AGREEMENT

THIS AGREEMENT, made this 29th day of MARCH, 1970,
by and between the CITY OF EUGENE, a Municipal Corporation of
the State of Oregon ("City"), and EMERALD TRANSPORTATION SYSTEM,
INC., an Oregon Corporation ("Emerald Transportation"),

WITNESSETH:

RECITALS:

A. Pursuant to a franchise granted by the Common Council
of the City of Eugene, Emerald Transportation presently operates
the only existing public bus system on the streets of the City of
Eugene, Lane County, Oregon.

B. Emerald Transportation also operates a public bus
system within the corporate limits of the City of Springfield,
Lane County, Oregon and within the County of Lane, Oregon.

C. Emerald Transportation has and continues to experience
financial difficulties which make it necessary to discontinue
operation of the aforementioned public bus system on May 1, 1970.

D. It is the opinion of the City that in the event that
public bus service is discontinued no means of transportation of
the elderly, poor, young and other non-driving citizens will
exist.

E. It is the desire of the City to, in the exercise of its
police power, contract with Emerald Transportation in order to
continue public bus service in the aforementioned areas from
May 1, 1970 through June 30, 1970. During the period from May 1,
1970 through June 30, 1970, the City intends to cooperate with
the City of Springfield and the County of Lane in order to reach
a comprehensive solution to the problem of continuing public bus
service in the aforementioned areas.
NOW, THEREFORE, for a valuable consideration paid by each party to the other, the receipt and sufficiency of which is hereby acknowledged by the respective recipient thereof, and in further consideration of the mutual covenants and agreements herein set forth, it is mutually agreed as follows:

AGREEMENTS:

1. Emerald Transportation shall continue to operate its public bus system on its established routes and in its established manner and routine in so far as it is possible from May 1, 1970 through June 30, 1970. In doing so it shall continue to act as an independent contractor and expressly covenants that it shall not represent nor allow itself to be represented as an agent of the City in any regard or manner whatsoever.

2. Emerald Transportation shall compile or cause to be compiled a Balance Sheet as of April 30, 1970 and June 30, 1970, as well as Statements of Income for the months of May, 1970 and June, 1970.

3. The City hereby agrees to reimburse Emerald Transportation for any loss as reflected in the above mentioned financial statements which it may suffer by reason of its operation of the aforementioned public bus system from May 1, 1970 through June 30, 1970.

4. In order for Emerald Transportation to have sufficient capital upon which to continue to operate the aforementioned public bus system from May 1, 1970 through June 30, 1970 the City agrees to advance to Emerald Transportation the sum of $6,750.00 upon execution of this agreement, the receipt of which is hereby acknowledged and $6,750.00 on June 1, 1970. It is understood and agreed between the parties hereto that such sums are merely advance payments and that the amount of loss which Emerald Transportation may
suffer will be the amount, if any, which the City will be obligated to pay to Emerald Transportation pursuant to this Agreement. In the event the aforementioned advance payments exceed the aforementioned loss, Emerald Transportation shall, on or before October 1, 1970 repay such excess to the City. In the event the aforementioned loss exceeds the aforementioned advance payments the City shall on or before October 1, 1970 pay such excess to Emerald Transportation.

5. The City recognizes that Emerald Transportation will incur extraordinary expenses during or for the period from May 1, 1970 through June 30, 1970 including but not limited to extraordinary attorneys fees; a 30¢ per hour increase in salary for all drivers and secretaries; an increase in the managerial salary of Elmer Sottile from $550.00 per month to $1,000.00 per month; a 17% increase in salary for all shop mechanics and downtown starters; and liability insurance premiums of $1,590.00.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ATTEST:

City Recorder

CITY OF EUGENE

By

EMERALD TRANSPORTATION SYSTEM, INC.

By

Treasurer