and the like.

D. SHORTFALLS IN BUDGETED FUNDS

In the event budgeted funds are insufficient to meet the financial obligations of the COMMISSIONS for the costs of commuter rail service during any fiscal year, the OPERATIONS BOARD shall so advise the COMMISSIONS which shall then seek additional funding therefor from the PARTICIPATING JURISDICTIONS beyond that which has heretofore been provided, and which is required for commuter rail services. To obtain such additional funding the COMMISSIONS shall direct the OPERATIONS BOARD to prepare a draft amended budget, which shall be transmitted by the OPERATIONS BOARD to the PARTICIPATING JURISDICTIONS for their review and comment. The OPERATIONS BOARD shall then submit a final amended budget to the COMMISSIONS for approval. Thereafter, the COMMISSIONS shall request the PARTICIPATING JURISDICTIONS to budget and appropriate their respective proportionate shares to fund the amended budget, and to make payment in accordance therewith as directed by the COMMISSIONS.

The governing bodies of each of the PARTICIPATING JURISDICTIONS hereby direct the County Executive, County Administrator, County or City Manager, or such other officer as may be charged with the responsibility for preparing the PARTICIPATING JURISDICTION'S budget, to submit a request to the governing body to budget and appropriate such additional proportionate share as the COMMISSIONS may deem necessary to fund an amended budget for commuter rail service.

E. LOCAL CONSIDERATION AND FUNDING

The adopted annual budget shall reflect, to the greatest extent practicable, the consensus of the PARTICIPATING JURISDICTIONS and the CONTRIBUTING JURISDICTIONS. Upon adoption of the budget by the COMMISSIONS, and in no event later than February 1 of each year, the COMMISSIONS shall transmit to the governing bodies of the PARTICIPATING JURISDICTIONS a request to budget and appropriate their respective proportionate shares of the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The COMMISSION shall simultaneously transmit to the CONTRIBUTING JURISDICTIONS a request to budget and appropriate the funds identified for each in the adopted annual budget. In furtherance of the purposes of this MASTER AGREEMENT, the PARTICIPATING JURISDICTIONS hereby declare their intent to make sufficient annual appropriations to pay their share of the costs for commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII, and to make payments pursuant to such

appropriations as directed by the COMMISSIONS. Beyond the consideration of annual budgets, as such may be amended during the fiscal year, as provided for herein, it is not the intent of this MASTER AGREEMENT for the PARTICIPATING JURISDICTIONS to make a legally binding commitment beyond the fiscal year for which an appropriation is made, and the PARTICIPATING JURISDICTIONS' obligation to make such payments shall be subject to annual appropriations being made from time to time by the PARTICIPATING JURISDICTIONS for such purpose. No obligation for the expenditure of money by the PARTICIPATING JURISDICTIONS for the payment of Operating Costs, including insurance costs, and Capital Costs shall be incurred, except pursuant to legally enacted appropriations. Once such appropriations are made, the PARTICIPATING JURISDICTIONS shall make payments in accordance therewith and the COMMISSIONS shall be entitled to rely upon such payment being made.

The governing bodies of each of the PARTICIPATING JURISDICTIONS hereby direct the County Executive, County Administrator, County or City Manager, or such other officer as may be charged with the responsibility for preparing the PARTICIPATING JURISDICTION'S budget, to include in the budget for each fiscal year during which Operating Costs are incurred or debt for Capital Costs is outstanding, a request for an amount equal to that requested by the Commissions and sufficient to pay the costs of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII.

The CONTRIBUTING JURISDICTIONS shall be requested each fiscal year by the COMMISSIONS to budget and appropriate funds to assist in defraying the costs of commuter rail during the fiscal year. However, the CONTRIBUTING JURISDICTIONS shall not be obligated in any way to make an appropriation for any fiscal year, nor shall the CONTRIBUTING JURISDICTIONS be obligated to include such an appropriation in the proposed annual budget for consideration by the CONTRIBUTING JURISDICTIONS' governing bodies.

IV. STATION SITES AND CAPITAL GRANT FUNDING

A. Stations and/or platforms shall be located initially in the vicinity of the following sites:

RF&P Corridor	Southern Corridor
South Stafford	Manassas Airport* *
Brooke	Manassas
Quantico	Manassas Park****
Woodbridge	Burke Centre
Pohick/Lorton	Burke/Rolling Road
Franconia*	Backlick Road
Joint Corridor	
Alexandria - Union Station	
Crystal City	
L'Enfant Plaza***	
Washington D.C. - Union Station***	

* subject to agreement with the Washington Metropolitan Area Transit Authority

** subject to agreement between Manassas and Prince William County regarding cost sharing

* * * provided the D.C. Service is implemented

* * * * the parties acknowledge and agree that, unless otherwise agreed, the City of Manassas Park shall be responsible for maintenance and control of the access road and parking lot at the Manassas Park station site. This responsibility shall not include maintenance of improvements within the railroad right-of-way.

B. Construction of stations, platforms, and parking lots shall be the responsibility of the PARTICIPATING JURISDICTIONS in which such are located, except as otherwise stated herein. The costs to construct stations, platforms, and parking lots shall be funded from a variety of sources, including federal and state grants and matching contributions from PARTICIPATING JURISDICTIONS. The foregoing funds shall be distributed to the PARTICIPATING JURISDICTION responsible for such costs in accordance with the formula set forth in Section VIII.A.(2). However, before distribution of federal and state grant monies to the PARTICIPATING JURISDICTIONS, such grant funds shall be applied by the COMMISSIONS to the costs listed below as follows:

Primary Facility Costs -- capital facility costs, specifically those required for the RF&P and Southern line storage facilities, the stations at Alexandria, Crystal City, L'Enfant Plaza, and Union Station, and platforms at all remaining stations. Construction of the aforesaid facilities, and the costs therefor, shall be the responsibility of the COMMISSIONS and not of the PARTICIPATING JURISDICTIONS in which located.

Remaining federal and state funds, if any, will be distributed for:

1st Priority -- costs for remaining stations and parking lots

2nd Priority -- remaining capital facility costs, e.g., land acquisition

(1) RF&P Line -- Upon meeting the primary facility costs described above, the sums remaining from federal, state and local sources for station and parking lot construction purposes shall be allocated to the PARTICIPATING JURISDICTIONS based on the formula in Section VIII.A.(2), and shall be applied to the costs for construction of stations and parking lots on the RF&P line meeting minimum design standards established by the OPERATIONS BOARD and adopted by the COMMISSIONS. Remaining capital facility costs associated with stations and parking, e.g., land acquisition, shall be the responsibility of the PARTICIPATING JURISDICTION in which such facilities are located.

(2) Southern Line -- Similarly, upon meeting the aforesaid primary facility costs, the sums remaining from federal, state and local sources for station and parking lot construction purposes shall be allocated to the PARTICIPATING JURISDICTIONS based on the formula in Section VIII.A.(2), and shall be applied to the costs for construction of stations and parking lots on the Southern line meeting minimum design standards established by the OPERATIONS BOARD and adopted by the COMMISSIONS. Manassas shall use its good offices to obtain the use of a station located within the City which is owned and operated by the Southern. Remaining capital facility costs for stations and parking, e.g., land acquisition, shall be the responsibility of the PARTICIPATING JURISDICTION in which such facilities are located.

(3) Federal funds -- NVTC has applied for federal capital grant funding from the Urban Mass Transportation Administration of \$750,000.00 for the capital facility costs located

on the RF&P line, which, upon receipt, shall be earmarked for, and applied by the COMMISSIONS to, such costs.

(4) State funds -- A share of the costs for stations, platforms, and parking lots on both of the lines has been requested by the COMMISSIONS from the Virginia Department of Transportation. VDOT, by agreement, will provide a maximum of \$8 million through FY 1990, which shall be applied as provided in subparagraphs (1) and (2), above.

(5) Local funds -- The PARTICIPATING JURISDICTIONS shall pay their proportionate share of the remaining capital costs, according to the procedures set out in subparagraphs (1) and (2), above.

C. The COMMISSIONS shall enter into a formal agreement with VDOT satisfactory to VDOT, for VDOT to design, construct and/or maintain parking lots and ancillary station area improvements (other than those constructed or maintained by any PARTICIPATING JURISDICTION), excluding platforms. The COMMISSIONS, through the OPERATIONS BOARD, shall reimburse VDOT for the costs of design and construction from the funds identified in approved budgets. In separate formal agreements with the appropriate COMMISSIONS and/or PARTICIPATING JURISDICTIONS, satisfactory to VDOT, VDOT shall be provided with the right of entry upon and use of those parking lots for which VDOT accepts maintenance responsibility. The COMMISSIONS will be responsible for providing insurance for the parking lots, and will, to the extent possible, name the parties hereto as additional insureds on any property, casualty or liability policies obtained. In lieu of insurance policies, coverage by an insurance plan approved and/or operated by the Virginia Division of Risk-Management or a self-insurance plan approved by the State Corporation Commission may be established.

D. With the exception of those cost items identified in Section IV.B. and C., each PARTICIPATING JURISDICTION in which a station site is located shall be responsible for the prompt construction of the station in accordance with minimum design standards established by the OPERATIONS BOARD and adopted by the COMMISSIONS, and for the costs thereof. The sites shall be constructed at or near the locations identified in Section IV.A. The COMMISSIONS shall be responsible for station improvements at L'Enfant Plaza and Union Station in the District of Columbia, and at Crystal City and Alexandria, as well as for capital costs for the RF&P and Southern line storage facilities. If all platforms cannot be in service on the first day of commuter rail service, level surfaces from which boarding can occur will be provided on a temporary basis, with permanent platforms provided as soon as possible.

E. All station sites and platforms shall be accessible to the handicapped.

F. Within the limits established in approved budgets, the COMMISSIONS may, based upon the OPERATIONS BOARD's recommendation, authorize contracts for custodial services, limited to trash pickup and snow removal, for all terminals, stations, platforms and parking lots except those areas maintained by Amtrak or VDOT. A condition of such contracts shall be the contractor's indemnification, through adequate insurance acceptable to the COMMISSIONS and evidenced by certificates of insurance, of the OPERATIONS BOARD, the COMMISSIONS, VDOT and the PARTICIPATING and CONTRIBUTING JURISDICTIONS against any claims, suits, judgments, or other legal proceedings arising out of the performance of contractual responsibilities by the contractor.

G. Upon the recommendation of the OPERATIONS BOARD, the COMMISSIONS may authorize contracts with vendors for vending operations such as newspaper and food sales at station sites. Such contracts shall contain the requirements stated above in Section IVY.

Revenues from such sales shall be included in the annual budget to be applied to system costs, and shall not be returned directly to each PARTICIPATING JURISDICTION. Such vending operations shall be subject to all applicable state and local regulations.

H. Any of the PARTICIPATING JURISDICTIONS may provide for new or expanded stations, platforms, or parking lots at station sites within its territory, subject to approval by the COMMISSIONS. Financing for such shall be the sole responsibility of the PARTICIPATING JURISDICTION.

V. CONTRACT OPERATIONS

A. TRAIN OPERATION

(1) Subject to such requirements and limitations as may be set out in this MASTER AGREEMENT, upon the request of the OPERATIONS BOARD, the COMMISSIONS shall enter all appropriate agreements necessary to initiate and operate the commuter rail services, to provide associated parking facilities, and to provide an adequate insurance program as set forth in Section VII below.

(2) The contracts authorized hereby shall provide, at a minimum, three trains per line with the capacity to carry at least 75% of initial estimated ridership on a line each federal government workday, with an intended goal of four trains per line, on specified schedules. Such contracts shall further provide the option, to be approved by the COMMISSIONS, to add service and additional cars to each line within the agreed-upon financial limits set forth herein. Ridership estimates are provided in Appendices A1 and A2.

(3) The COMMISSIONS shall be responsible for obtaining necessary initial approvals by regulatory authorities for the commuter rail services, but each PARTICIPATING JURISDICTION shall be responsible for all necessary local permits and approvals in connection with construction of platforms, stations, terminals, and parking lots in its jurisdiction.

B. ROLLING STOCK AND FACILITIES MAINTENANCE

The COMMISSIONS shall jointly enter into such agreements as they shall deem necessary and appropriate for the maintenance of the rolling stock and other equipment and facilities required for the commuter rail service.

VI. SERVICE PLAN

A. SCHEDULES

The OPERATIONS BOARD shall recommend, and the COMMISSIONS shall establish, initial schedules for commuter rail services into the District of Columbia and for the Crystal City contingency plan in consultation with the PARTICIPATING JURISDICTIONS, and appropriate means to amend the schedules as necessary.

The initial schedules shall establish the target level of service for each station, and for each line. The COMMISSIONS may adjust the schedules to accommodate day-to-day fluctuations in demand as such adjustments may be recommended by the OPERATIONS BOARD. However, the minimum level of service established as a target in the initial schedules shall not be reduced without the express consent of the affected jurisdictions.

B. FARES

The initial fare structures for the D.C. service and for the Crystal City contingency plan shall be established by the COMMISSIONS upon the recommendation of the OPERATIONS BOARD, in consultation with the PARTICIPATING JURISDICTIONS.

(1) The COMMISSIONS may agree to discount the fares of employees of those railroads with which they contract for services hereunder as an offset against fees and charges under those contracts, and may adopt other fare structures from time to time as they shall best determine during the operation of commuter rail services, including special promotional fares, V.L.P. free passes, and the like; however, except for such special promotions, no fare shall be lower than those established by the initial fare structure absent the express unanimous consent of the PARTICIPATING JURISDICTIONS.

(2) Any PARTICIPATING JURISDICTION may purchase tickets at the current price for resale at rates less than those set forth in the initial fare structure or any subsequent fare structure established by the COMMISSIONS.

VII. RISK MANAGEMENT

A. INSURANCE PLAN ADMINISTERED BY DIVISION OF RISK MANAGEMENT

(1) In order to provide adequate insurance coverage for liabilities associated with commuter rail service, the parties hereto hereby establish the following requirements for administering claims, and paying settlements, judgments, awards and legal and other expenses which may arise out of such operations. The obligation of the COMMISSIONS under this section, including the provision of insurance, and the limits thereof, shall apply collectively, and not severally, to commuter rail operations over the lines of the Southern Railway Company, Amtrak and Conrail between the Manassas, Virginia area, and Union Station in the District of Columbia, and to commuter rail operations over the lines of the RF&P, Amtrak and Conrail between the Fredericksburg, Virginia area, and Union Station in the District of Columbia.

(2) The COMMISSIONS shall develop, fund, and maintain a liability insurance plan acceptable to, and administered by, the Virginia Division of Risk Management pursuant to Section 2.1-526.8:1 of the Code of Virginia, 1950, as amended, which provides insurance coverage in the annual aggregate sum of, at least, \$200,000,000.00. The insurance plan may include the use of a program of self-insurance, commercial insurance, or any other alternative insurance mechanism acceptable to the Division of Risk Management. Any portion of the insurance plan which is self-insured shall at all times be, as part of the Division of Risk Management's administration, acceptable to, and subject to continuing approval by, the Division of Risk Management.

(3) The COMMISSIONS' initial insurance plan is attached hereto and incorporated herein as Appendix F. Such plan shall provide coverage for all risks of loss or damage to persons or property which may be incurred by the COMMISSIONS, or by others and assumed by the COMMISSIONS under any contract, as a consequence of the operation of commuter rail services hereunder. The COMMISSIONS shall provide directly or by contract for defense or settlement of all claims, suits, causes, or actions to which they, or any insured as defined in Appendix F, may become subject, shall acquire or provide for such legal and other services as may be required for the purpose, and shall defend, indemnify, and hold harmless the PARTICIPATING JURISDICTIONS, the CONTRIBUTING JURISDICTIONS, and other non-participating member jurisdictions of the COMMISSIONS in the event any are named in a suit, cause, action, or claim arising from the provision of commuter rail services. The initial insurance

plan may be amended by the COMMISSIONS from time to time, subject to the approval of the Division of Risk Management.

B. FUNDING OF INSURANCE PLAN

(1) In order for the COMMISSIONS to carry out these obligations and for no other purpose, the PARTICIPATING JURISDICTIONS hereby agree to provide in the manner and in the amounts set forth in the annual budget, sufficient monies to fund the costs of the foregoing insurance plan. Such costs shall include any and all costs associated with securing, maintaining, and administering the insurance plan, all costs for defense and settlement of claims, suits, causes or actions covered by the plan, and shall specifically include, but not be limited to, the costs to purchase commercial insurance, to participate in alternative insurance mechanisms, and to obtain the services of the Division of Risk Management as administrator of the insurance plan.

(2) Insurance Plan -- Subject to the provisions of Section X governing non-appropriation of funds, each PARTICIPATING JURISDICTION shall budget and appropriate its respective share of the costs to provide the insurance plan to include, in its initial formulation, (i) a self-insurance reserve satisfactory to the Virginia Division of Risk Management to cover liabilities of less than \$5 million per occurrence, and (ii) a combination of retained risk and insurance coverage obtained through commercial carriers and alternative insurance mechanisms, including captive insurance companies, sufficient to cover liabilities which exceed \$5 million per occurrence subject to an annual aggregate limit of liability of \$200 million. In accordance with the insurance plan, monies may be used to employ such lawyers, accountants, expert witnesses, and other services as may be required to defend any claim.

(3) Actuarial Evaluation -- At the end of the first year of commuter rail services, and periodically thereafter as the COMMISSIONS may determine, an actuarial evaluation of claims history will be undertaken to determine the adequacy of the insurance plan provided hereby, and the OPERATIONS BOARD shall propose to the COMMISSIONS, as part of the annual budget process, a revised insurance plan and funding therefor, with revised proportionate contributions thereto, to be approved in accordance with the budget approval process set forth herein.

(4) Loans From Commonwealth -- In the event that claims or judgments or other insurance costs exceed the amount available in the budget, the COMMISSIONS, with the consent of the PARTICIPATING JURISDICTIONS, may request from the Governor payment of up to \$5 million from a contingent loan fund established for that purpose by the 1988 Regular Session of the General Assembly.

In any fiscal year in which any part of the Loan for Major Claims provided in Section 4-5.02(b) of the 1988-1990 Budget Bill of the Commonwealth of Virginia, Chapter 800, 1988 Va. Acts, at page 1588, is received from the State Treasury by the COMMISSIONS, on account of the operation of the commuter rail project, the PARTICIPATING JURISDICTIONS agree, subject to Section X governing non-appropriation of funds, to repay such loan amounts in the fiscal year next following the year in which the loan proceeds were received, in the same proportions as are set out in Section VIII.A.(2)(b) hereof, upon such terms as the State Treasurer may require.

C. CLAIMS ADMINISTRATION

Pursuant to the insurance plan, the COMMISSIONS shall contract with the Virginia Division of Risk Management to administer the insurance plan. The parties hereto further agree to accept the decision of the COMMISSIONS regarding settlement of claims and payment of

judgments and awards. The COMMISSIONS will contract with Amtrak for the investigation and administration of claims, and for the settlement of or payment of any claim, judgment or award not in excess of \$10,000 without specific prior approval of the COMMISSIONS. The COMMISSIONS shall establish a policy with respect to the foregoing to be followed by Amtrak. Necessary risk management procedures shall be developed by a consultant and recommended by the OPERATIONS BOARD for consideration by the COMMISSIONS.

VIII. LOCAL SUBSIDIES AND OTHER PAYMENTS

A. SHARING OF COSTS AND REVENUES IN INITIAL YEARS

(1) The costs of commuter rail service shall be shared as follows:

(a) Alexandria shall contribute, prior to and in the first year of service, the fixed amounts indicated in Appendices D 1 and D2 and E 1 or E2, respectively. These monies will be considered a contribution and, therefore, Alexandria will not be subject to the formula payment defined in Section VIII.A.(2). Alexandria shall be requested to make subsequent annual contributions. However, the requested annual contributions shall not exceed the fixed amount indicated in Appendices E1 or E2, as adjusted upwards each year by a factor of 5%.

(b) Arlington shall contribute, prior to and in the first year of service, the fixed amounts indicated in Appendices D 1 and D2 and E 1 or E2, respectively. These monies will be considered a contribution and, therefore, Arlington County will not be subject to the formula payment defined in Section VIII.A.(2). Arlington shall be requested to make subsequent annual contributions. However, the requested annual contributions shall not exceed the fixed amount indicated in Appendices E1 or E2, as adjusted upwards each year by a factor of 5%.

(2) (a) Subject to the provisions of Section X governing non-appropriation of funds, Fairfax County, Manassas City, Prince William County, Manassas Park, Fredericksburg City, and Stafford County, and Spotsylvania County shall budget their entire shares of the costs of commuter rail service determined according to the formulae set forth in Section VIII.A.(2)(b) below for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII.

(b) The costs of commuter rail service, except those otherwise paid on some other specific basis, shall be apportioned among the PARTICIPATING JURISDICTIONS so that 90 percent of the total costs shall be determined by the number of the jurisdiction's residents riding commuter rail, and 10 percent of the costs shall be determined by the total population of each PARTICIPATING JURISDICTION, as follows:

(i) The costs of commuter rail service for the then current year, minus the net contributions of Arlington and Alexandria, shall be multiplied by 10%, and the resulting sum shall be apportioned among the PARTICIPATING JURISDICTIONS in the proportion their respective populations bear to the total population of all PARTICIPATING JURISDICTIONS as set forth in Section VIII.A.(4).

(ii) For the aforesaid year the remaining 90% of the costs of commuter rail service shall be apportioned among the PARTICIPATING JURISDICTIONS in accordance with the estimates of ridership set forth in Section VIII.A.(4)(b) and shown in Appendices A1 and A2 for years to and including the first year of commuter rail service, and in accordance with actual ridership for subsequent years as provided for in Section VIII.C.

(c) The above allocation formula shall be modified beginning with FY 2008, and phased in over the next ensuing three fiscal years in equal increments, to reduce the population component and increase the ridership component of the formula, such that by FY 2011, 100% of the costs of commuter rail service shall be apportioned among the

PARTICIPATING JURISDICTIONS in accordance with actual ridership as provided for in Section VIII.C.

(3) Revenues -- For the purpose of determining the cost of commuter rail service for which revenues pledged to the payment thereof are estimated to be insufficient, revenues shall be attributed to each PARTICIPATING JURISDICTION based on the number of residents from that jurisdiction who ride the service, multiplied by the fares charged from that jurisdiction. During the first year of commuter rail service, estimated ridership revenue as set forth in Section VIII.A.(4) shall be used to apportion revenues. In subsequent years, actual ridership from the most recent year available shall be used to allocate revenues. The OPERATIONS BOARD shall recommend, and the COMMISSIONS shall establish a rider survey procedure to determine the residences of riders.

(a) Revenues from riders residing outside the PARTICIPATING JURISDICTIONS, or whose residence cannot be determined, shall be considered "system" revenues, and shall be used to reduce overall costs of commuter rail service before allocation to the PARTICIPATING JURISDICTIONS.

(b) Public or private bus operators honoring commuter rail tickets shall be reimbursed by the COMMISSIONS from passenger revenues by attribution of the value thereof to the account of the jurisdiction of residence of the bus rider. For such bus passengers residing outside the PARTICIPATING JURISDICTIONS, system revenue shall be used to reimburse the bus operator.

(4) Population and Ridership Figures

(a) Population figures to the extent used in any year, shall be the provisional estimates of the Center for Public Service, available as of December 1 of year preceding the applicable fiscal year for which a budget is being prepared. In the first year of service, the population figures identified below shall be used.

(b) Ridership figures shall be updated annually after the first year of service. Estimated ridership by jurisdiction for the first year of service are as follows:

D.C. SERVICE				
JURISDICTION	1988 POP	POP %	RIDERSHIP	RIDERSHIP %
Fairfax County	759,300	71.4972%	3,052	41.0878%
Manassas	23,300	2.1940%	95	1.2924%
Prince William County	194,700	18.3333%	3,252	43.7803%
Stafford County	55,900	5.2637%	486	6.5428%
Manassas Park	7,300	0.6874%	98	1.3193%
Fredericksburg	21,500	2.0245%	96	1.2924%
Total	1,062,000	100.0000%	7,428	100.0000%

CRYSTAL CITY CONTINGENCY PLAN

JURISDICTION	1988 POP	POP %	RIDERSHIP	RIDERSHIP%
Fairfax County	759,300	71.4972%	1,512	26.9519%
Manassas	23,300	2.1940%	370	6.5955%
Prince William County	194,700	18.3333%	3,178	56.6488%

Stafford County	55,900	5.2637%	318	5.6684%
Manassas Park	7,300	0.6874%	112	1.9964%
Fredericksburg	21,500	2.0245%	120	2.1390%
Total	1,062,000	100.0000%	5,610	100.0000%

NOTE: The ridership estimates for the D.C. Service are taken from Exhibit 20 "1987 Passenger Trip Estimate by Jurisdiction of Residence" in Patronage and Revenue Forecasts for the Virginia Railway Express, May, 1987 (page 5-17). As indicated in Appendix A1, there are an additional 766 trips estimated to come from non-participating jurisdictions. These trips are not assigned to any PARTICIPATING JURISDICTION. The ridership estimates for the Crystal City contingency plan are taken from the Supplemental Patronage and Revenue Forecasts for the VRE (September 13, 1989).

(5) Totals

Total costs, revenues and subsidies, for each participating jurisdiction for the first year of commuter rail service, shall be in accordance with the initial annual budget as shown in Appendices E 1 or E2.

B. PAYMENT PROCEDURES FOR PARTICIPATING JURISDICTIONS

(1) After adoption of the annual budget as provided for in Section III.B. and C. and E., above, each PARTICIPATING JURISDICTION shall pay to the COMMISSIONS, on the first business day in July, one half of the amount owed as the share of the cost of commuter rail service determined pursuant to the formulae set forth in Section VIIIA.(2). for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. Six months thereafter, on the first business day in January, the PARTICIPATING JURISDICTION shall pay the remaining half of the aforesaid amount to the COMMISSIONS. The COMMISSIONS shall provide notice to each of the PARTICIPATING JURISDICTIONS, thirty (30) days prior to the date on which payment is due, of the amount to be paid by the jurisdiction and the date when due. The amounts owed shall be paid on or before the due date specified by the COMMISSIONS. With the exception of funds for the insurance plan, all funds shall be accounted for by the COMMISSIONS as separate operating accounts for each PARTICIPATING JURISDICTION.

(2) The COMMISSIONS shall separately account for each PARTICIPATING JURISDICTION's payments for insurance, and the COMMISSIONS shall forward such funds to the Division of Risk Management. Payments for claims, judgments, awards and associated claims and adjusting expenses shall be paid from such funds by the Division of Risk Management in administering the self-insurance plan.

(3) After adoption of the annual budget, and the appropriation of the amount therein, the CONTRIBUTING JURISDICTIONS shall pay to the COMMISSIONS, on or before the first business day in July, the entire amount of their respective contributions, which sums shall be accounted for as system revenues and used to reduce overall costs.

(4) Upon receipt, passenger revenues shall be posted to each PARTICIPATING JURISDICTION's account, according to the agreed revenue allocation. If a payment is not made by a PARTICIPATING JURISDICTION, passenger revenues attributable to such PARTICIPATING JURISDICTION shall not be used to reduce the amount due by other PARTICIPATING JURISDICTIONS nor shall such failure to make payment result in an increase in the amount due by the other PARTICIPATING JURISDICTIONS. In instances where the actual revenues received and posted to a PARTICIPATING JURISDICTION are either greater or less than the revenues estimated to be received, the PARTICIPATING

JURISDICTION shall be requested to pay any such deficit or the COMMISSIONS shall provide a credit against the PARTICIPATING JURISDICTION'S next year's payment.

(5) Any interest earned on unexpended balances attributed to each PARTICIPATING JURISDICTION's account shall be credited monthly to the account of the individual jurisdiction in proportion to the monthly totals of cash and fare revenues credited to the account of the jurisdiction.

(6) At the request of the OPERATIONS BOARD, the COMMISSIONS shall utilize the monies attributed to the PARTICIPATING JURISDICTIONS' accounts to make necessary operating cost payments consistent with the cost allocation formula contained in Section VIII.A.(2).

C. SHARING OF COSTS AND REVENUES FOR SUBSEQUENT YEARS

Payments for costs for each year after the initial year of commuter rail services shall be calculated as follows:

Actual ridership from the most recent year available shall be used to determine allocated costs and revenues for the next year, according to the allocation formulae set out in Sections VIII.A.(2) and (3). The OPERATIONS BOARD will review the data and advise the COMMISSIONS and the PARTICIPATING JURISDICTIONS of each jurisdiction's projected share of the costs of commuter rail for the next year in September as part of the preliminary budget submission set forth in Section III.C. above. Arlington and Alexandria shall not participate in the revised allocation, but shall make such contributions as may be agreed upon. After final approval of a budget each year, and upon its effective date, the PARTICIPATING JURISDICTIONS shall pay to the COMMISSIONS one half of the amount owed for the cost of commuter rail service determined pursuant to the formulae set forth in Section VIII.A.(2) for which commuter rail service revenues pledged to the payment thereof are estimated to be insufficient when calculated as provided in Section VIII. The CONTRIBUTING JURISDICTIONS shall pay to the COMMISSIONS the entire amount of their respective contributions. Six months thereafter the PARTICIPATING JURISDICTIONS shall pay the remaining half of the aforesaid amount to the COMMISSIONS. Payments shall be made on the same basis as provided for in Section VIII.B.

D. ADDITIONAL CONSIDERATIONS

(1) Each PARTICIPATING JURISDICTION is encouraged to obtain contributions from developers and employers to offset the costs assigned to that PARTICIPATING JURISDICTION.

(2) An audit of accounts shall be conducted annually by the COMMISSIONS to establish any credit due to, or any payments owed by, PARTICIPATING JURISDICTIONS.

IX. MARKETING

The OPERATIONS BOARD shall prepare, annually, a marketing plan providing for programs of promotion, publicity and the pre-selling of passes through such means as direct mail, payroll deduction, banks and transportation management associations, for consideration and approval by the COMMISSIONS. The PARTICIPATING JURISDICTIONS shall share in the costs of the marketing plan according to the terms set forth in Section VIII.A.(2) of this MASTER AGREEMENT.

X. NON-APPROPRIATION OF FUNDS

The PARTICIPATING JURISDICTIONS pledge their best efforts to provide the funds necessary to support a successful, continuing program of commuter rail service in light of the long-term obligations to be incurred by the COMMISSIONS in order to initiate service. Notwithstanding any other provision of this MASTER AGREEMENT to the contrary, the obligations of a PARTICIPATING JURISDICTION under this MASTER AGREEMENT are expressly contingent upon the continuing appropriation of funds to its purposes by such PARTICIPATING JURISDICTION for each fiscal year. The failure of a PARTICIPATING or CONTRIBUTING JURISDICTION to make its payment shall not relieve the other jurisdictions of their obligations hereunder. The COMMISSIONS in their sole discretion may refuse to provide service to any PARTICIPATING JURISDICTION that fails to appropriate and pay its share of the cost of commuter rail service.

XI. WITHDRAWAL FROM MASTER AGREEMENT

A PARTICIPATING JURISDICTION or CONTRIBUTING JURISDICTION may terminate its involvement with commuter rail service and withdraw from the MASTER AGREEMENT upon terms and conditions, including those pertaining to outstanding third-party claims, mutually acceptable to all parties hereto. Unless so terminated, this MASTER AGREEMENT shall continue for any period while any bonds issued to finance the Virginia Railway Express are outstanding.

XII. CHANGES AND AMENDMENTS

Upon mutual consent of all signatories, and subject to the approval of the COMMISSIONS' bond insurers, this MASTER AGREEMENT may be amended.

XIII. SEVERABILITY

In the event any of the provisions of this MASTER AGREEMENT are determined to be in violation of any statute or rule of law to which this MASTER AGREEMENT is subject, then such provision(s) shall be deemed inoperative to the extent the provision(s) is contrary to the requirements of the law, and shall be deemed to be modified to conform with such statute or rule of law, or stricken entirely from this MASTER AGREEMENT.

XIV. AUTHORIZED SIGNATURES

The undersigned individuals have been duly authorized to commit their respective organizations and jurisdictions to the terms of the MASTER AGREEMENT.

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have executed this Master Agreement on separate signature pages on the dates and year hereafter written:

NORTHERN VIRGINIA
TRANSPORTATION COMMISSION

Chairman

POTOMAC AND RAPPAHANOCK
TRANSPORATION COMMISSION

Chairman

FAIRFAX COUNTY

Chairman



PRINCE WILLIAM COUNTY

Chairman

CITY OF MANASSAS

Chairman

STAFFORD COUNTY

Chairman

CITY OF ALEXANDRIA

Mayor

ARLINGTON COUNTY

Chairman

CITY OF MANASSAS PARK

Mayor

CITY OF FREDERICKSBURG

Mayor



SPOTSYLVANIA COUNTY

Chairman

APPENDICES

- A1. Patronage and Revenue Forecasts for the Virginia Railway Express, R. H. Pratt (May 1987)
- A2. Supplemental Patronage and Revenue Forecasts for the VRE (September 13, 1988)
- B. Agreement between NVTC and PRTC
- C1. Initial Six Year Financial Plan for D.C. Service
- C2. Initial Six Year Financial Plan for Crystal City Contingency Plan
- D1. FY 1990 Pre-Revenue Capital and Operating Budget
- D2. Estimated FY 1991 Pre-Revenue Capital and Operating Budget for D.C. Service and Crystal City Contingency Plan
- E1. Estimated FY 1992 Capital and Operating Budget for D.C. Service
- E2. Estimated FY 1992 Capital and Operating Budget for Crystal City Contingency Plan
- F. Liability Insurance Plan

AGREEMENT GOVERNING SPOTSYLVANIA COUNTY'S
ADMISSION TO MEMBERSHIP IN PRTC
AND
PARTICIPATION IN THE VRE

THIS AGREEMENT, made the __ day of _____, 2009, between and among the Potomac and Rappahannock Transportation District Commission, (hereinafter referred to as "the Potomac and Rappahannock Transportation Commission" or "PRTC"), the Northern Virginia Transportation District Commission, (hereinafter referred to as "the Northern Virginia Transportation Commission" or "NVTC"), (PRTC and NVTC hereinafter referred to collectively as "the Commissions" or "the VRE"), and the Board of County Supervisors of Spotsylvania County, Virginia, (hereinafter referred to as "Spotsylvania County" or "the County").

WITNESSETH:

WHEREAS, by duly adopted resolution, Spotsylvania County has found, in accordance with §15.2-4504 of the Code of Virginia, 1950, as amended, that the orderly growth and development of the County and the comfort, convenience and safety of its citizens require an improved transportation system, and that joint action with the members of the Potomac and Rappahannock Transportation Commission will facilitate the planning and development of the needed transportation system; and

WHEREAS, among the elements of the Potomac and Rappahannock Transportation Commission's transportation plan that Spotsylvania County has determined furthers its transportation interests is the Virginia Railway Express commuter rail service, (hereinafter referred to as the "VRE service"), jointly owned by the Potomac and Rappahannock Transportation Commission and the Northern Virginia Transportation Commission and operated by the Virginia Railway Express Operations Group; and

WHEREAS, Spotsylvania County has requested that the Potomac and Rappahannock Transportation Commission permit it to become a member of the District in accordance with the terms and conditions hereafter set forth; and

WHEREAS, the Potomac and Rappahannock Transportation Commission has agreed to permit Spotsylvania County to become a member of the District in accordance with the terms and conditions hereafter set forth;

NOW, THEREFORE, in consideration of the foregoing and the terms hereof, the value and sufficiency of which are hereby mutually acknowledged, the Potomac and Rappahannock Transportation Commission, the Northern Virginia Transportation Commission, and Spotsylvania County agree to the following terms and conditions:

1. Effective Date.

- a) This Agreement shall be effective February 15, 2010, conditioned upon its approval and execution by PRTC, NVTC, and Spotsylvania County, and the occurrence of each of the following:
 - i. Approval by Spotsylvania County of an Amended Founding Ordinance and Master Agreement for PRTC, (hereinafter referred to as "the Amended PRTC Founding Ordinance"), providing for Spotsylvania County's admission to PRTC as a member;
 - ii. Certification by the Secretary of the Commonwealth that the requirements of §15.2-4529 of the Code of Virginia, 1950, as amended, have been satisfied and that Spotsylvania County is a member of PRTC, and entry of such certification in the minutes of a meeting of the Spotsylvania County Board of County Supervisors; and
 - iii. Approval and execution by PRTC, NVTC, the counties of Arlington, Fairfax, Prince William, and Stafford, the cities of Alexandria, Fredericksburg, Manassas, and Manassas Park, and Spotsylvania County of an Amended Master Agreement for the Provision of Commuter Rail Services in Northern Virginia, (hereinafter referred to as "the VRE Master Agreement"), providing for Spotsylvania County becoming a participating jurisdiction as such term is used in the VRE Master Agreement.
- b) Spotsylvania County shall approve and execute this Agreement, the Amended PRTC Founding Ordinance, and the VRE Master Agreement prior to consideration of approval of any of those documents by the parties thereto.
- c) In the event the preceding events do not occur by November 30, 2009, this Agreement shall be void and of no effect.

2. Spotsylvania County's Membership in PRTC.

- a) Not later than thirty (30) days from approval of this Agreement by Spotsylvania County, the County shall approve the Amended PRTC Founding Ordinance, and thereafter agrees to be bound by its terms.
- b) As a member of PRTC, Spotsylvania County shall be entitled to all of the rights, and obligated for all of the responsibilities, of such membership as provided by this Agreement, the Amended PRTC

Founding Ordinance, and the VRE Master Agreement, as well as the laws of the Commonwealth of Virginia.

- c) Such membership rights shall include but not be limited to participation in the transaction of PRTC business through two voting representatives of the County on the PRTC governing commission, and the levy within Spotsylvania County of a motor vehicle fuels sales tax in accordance with the laws of the Commonwealth of Virginia and its receipt by PRTC for use for transportation purposes of the District subject to the consent of Spotsylvania County as provided for in the Amended PRTC Founding Ordinance.
- d) Such membership responsibilities shall include but not be limited to payment of Spotsylvania County's proportionate share of PRTC's administrative expenses as hereafter described.
- e) If Spotsylvania County withdraws from the VRE Master Agreement, as set forth in Section XI of the VRE Master Agreement or Section 11 of this Agreement, PRTC agrees that Spotsylvania County may remain a member of PRTC and continue to collect the fuel tax set forth in § 58.1-1720 of the Code of Virginia, 1950, as amended, until it satisfies the conditions of withdrawal agreed upon by Spotsylvania County, the Commissions, and the other parties to the VRE Master Agreement.

3. Applicability of § 58.1-1721 of Code of Virginia, 1950, as amended.

- a) The parties acknowledge that Spotsylvania County is subject to the provisions of § 58.1-1721 of the Code of Virginia, 1950, as amended, requiring a reduction of Spotsylvania County's real estate tax, or its real estate and other locally levied taxes, in certain circumstances. The parties agree that this Agreement complies with those provisions and those provisions do not apply because, among other reasons, in the first full fiscal year in which the motor vehicle fuels sales tax is levied those revenues (1) will not be used for bus services the County would otherwise have paid for since the County will continue to use general fund revenues for those purposes, and (2) will not be used for rail services the County would otherwise have paid for since there are no rail services the County would have agreed to fund and the only rail services the County will participate in are those funded with the motor vehicle fuels sales tax.
- b) The parties acknowledge that, notwithstanding the foregoing, the obligation to comply with §58.1-1721 of the Code of Virginia, 1950, as amended, is Spotsylvania County's; however, the Commissions agree to provide their resources and assistance to the County in responding to any question of whether there has been compliance. In

the event there is a final determination that the County failed to comply with §58.1-1721 of the Code of Virginia, 1950, as amended, then PRTC agrees that it shall consent to the use of motor vehicle fuel sales tax revenues generated in the County, to the extent such revenues are available, to reimburse the County the amount of general fund revenue that was used for bus or rail services that might otherwise have been funded with motor fuels sales tax revenues.

4. Certification by the Secretary of the Commonwealth.

- a) Upon the occurrence of 1.a.(i) and (iii) above, PRTC shall, in accordance with §15.2-4529 of the Code of Virginia, 1950, as amended, file with the Secretary of the Commonwealth all documentation required by the laws of the Commonwealth of Virginia and the Secretary to evidence the addition of Spotsylvania County as a member of PRTC and to certify such membership as required by law.
- b) Spotsylvania County agrees to cooperate as necessary to accomplish the foregoing, and to enter such certification promptly in the minutes of a meeting of the County's Board of County Supervisors.

5. PRTC Administrative Expenses, VRE Subsidy and Debt Service.

- a) Effective upon the later of February 15, 2010, or the first full month following the date of certification of Spotsylvania County's membership in PRTC by the Secretary of the Commonwealth, Spotsylvania County shall be obligated to pay a portion, prorated by month and equal to the remaining months in the fiscal year, of its annual share of PRTC's administrative expenses for the then current fiscal year as such shares are determined for all PRTC members in the Amended PRTC Founding Ordinance. The foregoing amount shall be paid to PRTC in accordance with the provisions of paragraph 9.
- b) In the event that Spotsylvania County fails to pay the aforesaid amount in full within the stated time, PRTC may fund such unpaid amount from the motor fuels sales tax revenue generated in the County. Spotsylvania County hereby consents to the use of the tax revenue for such purpose.
- c) In each fiscal year following the fiscal year in which this Agreement becomes effective, Spotsylvania County shall, in accordance with the Amended PRTC Founding Ordinance, pay its proportionate share of PRTC's administrative expenses in the amount set forth in PRTC's adopted budget for that fiscal year. The foregoing amount shall be paid to PRTC in accordance with the provisions of paragraph 9.

- d) Notwithstanding the above, the total obligations incurred by Spotsylvania County as a result of becoming a member of PRTC and VRE, shall consist of the following: (1) PRTC administrative expenses and (2) the VRE subsidy, which includes both the existing VRE related debt service approved under the VRE Master Agreement and would include any new VRE related debt service as authorized by Spotsylvania County as a participating jurisdiction under the VRE Master Agreement.

6. Spotsylvania County's Participation in VRE.

- a) Not later than thirty (30) days from approval of this Agreement by Spotsylvania County, the County shall approve and execute the VRE Master Agreement.
- b) As a participating jurisdiction in the VRE commuter rail service, Spotsylvania County shall be entitled to all of the rights, and obligated for all of the responsibilities, of a participating jurisdiction as provided by the VRE Master Agreement, as well as by this Agreement.
- c) Spotsylvania County shall have the right to participate in the transaction of VRE related business through its membership in PRTC. The County shall have a right and be entitled, to representation on the VRE Operations Board in accordance with the formula set forth in the VRE Master Agreement.
- d) Following the later of February 15, 2010, or the date of certification of Spotsylvania County's membership in PRTC by the Secretary of the Commonwealth, and in accordance with the provisions of paragraph 9, Spotsylvania County shall pay a portion, prorated by month and equal to the remaining months in the fiscal year, of its annual share of the VRE budget for the then current fiscal year in which this Agreement was effective as such shares are determined for all VRE participating jurisdictions in the VRE Master Agreement. The foregoing amount shall be paid to the VRE in accordance with the provisions of paragraph 9.
- e) In the event that Spotsylvania County fails to pay the aforesaid amount in full within the stated time, PRTC may fund such unpaid amount from the motor fuels sales tax revenue generated in the County. Spotsylvania County hereby consents to the use of the tax revenue for such purpose.
- f) In each fiscal year following the fiscal year in which this Agreement becomes effective, Spotsylvania County shall, in accordance with the VRE Master Agreement, be obligated to consider appropriating funds

sufficient to pay its annual share of the VRE budget as set forth in the VRE adopted budget each fiscal year. Upon appropriation, the foregoing amount shall be paid to the VRE in accordance with the provisions of paragraph 9.

- g) If Spotsylvania County withdraws from the VRE Master Agreement or PRTC, it shall have no obligation or requirement as part of its withdrawal to pay for the debt service for any VRE related debt approved under the VRE Master Agreement or any debt of PRTC, which was incurred prior to Spotsylvania County becoming a member of PRTC or a participating jurisdiction under the VRE Master Agreement.

7. Spotsylvania County VRE Station.

- a) Spotsylvania County shall be responsible for funding the acquisition of property, environmental review, design, and construction of a commuter rail station, including a boarding platform in the railroad right-of-way which will be subject to a station lease between the VRE and CSX Transportation and under the operation and control of the VRE, and an adjoining commuter rail patron parking lot accessible to publicly maintained roads at a location agreed upon by Spotsylvania County and the VRE in Spotsylvania County (hereinafter collectively referred to as "Station Construction"). The station design shall be consistent with the design of stations now served by the VRE service and shall be approved by the VRE. The parking lot, which shall be subject to the operation and control of Spotsylvania County, shall have a parking capacity of not less than one thousand (1,000) spaces and may be built in phases approved by the VRE. However, the capacity of the parking lot at the time the station is initially served by the VRE shall be not less than five hundred (500) spaces, (hereinafter referred to as "the initial parking lot"). All costs associated with Station Construction shall be borne by Spotsylvania County but may be payable from grant funds or other proceeds including monies or improvements from proffers accepted by Spotsylvania County pursuant to a conditional rezoning. Such Station Construction costs may include but are not limited to property acquisition, rezoning or other local government approvals, compliance with requirements prerequisite to obtaining state or federal funding for the station or parking lot such as archeological and environmental study, and permits. To the extent some of the aforesaid responsibilities of Spotsylvania County are combined, by agreement, with work being performed by the VRE pursuant to paragraph 8, the County shall be responsible for the portion of the costs attributable to the County's responsibilities. VRE will assist the County in gaining grant funding for Station Construction costs if the County desires such assistance.

While the VRE Operations Board policy provides that any required grant funding match for station and parking projects be provided by the jurisdiction in which the project is located, numerous options exist for providing this match beyond a cash contribution, including but not limited to in-kind services and proffered improvements. However, in the event Spotsylvania County would be required to spend more than 20% of local funding, including proffers, toward the cost of constructing the station then Spotsylvania County may defer station construction until such time as the foregoing limitation on local funding can be satisfied or the County chooses to proceed with station construction irrespective of the limitation.

- b) The construction of the station and the initial parking lot shall be completed and ready for use by the VRE service on or before the later of two (2) years from the effective date of this Agreement or at the time of completion by the VRE of an extension of the railroad line necessary to serve the station as such extension is described hereinafter in paragraph 8. The VRE and the County will work together so that the station and initial parking lot is available for service contemporaneously with the completion of the VRE line extension described in paragraph 8. Once such station and initial parking lot is available for service, the VRE shall provide VRE service to the station in accordance with the VRE's established schedules and operating policies.
- c) The VRE shall facilitate the Station Construction and in particular the boarding platform located within railroad right-of-way. VRE shall also be responsible for serving as the liaison between the County and CSX Transportation. This shall not, however, require the expenditure of funds by the VRE, nor shall it modify or relieve Spotsylvania County of its responsibilities set forth above, with the exception of any work done in the railroad right-of-way which shall be subject to obtaining all necessary approvals from CSX Transportation.
- d) By separate agreement between Spotsylvania County and the VRE, the VRE may agree to perform specified responsibilities of the County, including but not limited to hiring or managing contractors to design or construct the station or parking lot, subject to funding by the County of such responsibilities.
- e) The VRE will provide station amenities similar to those provided at other VRE stations including fare collection and passenger notification equipment.

8. Extension of Rail Line By VRE.

- a) The VRE shall be responsible for funding the property acquisition, environmental review, design, and construction of an extension of the existing railroad right-of way, and all other related infrastructure necessary to provide VRE service to the station provided for in paragraph 7 above. The extension shall be completed on or before two (2) years from the effective date of this Agreement; however, the VRE's responsibilities shall be subject to obtaining funding for the foregoing. In addition, VRE shall also be responsible for obtaining the necessary approvals from CSX Transportation for the foregoing.
- b) The VRE shall commence such environmental review, design, and construction, and shall seek funding for the same, not later than upon the effective date of this Agreement.
- c) Spotsylvania County shall cooperate with the VRE in completing the foregoing work, providing assistance in obtaining prompt plan review and permit issuance, among other things, to the extent reasonably possible.

9. Deferral of Debt Service, PRTC Administrative Expenses and VRE Subsidy.

- a) PRTC and VRE agree to defer Spotsylvania County's payment of its PRTC Administrative Expenses and any VRE annual subsidy for three (3) fiscal years as follows which would permit the County to accrue motor vehicle fuels tax revenue to fund the County's transportation related expenses and without using general fund monies. The deferral for fiscal years 2010 and 2011 would be one hundred percent (100%) each year. The deferral for fiscal year 2012 would be fifty percent (50%). Such deferral shall be without interest.
- b) Within sixty (60) days of the start of fiscal year 2013, Spotsylvania County shall pay to PRTC the full amount of PRTC administrative expenses deferred by PRTC and shall pay to the VRE the full amount of the County's annual subsidy deferred by the VRE in addition to payment of the PRTC administrative expenses and the VRE annual subsidy for that fiscal year as provided for in the Amended PRTC Founding Ordinance and the VRE Master Agreement.
- c) In the event that Spotsylvania County fails to pay either of the aforesaid amounts in full within the stated time, PRTC may fund such unpaid amounts from the motor fuels sales tax revenue generated in the County. Spotsylvania County hereby consents to the use of the tax revenue for such purposes.

10. Marketing of VRE Service in Spotsylvania County.

Contemporaneous with the commencement of VRE service to Spotsylvania County, the VRE will include, in its on-going evaluation of marketing and promotion of VRE service, an analysis of methods to reflect the expansion of service to the County, as well as other potential places, so that VRE ridership is maximized. The VRE agrees to consult with Spotsylvania County staff during the aforesaid analysis.

11. Termination.

This Agreement may be terminated by any party at any time prior to its effective date upon not less than thirty (30) days written notice addressed to the chairman of the each of the respective parties' governing bodies. After its effective date, this Agreement may not be terminated except as provided for in the Amended PRTC Founding Ordinance and the VRE Master Agreement, and with the mutual consent of each of the parties thereto.

12. Governing Law.

This Agreement shall be governed by the laws of the Commonwealth of Virginia.

13. Entire Agreement.

This Agreement, together with the Amended PRTC Founding Ordinance and the VRE Master Agreement, constitutes the entire agreement between the parties pertaining to Spotsylvania County's admission as a member of PRTC and the County's participation in the VRE service, and supersedes all prior oral and written understandings. Amendments to this Agreement shall not be effective unless in writing and signed by all parties hereto.

14. Severability.

If any provision of this Agreement shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision hereof, all of which other provisions shall remain in full force and effect. It is the intention of the parties that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

15. Time.

With respect to all time periods contained in this Agreement, it is expressly understood that time shall be of the essence.

16. Waiver.

Failure by any party to insist upon or enforce any of its rights hereunder shall not constitute a waiver thereof.

17. Authorized Signatures.

This Agreement has been duly approved by the respective governing bodies of each of the parties and the below signed individuals have each been duly authorized to execute this Agreement on behalf of the party.

18. Conflicting Provisions.

In the event of a conflict between the provisions of this Agreement and the VRE Master Agreement or the Amended PRTC Founding Ordinance, the provisions of this agreement shall control.

WHEREFORE, the parties hereto, by their duly authorized representative, have executed this Agreement as of the date aforesaid.

POTOMAC and RAPPAHANNOCK
TRANSPORTATION COMMISSION

CHAIRMAN

CLERK

NORTHERN VIRGINIA
TRANSPORTATION COMMISSION

CHAIRMAN

CLERK

BOARD OF COUNTY SUPERVISORS OF
SPOTSYLVANIA COUNTY

CHAIRMAN

Approved as to form:

Jacob P. Stroman, IV, County Attorney

CLERK

Amended 9/90 August 2009

AMENDED FOUNDING ORDINANCE AND MASTER AGREEMENT
POTOMAC AND RAPPAHANNOCK TRANSPORTATION DISTRICT

Section 1. Purpose of Chapter.

The Potomac and Rappahannock Transportation District is hereby created to facilitate the planning and development of an improved transportation system composed of transit facilities, public highways and other modes of transportation, required in order to promote orderly transportation into, within, and from the various contiguous counties and cities composing the District, and to secure the comfort, convenience, and safety of its citizens through joint action by those contiguous cities and counties.

Section 2. Territorial Limits.

The Potomac and Rappahannock Transportation District shall embrace the territorial limits of Prince William, ~~and Stafford~~, and Spotsylvania Counties, and shall include the Cities of Manassas, Manassas Park and Fredericksburg.

Section 3. Commission.

A. The Potomac and Rappahannock Transportation District Commission, a body corporate and politic, is hereby created to manage and control the functions, affairs and property of the District and to exercise all of the rights, powers and authority and to perform all of the duties conferred or imposed upon the corporation in accordance with the law, and as may be set forth herein.

B. Membership.

(1) The Commission shall consist of ~~fifteen~~seventeen (17) members, representing Prince William County, Stafford County, Spotsylvania County, and the Cities of Manassas, Manassas Park and Fredericksburg, ~~and~~ as such number may be amended by unanimous agreement of the member jurisdictions from time to time, two members of the House of Delegates and one member of the Senate of Virginia from legislative districts located wholly or in part within the boundaries of the District, ~~and an ex officio representative of the Virginia Department of Transportation. The Chairman of the Commonwealth Transportation Board, or his designee, shall be a member, ex officio with voting privileges.~~ Membership shall be altered upon the entry of any new jurisdiction into the District, or upon the withdrawal of any jurisdiction therefrom, in accordance with an agreement among the parties for the purpose.

The several jurisdictions forming the District shall be represented as follows:

Prince William County	6 members
Stafford County	2 members
City of Manassas	1 member
City of Manassas Park	1 member
City of Fredericksburg	1 member
<u>Spotsylvania County</u>	<u>2 members</u>
<u>VDOT, Chairman, CTB</u>	1 member
House of Delegates	2 members
Senate	1 member
	17 members

(2) The governing body of each member jurisdiction shall appoint from among its members or otherwise, as its representatives, the number of Commissioners to which the jurisdiction is hereunder entitled, each of whom shall serve at the pleasure of the governing body making the appointment.

(3) The governing body of each member jurisdiction may appoint designated alternate members for those representatives of the member jurisdiction appointed to the Commission who shall exercise all of the powers and duties of a Commission member when the regular member is absent from Commission meetings. Alternate members shall serve at the pleasure of the governing body of the jurisdiction making the appointment. Alternate members need not be members of the governing body making the appointment.

(4) The governing body of each member jurisdiction shall inform the Commission of its appointments to and removals from the Commission by delivering to the Commission a certified copy of the resolution making the appointment or causing the removal.

(5) The Chairman of the State Commonwealth Transportation Board, or his designee, shall be a member of the Commission, ex officio with voting privileges. The Chairman of the State Commonwealth Transportation Board may appoint an alternate member who shall have authority to exercise all the powers and duties of the Chairman of the State Commonwealth Transportation Board when neither the Chairman nor his designee shall be in attendance at a meeting of the Commission.

(6) Each member of the Commission, before entering on the performance of his public duties, shall take and subscribe the oath or affirmation specified in Article II, Section 7 of the Constitution of Virginia.

(7) Each member of the Commission shall, before entering upon the discharge of his duties under this Chapter, give bond payable to the Commonwealth in form approved by the Attorney General, in such penalty as shall be fixed from time to time by the Governor, with some surety or guarantee company duly authorized to do business in Virginia and approved by the Governor, as security, conditioned upon the faithful

discharge of his duties. The premium of such bonds shall be paid by the Commission and the bonds shall be filed with and preserved by the Comptroller of the Commonwealth of Virginia.

(8) The members of the Commission shall receive no salary but shall be entitled to expenses and the per diem pay allowed members of the State Department of Transportation for each day spent on their official duties.

C. Officers of Commission.

(1) Within thirty (30) days after the appointment of the original members of the Commission, the Commission shall meet on the call of any member and shall elect one of its members as Chairman and another as Vice-Chairman, each to serve for a term of one year or until his successor is elected and qualified.

(2) The Commission shall elect one of its members as Secretary and another as Treasurer, each to serve for a term of one year or until his successor is elected and qualified.

(3) All officers shall be eligible for re-election.

D. Meetings

(1) Regular meetings of the Commission shall be held at least once every month at such time and place as the Commission shall from time to time prescribe. Regular meetings may be held more often in the discretion of the Commission as the proper performance of the Commission's duties requires.

(2) Special meetings of the Commission shall be held upon mailed notice, or actual notice otherwise given, to each member of the Commission upon call of the Chairman or any two members of the Commission, at such time and in such place within the District as such notice may specify, or at such other time and place with or without notice as all the members of the Commission may expressly approve.

(3) All regular and special meetings of the Commission shall be open to the public, but the public shall not be entitled to any other or different notice than provided herein. Unless a meeting is called for the purpose of a public hearing, members of the public shall have no right to be heard or otherwise participate in the proceedings of the meeting, except to the extent the Chairman may in specific instances grant such right of participation. The proceedings of the Commission shall be subject to the provisions of the Virginia Freedom of Information Act, 2-1-340-§§ 2.2-3700 et seq. of the Code of Virginia (1950), as amended.

(4) A majority of the Commission, which majority shall include at least one Commissioner from a majority of the member jurisdictions, shall constitute a quorum. The Chairman of the ~~State Department of Transportation~~ Commonwealth Transportation

Board, or his designee, may be included for the purposes of constituting a quorum.

(5) Each Commission member including the ~~VDOT representative~~ Chairman of the Commonwealth Transportation Board, or his designee, and the representatives from the General Assembly shall be entitled to one vote in all matters requiring action by the Commission. It shall require a majority vote of the Commission members present and voting and a majority of the jurisdiction represented, to act. For purposes of determining the number of jurisdictions present, ~~VDOT~~ The Chairman of the Commonwealth Transportation Board, or his designee, and the representatives from the General Assembly shall not be counted as a separate jurisdiction.

E. Accounts, Records and Funds.

(1) The Commission shall keep and preserve complete and accurate accounts and records of all monies received and disbursed by it and of all of its business and operations and of all property and funds owned or managed by it or under its control, and shall prepare and transmit to the Governor and to the governing body of each member jurisdiction, annually and at such other times as the Governor shall require, complete and accurate reports as to the state and content of such accounts and records, together with such information with respect thereto as the Governor may require.

(2) All monies of a Commission, whether derived from any contract of the Commission or from any other source, shall be collected, received, held, secured and disbursed in accordance with any contract of the Commission relating thereto.

(3) All monies shall be deposited by the Commission in bank accounts, appropriately designated, in such banks or trust companies as may be designated by the Commission.

(4) The Commission may invest any funds in its possession in accordance with Chapter 18 of Title 2.42 of the Virginia Code.

Section 4. Powers and Functions of Commission.

(1) The Commission shall have those powers set forth in ~~15.14342~~ § 15.2-4500 et seq. of the Code of Virginia (1950), the Transportation District Act of 1964, as it may be amended.

(2) In accordance with ~~15.1-1357(b)6~~ § 15.2-4515.C. of the Transportation District Act of 1964, the Commission shall have the powers set forth in ~~15.1357(a)~~ § 15.2-4515.A and may acquire land or any interest therein by purchase, lease, gift, condemnation or otherwise and provide parking/transportation facilities thereon for use in connection with any transportation service.

Section 5. Planning Process and Procedures, Adoption of Interim Transportation Plan for Commuter Rail and Other Matters.

(1) The Commission shall prepare a long-term transportation plan for the Transportation District, and shall from time to time revise and amend said plan.

(2) It is understood by the jurisdictions forming this District that the principal initial purposes for the creation of this District are the effective implementation of a pilot commuter rail project, and the collection and distribution of the revenues from the 2% motor vehicle fuel sales tax to be levied in accordance with §§ 58.1-1719 et seq. of the Virginia Code within the boundaries of the District. Therefore, in order that the District may begin operation immediately upon formation, to implement the foregoing purposes and prior to completion of a long-range transportation plan, the Commission is hereby directed immediately upon formation to adopt an Interim Transportation Plan for the District, to consist generally of the R. L. Banks Commuter Rail Study, performed for the Northern Virginia Transportation District, and shall provide that its initial purpose shall be for the provision of a pilot commuter rail project, either in conjunction with, or separately from, the Northern Virginia Transportation Commission, and its several member jurisdictions.

In addition, each constituent jurisdiction may also propose, as an element of the Interim Transportation Plan, any mass transit component of general interest to it and or others. It is understood that the District shall pursue the development and adoption of a long term transportation plan, and shall report thereon to the governing bodies of the founding jurisdictions within twelve months of the formation of this District. Among the purposes and projects which are to be considered by the District in accordance with this section shall be development of bus service to and from the City of Manassas and Prince William County to the Vienna Metro Station, the development and implementation of commuter parking lots, airports and air parks, a commuter bus system within and through some or all of the member jurisdictions, linking them with other areas in Virginia and the District of Columbia, and the investigation of major transportation issues such as the location of an outer beltway and a Potomac River bridge crossing.

(3) Nothing contained in this section shall be deemed or construed to prohibit the Commission from adopting other interim transportation plans, projects, or agreements authorized by the Transportation District Act, in addition to a commuter rail project or other projects identified herein, as the Commission shall determine to be in the best interests of its component jurisdictions, and as shall be consonant with its financial capabilities.

(4) In adopting its transportation plan, the Commission shall adhere to the planning process set forth in ~~15.1-1366~~ 15.2-4527 of the Transportation District Act of 1964, and shall conform to the procedures set forth in ~~15.1-1366~~ 15.2-4528 of that Act, as well as such additional procedures the Commission may prescribe.

Section 6. Budget, Expenses and Distribution of Commission Revenues and Other Income.

A. Immediately upon formation of the District, and annually thereafter, the Commission shall submit to the governing bodies of the component jurisdictions a budget for its administrative expenses anticipated for the next ensuing fiscal year (from July 1st to June 30th of each year) not to include any funds for construction or acquisition of transportation facilities and or the performance of any transportation service authorized by law and agreement. The component jurisdictions hereby agree to fund from such revenue sources as they shall each determine, the administrative expenses set forth in such budget, in accordance with provisions of this section.

B. The Commission further shall annually submit to the governing bodies of the component jurisdictions a budget of its other expenses and obligations for the ensuing fiscal year and such expenses and obligations shall be borne by the component counties and cities in accordance with contractual arrangements made therefor.

C. (1) Until such time as the Commission is receiving revenues from the motor vehicle fuel sales tax, or any other source independent of the component jurisdictions adequate to meet the administrative expenses of the Commission, those administrative expenses shall be allocated among the component governments on the basis of population as reflected by the most recent population statistics of the United Bureau of the Census, and each jurisdiction shall pay in the proportion that its population bears to the total population of the District; provided, however, that the Commission may make such allocation upon such other estimates of population prepared in a manner approved by the Commission, and by the governing bodies of the component jurisdictions.

(2) After, and to the extent that, revenues are received from the motor vehicle fuel sales tax, such expenses shall be deducted from each jurisdiction's allocation thereof, in the same proportion that such jurisdiction's allocated revenues therefrom bear to the total revenues generated thereby.

D. In the event that the Commission shall undertake, directly or indirectly, to construct, operate, and maintain any transportation facility authorized by law, not otherwise provided through the agency of and agreement with a component jurisdiction, the costs of such facility shall be borne by the component jurisdictions in accordance with a specific agreement for the purpose of funding such facility, and not otherwise. This section shall not apply to the collection and distribution of any motor vehicle fuel sales tax, which shall be subject to paragraph E of this section.

E. Fuel sales tax revenues distributed monthly to the Commission by the Department of Taxation, shall be used and distributed by the Commission only in the following manner:

(1) The Commission shall place the receipts from such tax into a separate account for each member jurisdiction, equal to the amount of such tax generated within such jurisdiction.

(2) The Commission shall first withdraw from each such account each jurisdiction's agreed share of the administrative costs of the Commission, on a monthly or quarterly basis, as the Commission shall deem appropriate, as provided elsewhere in this section.

(3) The remainder of the revenues collected from such tax shall be expended by the Commission only for such mass transportation projects originating or operating within the jurisdiction generating such revenues, as may be identified in a District Transportation Plan, either interim or long range, and as may be agreed to by the governing body of such jurisdiction, and such distributions shall be deemed to be for mass transportation projects of the District itself. Distributions hereunder may specifically be made to those jurisdictions which are operating mass transportation projects identified in a District Plan, and which projects or facilities are owned and operated by the jurisdictions or their agents, and not by the District itself, including commuter rail. The component jurisdictions may enter other specific agreements with the Commission for the ownership, construction, maintenance, management, or other operation of any such project or facility, and may require that its allocated share of revenues hereunder, or any part of them, be attributed to such agreement, or may enter agreements for the provision of any transportation facility which may be made part of a District Transportation Plan.

(4) Notwithstanding any other provision of this section, any jurisdiction not presently a signatory to the Metro Compact, or a member of the Northern Virginia Transportation District, which shall either join said District, or shall enter an agreement with the District for the provision of or subsidization of ~~Metrorail~~ services to residents of such jurisdiction, may require that any sums in its tax revenue account as previously provided for, which it is required to pay under such agreement be distributed to its by this Commission, and may apply those sums to the purposes of any agreement for such ~~Metrorail~~ services.

(5) Other revenues generated by transportation facilities operated by the District shall be accounted for separately as the Commission may determine, and shall be expended for operation, maintenance, and capital replacement or improvement of District facilities.

Section 7. Bonds and Other Obligations.

The Commission may issue bonds or other interest-bearing obligations as provided for in ~~15-1-1358.2§ 15.2-4519~~ of the Transportation District Act of 1964, as such may be amended.

Section 8. Exemption From Taxation.

The District shall be exempt from taxation as provided for in ~~15.1-1370~~ § 15.2-4532 of the Code of Virginia (1950), as amended.

Section 9. Liability for Torts.

The District shall be liable for torts only as provided in ~~15.1-1371~~ § 15.2-4533 of the Code of Virginia (1950), as amended.

Section 10. Enlargement of Transportation District.

The territory embraced within the Transportation District may be enlarged in accordance with the procedure set forth in ~~15.1-1371~~ § 15.2-4529 of the Code of Virginia (1950), as amended.

Section 11. Withdrawal from Transportation District.

A county or city may withdraw from the Transportation District as provided for in ~~15.1-1368 and 1369~~ §§ 15.2-4530 and 4531 of the Code of Virginia (1950), as amended.

Section 12. Effective Date of This Ordinance.

This ordinance shall become effective upon the date that the last of the original member jurisdictions of this District shall have read the certification of the Secretary of the Commonwealth of the Transportation District Act for the formation of Transportation Districts.

WITNESS:

COUNTY OF PRINCE WILLIAM

BY: _____
CHAIRMAN

COUNTY OF STAFFORD

BY: _____
CHAIRMAN

CITY OF MANASSAS

BY: _____
MAYOR

CITY OF MANASSAS PARK

BY: _____
MAYOR

CITY OF FREDERICKSBURG

BY: _____
MAYOR

COUNTY OF SPOTSYLVANIA

BY: _____
CHAIRMAN

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