

## Comprehensive Transition Agreement

Effective October 19, 2015

among:

|   |  |
|---|--|
| City of Kalamazoo ("City")<br>241 West South Street<br>Kalamazoo, Michigan 49007<br>Attn: James K. Ritsema<br>City Manager                              | Kalamazoo Transit Authority,<br>a/k/a Metro Transit Service ("KTA")<br>241 West South Street<br>Kalamazoo, Michigan 49007<br>Attn: Garrylee McCormick<br>Chairperson |
| Kalamazoo County Transportation<br>Authority ("KCTA")<br>530 North Rose Street<br>Kalamazoo, Michigan 49007<br>Attn: Sean McBride<br>Executive Director | Central County Transportation<br>Authority ("CCTA")<br>530 North Rose Street<br>Kalamazoo, Michigan 49007<br>Attn: Sean McBride<br>Executive Director                |

## **TABLE OF CONTENTS**

|  | <b><u>Page</u></b> |
|--|--------------------|
| 1. Transfer of Assets; Assumption of Liabilities. .... | 1                  |
| 2. Real Property. ....                                 | 3                  |
| 3. Consideration; Taxes; Prorations. ....              | 4                  |
| 4. Closing Matters. ....                               | 4                  |
| 5. City and KTA Representations. ....                  | 5                  |
| 6. CCTA Representations. ....                          | 10                 |
| 7. Labor and Employment Matters. ....                  | 10                 |
| 8. Transit Operations Pending the Closing. ....        | 15                 |
| 9. Conditions Precedent to Closing. ....               | 16                 |
| 10. Indemnification. ....                              | 17                 |
| 11. Reversion. ....                                    | 18                 |
| 12. Default and Remedies. ....                         | 18                 |
| 13. General Terms. ....                                | 18                 |
| 14. Rules of Interpretation. ....                      | 21                 |
| 15. Definitions. ....                                  | 22                 |

## COMPREHENSIVE TRANSITION AGREEMENT

### 1. Transfer of Assets; Assumption of Liabilities.

1.1. Acknowledged Facts. The parties acknowledge the following facts. The City operates a public transportation system within the Kalamazoo urbanized area pursuant to an agreement with KTA. That system provides fixed-route, paratransit and demand-response service. The City created KTA under Act 55 of the Public Acts of 1963 to provide these services.

Kalamazoo County created KCTA and CCTA under Act 196 of the Public Acts of 1986. KCTA levies a County-wide millage and contracts with the City for public transportation service both within and outside the City limits. The City levies a City-wide millage to support transit services. As the result of its approval by voters in August 2015, CCTA will begin levying a millage within the City and urbanized portions of the County to replace the City's millage.

Act 35 of the Public Acts of 1951 permits municipal corporations to agree for the ownership, operation or performance jointly, or by one or more on behalf of all, of any property, facility or service which each would have the power to do separately. The parties undertake this Agreement pursuant to this legislative grant of authority.

The parties desire that CCTA acquire the City's transit operations. The parties are executing this Agreement to implement the following plan on or before October 1, 2016:

- a. The City will transfer its existing transit operations to CCTA, which will become the transit service provider in place of the City;
- b. The City will provide various administrative services to CCTA for a period of time after the transfer;
- c. KCTA will contractually provide its County-wide millage to CCTA instead of to the City. A new service agreement between KCTA and CCTA will replace the current agreement between KCTA and the City.

1.2. Transferred Assets. The City and KTA will transfer to CCTA title to and possession of all assets (the "Transferred Assets") that are located on any of the Real Property parcels described in Schedule 2.1 or used in connection with the Transit System. The Transferred Assets include, for example, each of the following to the extent related to transit operations:

- a. Buses, other motor vehicles, equipment, furniture, office supplies, inventory, fixtures, tools, leasehold improvements, machinery, and all related warranties.
- b. Intangible property, including the name "Metro Transit", logos, goodwill, telephone and facsimile numbers, know-how, trade secrets, confidential or proprietary information, marks, symbols, trademarks, trade names, service marks, copyrights,

patents, patent applications and inventions and discoveries that may be patentable, domain names, web sites, and email addresses (the "Intangible Rights").

c. The City's and KTA's rights in contracts (the "Assigned Contracts"), including leases of any Transferred Assets that the City or KTA leases instead of owns, any service agreements, any state or federal grant agreements, any employment related agreements, and all those listed on **Schedule 1.2(c)**.

d. The City's and KTA's rights related to deposits, including any security deposits, and prepaid expenses, accounts and receivables and other rights to payment, and any related claim or remedy.

e. The Transit System-related computer software and software licenses held by the City or KTA.

f. The City's and KTA's records, whether in written electronic or other form, including those relating to grants, finance, millage, correspondence, ridership, maintenance, marketing, advertising, promotions, credit, vendors and customers, purchasing, invoices, operating manuals, and technical and repair data.

g. Assets, whether or not in cash, set aside for the payment of employee or retiree benefits, such as pension, health insurance and life insurance, for the Transferred Employees.

h. Assets of the City or KTA as shown on the fixed asset ledger of Metro Transit attached as **Schedule 1.2(h)**.

1.3. **Excluded Assets. The Transferred Assets do not include:**

a. title to any of the Real Property;

b. any Assets, whether or not in cash, set aside for the payment of retiree benefits, such as pension, health insurance and life insurance, for City Retirees.

1.4. **Assumption of Liabilities.**

a. CCTA will assume only the following liabilities of either KTA or the City (the "Assumed Liabilities"):

(1) Obligations that arise in the ordinary course of operating the Transferred Assets after the closing; and

(2) Additional liabilities specifically assumed by CCTA in writing.

b. Except for Assumed Liabilities, all liabilities relating to one or more of the City, KTA, and the Transit System remain the sole responsibility of KTA and the City. These retained liabilities include, for example, those:

(1) Relating to retirement benefits, such as a defined benefit pension and retiree health care for City Retirees;

(2) Arising out of activities conducted by the City or KTA or both before the closing;

(3) Under any contract other than those liabilities assumed by CCTA; and

(4) For taxes, environmental matters, employee retirement plans, or employee matters, including, without limitation, payroll, vacation, sick leave, workers' compensation, unemployment benefits or other employee or retiree benefits arising out of operation of the Transit System or ownership of the Transferred Assets before the closing.

1.5. Workers' Compensation. City and KTA shall maintain workers' compensation insurance coverage up to the date of closing. CCTA shall maintain workers' compensation insurance coverage on the date of closing and for the time period thereafter.

## 2. Real Property.

2.1. Leases. At closing the City and CCTA will sign one or more leases for the Real Property under substantially the terms attached as Schedule 2.1. The City and KTA represent that the City owns that Real Property free and clear of all Liens except as specifically described in that schedule.

2.2. License. City grants CCTA the license to erect, maintain, repair and replace signage, bus shelters and other improvements related to the operation of the transportation system within street rights of way under the control or jurisdiction of the City of Kalamazoo.

### 2.3. Inspections.

a. Real Property Inspection. CCTA may inspect the Real Property in order to determine its physical, legal and other characteristics, its suitability for the use intended by CCTA, and each of the following:

(1) that the Real Property is appropriately zoned and that such zoning shall permit the CCTA's intended use;

(2) that the environmental conditions of the Real Property are satisfactory for CCTA's intended use;

(3) that there are adequate and sufficient roads, water, sanitary sewer, storm drainage, and other infrastructure and utilities servicing the Real Property for CCTA's intended use; and

(4) that no condemnation proceedings are pending or threatened with respect to the Real Property.

b. Records Inspection. CCTA may inspect the City's and KTA's Real Property records relating to any of the following: (i) all building permits, certificates of occupancy, wetlands, and fill permits, zoning variances and approvals, and soil and environmental reports; (ii) all existing surveys; (iii) all site, "as-built," architectural, and engineering plans and specifications for all improvements; (iv) any notices with respect to the Real Property that the City or KTA received from any governmental agency within the last five years; and (v) all inspections, engineering reports or similar reports.

c. Other. CCTA's inspection is at CCTA's expense. CCTA will repair any damage resulting from its inspections. CCTA will use its best efforts to notify the City as soon as possible of anything it discovers in its inspections that CCTA would not be willing to accept at closing.

3. Consideration; Taxes; Prorations.

3.1. Consideration. CCTA assumes the Assumed Liabilities as consideration for receiving the Transferred Assets.

3.2. Taxes. The City and KTA must pay all taxes, if any, imposed on the transfer of the Transferred Assets.

3.3. Prorations of Rent, Utilities, Etc. All prepaid expenses such as rent, utilities and the like will be pro-rated to the closing. The City and KTA will pay all amounts pro-rated for the period before and through the closing date. To the extent final meter readings and other pro-ration information is not available as of closing, the parties will estimate the amounts at closing and pay each other accordingly as soon as final amounts are known. The City and KTA will obtain final utility meter readings as of the closing.

4. Closing Matters.

4.1. When. The closing will take place at a date and place agreed by the City and CCTA. The closing need not occur all at once. It may be taken in a series of steps that would occur between October 1, 2015 and October 1, 2016.

4.2. Actions to be Taken at the Closing. At the closing:

a. The City, KTA, and CCTA will sign and deliver:

(1) the leases described in Schedule 2.1.

(2) a CCTA-City Support Services Agreement in substantially the form attached as Schedule 4.2(a).

(3) assignments from the City to CCTA of all Assigned Contracts as listed in Schedule 1.2(c).

(4) all written consents required under this Agreement.

(5) other documents and certificates as are required by the terms of this Agreement (including all governmental and third party consents required to be delivered by the City and KTA) or as may be reasonably requested by party.

(6) Terminations, if necessary, of the i) the KCTA-City Service Agreement under which the City provides public transit services, and ii) the KTCA-City Executive Services Agreement under which KCTA's Executive Director provides services to the City.

b. The City and KTA will also deliver to CCTA:

(1) a Bill of Sale in the form of Schedule 4.2(b).

(2) an assignment to CCTA of all claims that the City or KTA may have against any third party in connection with the construction, improvement, maintenance, or repair of any portion of the Real Property.

(3) possession and control of the Transferred Assets.

(4) a certificate representing that since the date of this Agreement, no material change has occurred in the Transit System or any of the Transferred Assets, and that all representations by the City or KTA or both are accurate as of closing.

c. KCTA and CCTA will deliver to each other a new KCTA-CCTA agreement under which CCTA will provide public transit services in return for the KCTA paying its county-wide millage receipts to CCTA.

5. City and KTA Representations. The City and KTA each represent to CCTA that:

5.1. Organization; Power and Authority; Authorization; Due Execution; No Conflicts.

KTA is a public transportation authority duly incorporated and validly existing under Act 55 of the Public Acts of 1963. The City is a home rule city duly chartered under the Home Rule Cities Act, Act 279 of 1909;

KTA and the City each have the power and authority to (A) own, operate and lease the properties each now owns, operates and leases, (B) carry on their respective business as each is now being conducted, (C) execute, deliver, and perform this Agreement and (D) close the transactions described in this Agreement.

KTA and the City have each authorized this Agreement's execution. Upon its execution and delivery, this Agreement will be enforceable against the City and KTA in accordance with its terms.

The execution, delivery and performance of this Agreement by the City and KTA will not:

(1) breach (A) KTA's articles of incorporation, bylaws, or other organizational documents (B) the City's charter, ordinances, resolutions or any other City instrument, (C) any applicable law, or (D) any material agreement binding on either the City or KTA including any obligations to any state or federal transit funding source;

(2) violate any court order binding on either KTA or the City;

(3) accelerate any material debt owed by KTA or the City; or

(4) create any lien on any of the Transferred Assets.

Except for consents that may be required under the terms of any of the Assigned Contracts or as set forth on **Schedule 5.1**, neither the City nor KTA needs to obtain approval from, file with, or give notice to, any federal, state, or local governmental body, court, or agency or anyone else to (1) authorize the execution or closing of this Agreement, or (2) continue CCTA's use and operation of the Transferred Assets after the closing.

5.2. **Transferred Assets: Title and Condition.**

All of the Transferred Assets are in good operating condition.

The City or KTA has good and marketable title to all of the owned Transferred Assets, free and clear of all Liens.

5.3. **Claims; Litigation; Compliance with Laws.**

To the best of the Seller's Knowledge, there are no pending or threatened claims and/or lawsuits against either the City or KTA regarding the Transit System except as disclosed on **Schedule 5.3**. These include personal injury lawsuits, employment, environmental, workers' compensation claims and claims of any other kind under any kind of subject matter or law.

Neither the City nor KTA is subject to any court or governmental order, judgment or decree regarding the Transit System or any of the Transferred Assets except as set forth on **Schedule 5.3**.

The City and KTA have each operated the Transit System and used the Transferred Assets in compliance with applicable law.

5.4. **Assigned Contracts.**

With respect to each of the Assigned Contracts:

a. Neither the City, or KTA, nor the other parties are in default, no default has been asserted by any party, and there has not occurred any event that, with the passage of time or giving of notice or both would constitute a default.



b. Except as set forth on **Schedule 1.2(c)**, (A) each Assigned Contract is assignable to CCTA and will be validly assigned to CCTA at closing, (B) all required consents to each Assigned Contract will be obtained by the City and KTA before closing, and (C) each Assigned Contract will be enforceable in accordance with its terms upon assignment to CCTA without any adverse condition or cost to CCTA.

The Assigned Contracts are all the contracts necessary for the operation of the Transit System in accordance with its current operation, applicable law and sound business practice.

5.5. **Intangible Property Rights.**

a. All of the Intangible Property Rights are the sole and exclusive property of the City or KTA or both.

b. The Intangible Property Rights are sufficient to conduct the Transit System as presently conducted.

c. None of the Intangible Property Rights have been assigned or licensed to anyone, do not infringe upon anyone's rights, and are not subject to claims of infringement, unfair competition or otherwise.

5.6. **Permits and Licenses.** The City and KTA each has all necessary permits, certificates, licenses, consents, and other approvals required to own and operate the Transit System and will transfer all of those approvals to CCTA at closing without expense to CCTA. All of those approvals are listed in **Schedule 5.6.**

5.7. **Financial Statements.** The City and KTA have given CCTA access to the financial statements listed on **Schedule 5.7** to this Agreement. They shall give access to CCTA, before the closing, financial statements relating to the Transit System that either of them has prepared before the closing (collectively, the "Financial Statements"). The Financial Statements are prepared in accordance with applicable financial accounting standards and accurately present the financial position of the City and KTA.

5.8. **No Material Adverse Changes.** Since the date of the most recent of the financial statements described above, nothing has happened that has adversely and materially affected, or is reasonably likely to adversely and materially affect the Transit System or any of the Transferred Assets.

5.9. **Suppliers and Customers.** To the Seller's Knowledge, no customer or supplier of either of them has indicated that it intends to cease purchasing from, selling to or dealing with either of them.

5.10. **Environmental Matters.** Neither the City nor KTA has received any claims or notices alleging liability related to the Transferred Assets or the Transit System under any environmental law. There are no circumstances currently existing that are reasonably likely to result in claims or liability of either of them relating to alleged violations of any environmental law.

5.11. No Undisclosed Liabilities. Except as disclosed in **Schedule 5.11**, neither the City nor KTA has any liabilities affecting the Transit System or any of the Transferred Assets. No facts exist that could give rise to any such liabilities in the future.

5.12. Conduct of Transit System. Since the date of the most recent City or KTA financial statement given to CCTA, neither the City nor KTA has:

- a. Altered or amended the KTA articles of incorporation, the Kalamazoo City Charter, or any ordinance, resolution or other instrument that affects the Transit System;
- b. Operated the Transit System in other than the ordinary course of business;
- c. Experienced any material damage, destruction, or loss (whether or not covered by insurance) affecting the Transit System;
- d. Instituted or settled any litigation, action, or proceeding before any court or governmental body relating to the Transit System;
- e. Made any change in any method of accounting or any accounting practice or suffered any deterioration in accounting controls relating to the Transit System;
- f. Varied, cancelled, or allowed to expire any insurance coverage relating to the Transit System.

5.13. No Misstatements or Omissions. No representation of the City or KTA or both contains any untrue statement of material fact or omits to state a material fact necessary in order to make that representation or statement not misleading. No fact exists that could have a material adverse effect on the City, KTA, the Transferred Assets or the Transit System that the City or KTA have not previously disclosed in writing to CCTA.

5.14. No Subsidiaries. Neither KTA nor the City has any subsidiaries and does not directly or indirectly own any interest or have any investment in any other corporation, partnership, or other person, except for the City's control over KTA.

5.15. Insolvency.

There is no pending or threatened insolvency, bankruptcy or similar proceeding affecting the City, KTA, or any assets of either. Neither the City nor KTA has taken any action that would give a basis for any of those proceedings.

Neither the City nor KTA will be rendered insolvent by the closing of this Agreement. No action by the City or KTA or both at closing will be a fraudulent transfer under the Uniform Fraudulent Transfer Act or other similar law.

5.16. Liability and Loss Insurance.

The City and KTA have delivered to CCTA complete copies of all liability and loss insurance policies under which either of them is or has been covered at any time since October 1, 2010. A list of those policies is in Schedule 5.16.

Schedule 5.16 describes (i) any self-insurance arrangement by or affecting the City, including any reserves; and (ii) any arrangement, other than an insurance policy, for the transfer or sharing of any risk to which the City or KTA is a party or that involves the Transit System.

Schedule 5.16 sets forth, by year, for the current policy year and each of the preceding five policy years: (1) a summary of the loss experience under each policy of insurance; (2) a statement describing each claim under a policy of insurance for an amount in excess of \$5,000.00; and (3) a statement describing the loss experience for all claims that were self-insured, including the number and aggregate cost of such claims.

Except as set forth on Schedule 5.16:

(1) all policies of insurance to which the City or KTA is a party or that provide coverage to the City or KTA:

- (A) are valid, outstanding and enforceable;
- (B) are issued by an insurer that is financially sound and reputable;
- (C) are taken together, provide adequate insurance coverage for the Transferred Assets and the operations of the City or KTA; and
- (D) are sufficient for compliance with all applicable laws and contracts to which the City or KTA is a party.

(2) neither the City nor KTA has received (a) any refusal of coverage or any notice that a defense will be afforded under a reservation of rights or (b) any notice of cancellation or any other indication that any policy of insurance is no longer in full force or effect or that the issuer of any policy of insurance is not willing or able to perform its obligations thereunder;

(3) the City and KTA have each paid all premiums due and have otherwise performed all of their respective obligations, under each policy of insurance to which either or both is a party or that provides coverage to either of them; and

(4) the City and KTA have each given notice to the insurer of all claims that may be insured thereby.

6. CCTA Representations. CCTA represents to the City and KTA as follows, as of the date of this Agreement and as of the closing:

6.1. Organization; Power and Authority. CCTA is an area public transportation authority duly incorporated and validly existing under Act 196 of the Public Acts of 1986, under the laws of the State of Michigan, and has the power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement.

6.2. Authorization; Due Execution; No Conflicts. CCTA has authorized this Agreement's execution. Upon its execution and delivery, this Agreement will be enforceable against it in accordance with its terms. The execution, delivery and performance of this Agreement will not (1) breach (A) either its articles of incorporation, bylaws, or other organizational documents, (B) any applicable law, or (C) any material agreement binding on it, or (2) violate any court order binding on it.

7. Labor and Employment Matters.

7.1. Generally.

a. Within 10 days after the execution of this Agreement, the City will give CCTA access to a list of all Transit System Employee names, positions, compensation, and dates of hire.

b. Schedule 7.1(b) lists all collective bargaining agreements and other agreements between the City and any Transit System Employee.

c. To the best of Seller's Knowledge with respect to the Transit System, except as disclosed in Schedule 7.1(c), (i) there is no pending or threatened strike, slowdown, picketing, work stoppage or employee grievance process involving the City which would preclude it from entering this Agreement; (ii) that no basis exists for any work stoppage or other labor dispute; (iii) there is no organizational activity or other labor dispute against or affecting the City, KTA, or the Transit System; (iv) no application or petition for an election of or for certification of a collective bargaining agent is pending; (v) and there is no lockout of any employees by the City, and the City does not contemplate any lockout.

d. Schedule 7.1(d) lists all employment-related plans ("Plans" or "Plan") (including insurance) for Transit System Employees, including pension, profit sharing, retirement, bonuses, deferred compensation, severance, disability, group life, hospitalization, welfare benefits, or other employee benefit plan or arrangement or for funding of past services of employees. The City has paid all of its accrued obligations under (i) those Plans and (ii) as may be required to any trusts, funds, any governmental agency, and any employee with respect to unemployment compensation benefits, profit sharing, retirement benefits or social security benefits. The closing will not give rise to any liability under any of those Plans.

e. Each of the Plans that are intended to qualify under Section 401(a) of the Internal Revenue Code (the "Code") has received or would receive a favorable

determination letter from the Internal Revenue Service ("IRS") as to its qualification under the Code. A copy of the favorable determination letter is attached as Schedule 7.1(e). No Plan is subject to the minimum funding standards of Section 412 of the Code. No Plan is a multiple employer plan. The City has not taken any action that may result in CCTA being bound by any Plan. Except as provided in this Agreement, CCTA will have no liability under any Plan following the closing.

f. To the best of Seller's Knowledge, the City has complied at all times and currently complies in all material respects with the applicable continuation coverage requirements for each of its group health plans under the PHSA and any applicable state statutes. Except as disclosed in Schedule 7.1(d) and except for the continuation coverage requirements of PHSA, the City has no obligations or potential liability for benefits to Transit System Employees, former Transit System Employees, or their respective dependents following termination of employment or retirement under any group health plan or welfare benefit plan.

g. As of the Spin-Off Date CCTA will become the real party in interest in any pending grievance proceedings under applicable collective bargaining agreements between the City and the bargaining units representing any Transferred Employees. The City agrees to cooperate fully with CCTA on pending and future grievance proceedings which arise under the collective bargaining agreements in-place on the Spin-Off Date which govern Transferred Employees and CCTA Employees.

## **7.2. Health Insurance for Active Employees.**

a. The City will continue to make medical, prescription drug, and vision insurance coverage available to the Transferred Employees, CCTA Employees and their eligible dependents under its Health Insurance Plan beginning on the Spin-Off Date and thereafter until such time as CCTA notifies the City in writing that it is administratively able to implement a health insurance program for the Transferred Employees and CCTA Employees. The coverage provided to the Transferred Employees and CCTA Employees shall be the same or comparable to the medical, prescription drug, dental and vision coverage the Transferred Employees and their eligible dependents received under the City's Health Insurance Plan immediately prior to the Spin-Off Date.

b. The City's obligation to make coverage available to the Transferred Employees, CCTA Employees, and their eligible dependents under its Health Insurance Plan will not extend more than 36 months after the Spin-Off Date unless the parties mutually agree in writing to an extension of the term of this obligation.

c. CCTA shall pay the City an illustrated health care rate on a monthly basis for Transferred Employees, CCTA Employees, and their eligible dependents on and after the Spin-Off Date, in accordance with the terms of the CCTA-City Support Services Agreement (see Schedule 4.2(a)). The illustrated health care rate shall be calculated using the same method the City uses to calculate illustrated health care rates for the City's annual budget, and shall be prorated for the period from the closing date through December 31, 2016.

d. The City shall retain the obligation to offer PHSA continuation coverage under its Health Insurance Plans with respect to any qualified beneficiaries who are receiving or who become entitled to continuation coverage under the City's Health Insurance Plans on or before the date that CCTA is administratively able to implement a health insurance program for the Transferred Employees and CCTA Employees.

e. The City will be responsible for claims incurred by the Transferred Employees and their eligible dependents through the Spin-Off Date, even if those claims are submitted to the Health Insurance Plan after the Spin-Off Date. For purposes of this Agreement, health insurance claims shall be deemed to be incurred on the date services are actually rendered.

7.3. Retiree Health Care Benefits.

a. The City will make medical, prescription drug, dental and vision insurance coverage available to City Retirees and their eligible dependents under the City's Health Insurance Plan. The City will be responsible for claims incurred by the City Retirees and their eligible dependents even if those claims are submitted to the Health Insurance Plan after the closing. For purposes of this Agreement, health insurance claims shall be deemed to be incurred on the date services are actually rendered.

b. Subject to Sections 7.3(c) and 7.10, after the Spin-Off Date, CCTA Retirees and their eligible dependents will be provided with medical, prescription drug, dental and vision coverage under the City's Health Insurance Plan, in accordance with the terms and conditions of such coverage, until CCTA notifies the City in writing that it is financially and administratively able to implement a health insurance program for the CCTA Retirees. It is anticipated that the coverage provided to the CCTA Retirees and their eligible dependents will be comparable to the medical, prescription drug, dental and vision coverage provided to the Transferred Employees.

c. The City's obligation to make coverage available to CCTA Retirees under its Health Insurance Plan will not extend more than 36 months after the Spin-Off Date unless the parties mutually agree in writing to extend the term of this obligation.

d. CCTA shall make quarterly payments, the first being due January 1, 2017, to the City for what would have been the Metro Transit Division's allocated actuarial cost of: (i) OPEB bonded indebtedness; (ii) the fixed payment of Retiree Health Care costs for City Retirees; and (iii) any additional payments that may be required to support the City's Retiree Health Care Trust; so long as the City is obligated for such costs. Notwithstanding any other provision of this Agreement, in the event that CCTA Retirees and their dependents are no longer provided with medical, prescription drug, dental or vision coverage under the City's Health Insurance Plan, the City shall reimburse CCTA for claims incurred by the CCTA Retirees until CCTA is no longer obligated to make the quarterly payments required under this Section 7.3(d).

e. In the case of CCTA Retirees whose health care is solely based on their participation in a Retiree Health Care Savings Plan, such cost shall be borne entirely by the CCTA as provided in Section 7.7 of this Agreement.

7.4. Pension Benefits.

a. On October 1, 2016, (the "Spin-Off Date"), the portion of the City's Retirement System that covers the Transferred Employees and City Retirees will be spun off into a separate plan established by CCTA ("CCTA's Pension Plan"). The CCTA Pension Plan shall as of the Spin-Off Date assume any and all City Retirement System liabilities associated with the Transferred Employees and City Retirees.

b. Effective as of the Spin-Off Date, the City will, in accordance with subsection 7.4(c), transfer from its Retirement System to CCTA's Pension Plan the assets in the Retirement System allocated or attributable to the Transferred Employees and City Retirees as the Spin-Off Date (the "Metro Transit Division Plan Assets"). For purposes of this Agreement, the Metro Transit Division Plan Assets include the assets necessary to fund the accrued benefits of the Transferred Employees and City Retirees and the excess assets (or overfunded liability) attributable to the Transferred Employees and City Retirees (i.e., a proportionate share of the total excess assets in the City's Retirement System). As a result, the amount transferred from the City's Retirement System to CCTA's Pension Plan will include the assets necessary to fund the accrued benefits of the Transferred Employees and City Retirees as of the close of business on the Spin-Off Date, and the excess assets (or overfunded liability) attributable to the Transferred Employees and City Retirees as of the close of business on the Spin-Off Date.

c. The transfer of the Metro Transit Division Plan Assets from the City's Retirement System trust to CCTA's Pension Plan will be completed in two steps. First, effective as of the Spin-Off Date, an amount equal to 75% of the Metro Transit Division Plan Assets as of the valuation date for the City's retirement reserve fund corresponding with or immediately preceding the Spin-Off Date will be transferred to CCTA's Pension Plan. Second, as soon as administratively feasible after the actuarial report for the City's Retirement System for the plan year that includes the Spin-Off Date is completed, the City shall transfer from its retirement reserve fund to CCTA's Pension Plan the additional amount, if any, necessary to ensure that CCTA's Pension Plan receives 100% of the Metro Transit Division Plan Assets as of the Spin-Off Date. This amount shall be adjusted for investment results, gains and/or losses, from the Spin-Off Date, until transferred to CCTA's Pension Plan. If the actuarial report for the City's Retirement System for the plan year that includes the Spin-Off Date shows that CCTA's Pension Plan received more than 100% of the Metro Transit Division Plan Assets as of the Spin-Off Date, the excess amount shall be transferred, as soon as administratively feasible, from CCTA's Pension Plan to the City's reserve retirement fund. This amount shall be adjusted for investment results, gains and/or losses, from the Spin-Off Date, until transferred to the City's reserve retirement fund. The parties agree to equally share the cost of the actuarial reports expenses incurred as the result of calculations required by this Section 7.4(c).

d. Effective as of the Spin-Off Date, CCTA will be solely responsible for providing pension benefits for all Transferred Employees and City Retirees. A list of the Transferred Employees and their accrued benefits, length of employment with the City, and vested status as of October 31, 2015, is attached as Schedule 7.4.

e. No later than 30 days after the Spin Off Date, the CCTA will take the steps necessary to adopt the provisions of the Reciprocal Retirement Act, being Public Act 88 of 1961, as amended, for the purpose of becoming a reciprocal unit under that Act. Notwithstanding any provision of this Agreement to the contrary, CCTA, for all purposes under the CCTA Pension Plan, shall recognize the Transferred Employees' service with the City prior to the Spin-Off Date.

f. Effective as of the closing, the assets of CCTA's Pension Plan will be invested with the assets of the City's Retirement System in a "group trust" that meets the requirements of Revenue Rulings 81-100 and 2004-67, all in accordance with the terms of such group trust. The current investment committee for the City's Retirement System will have the authority to manage and invest the assets of the group trust.

g. The City shall be responsible for preparing the group trust document and submitting it to the IRS for approval. In the event that the IRS denies the request, the City and CCTA shall meet to consider options that may be available to them and agree upon a course of action that best achieves the intent of the parties to this Agreement.

h. The administrative procedures related to the group trust funding arrangement are addressed in the CCTA-City Support Services Agreement (see Schedule 4.2(a)).

**7.5. Deferred Compensation Plan.**

a. Effective as of the Spin-Off Date, the Transferred Employees' account balances in the City's deferred compensation plan, a Code Section 457(b) plan, shall be transferred in a trustee-to-trustee transfer to a separate eligible deferred compensation plan under Code Section 457(b) that will be established by CCTA prior to the Spin-Off Date. After the transfer, the Code Section 457(b) plan established by the CCTA shall be solely responsible for the amounts and benefits transferred to such plan.

b. The account balances of any former employees of the Transit System who are not Transferred Employees will remain in the City's Code Section 457(b) deferred compensation plan.

**7.6. Flexible Spending Accounts.** CCTA shall establish medical and dependent care flexible spending account plans for the benefit of its employees, including the Transferred Employees. Elections made by the Transferred Employees under the City's medical and dependent care flexible spending account plans for the 2016 plan year shall carry over to CCTA's medical and dependent care flexible spending account plans. The Transferred Employees' elections shall remain in effect for the 2016 plan year unless a change is permitted under the terms of CCTA's medical and dependent care flexible spending account plans and Treasury Regulation § 1.125-4. The City shall transfer to CCTA an amount equal to the already



withheld but unused portion of the Transferred Employees' accounts. After the transfer, CCTA shall be solely responsible for the Transferred Employees' medical and dependent care flexible spending accounts.

7.7. Retiree Health Care Savings Plan. CCTA will establish a Retiree Health Care Savings Program under the Municipal Employees Retirement System of Michigan for the benefit of the Transferred Employees. The City will direct the Michigan Employees Retirement System to transfer each Transferred Employee's vested and unvested account in the Retiree Health Care Savings Program it has established under the Municipal Employees Retirement System of Michigan to the new program established by CCTA. CCTA will credit each Transferred Employee's service with the City for purposes of determining the Transferred Employee's vesting percentage in the contributions made by the City and CCTA to the account in the Retiree Health Care Savings Program established under the Municipal Employees Retirement System of Michigan for the benefit of the Transferred Employee.

7.8. Tuition Reimbursement. The City will remain responsible for the reimbursement of any amounts due under its tuition reimbursement policy with respect to courses begun by the Transferred Employees before the Spin-Off Date, even if the request for reimbursement is submitted after the closing.

7.9. Sick/Annual Leave Bank. Any sick or annual leave donated to the City's sick leave transfer bank by a Transferred Employee that has not been used by an eligible employee of the City as of the close of business on the closing, shall be transferred to CCTA for use in a sick leave bank for its employees. Schedule 7.9 lists each Transferred Employee's donated hours remaining in the sick or annual leave bank.

7.10. Cessation of Health Insurance Coverage. Notwithstanding any provision of this Agreement to the contrary, the City, with reasonable notice to CCTA, may terminate any and/or all health insurance coverage to CCTA Employees, CCTA Retirees and the Transferred Employees and their respective dependents, if the continuation of such coverage is not permitted by applicable law or administrative regulation, or is subject, or potentially subject, to significant financial penalties or expenses due to any applicable law or administrative regulation.

7.11. Life Insurance. After closing, CCTA shall obtain life insurance coverage for the benefit of its employees, including the Transferred Employees.

8. Transit Operations Pending the Closing.

8.1. Conduct. Between the date this Agreement is executed and the closing, the City and KTA will:

a. Operate the Transit System in the ordinary course as historically conducted.

b. Not take any action that, if taken before the date of this Agreement, would have been required to be disclosed under this Agreement.

c. Not take any action that would make any representations of either or both of them untrue.

d. Promptly notify CCTA in writing if either of them has knowledge that any of those representations are untrue.

e. Permit CCTA and KCTA to inspect KTA, the Transit System, the Transferred Assets and the Assumed Liabilities. The City and KTA will cooperate with this inspection.

f. Maintain fire and public liability insurance covering the Real Property in such amounts as are reasonably satisfactory to CCTA. Any policies maintained on a "claims made" basis must be kept in force after the closing until the applicable statute of limitations expires with respect to claims arising before the closing. If any damage occurs before closing, the City and KTA must repair that damage before closing.

8.2. Approvals. The City and KTA will obtain written consents from all necessary governmental and third parties that may be required to close this Agreement, including assigning the Assigned Contracts to CCTA.

8.3. Other Actions. Each party signing this Agreement will take all such other and further actions, consistent with this Agreement and the Related Agreements, as each other party may reasonably request.

9. Conditions Precedent to Closing.

9.1. CCTA's Conditions Precedent. CCTA's obligation to close are subject to each of the following:

a. The City and KTA have fully performed all obligations of either or both of them in this Agreement.

b. The City's and KTA's representations are true and complete as of the closing.

c. CCTA is satisfied with its inspection of the Transit System, the Transferred Assets, and all other information discovered by it or disclosed to it.

d. The City and KTA have delivered all consents, approvals, and agreements, with terms acceptable to CCTA, from (1) all governmental bodies, lenders, lessors, and other third parties necessary or desirable to close the transactions contemplated by this Agreement and (2) all parties necessary for the continuation of all of the Transit System's material business relationships after the closing.

e. Neither the City, or KTA, nor the Transit System has incurred or been threatened with a material liability, adverse change, or casualty that would materially impair the value of the Transit System or the Transferred Assets.

f. CCTA is satisfied with its review of all aspects of KTA, the Transit System, and the Transferred Assets.

g. The City has provided to CCTA a statement from the Commissioner of the Bureau of Worker's and Unemployment Compensation certifying the status of its contribution liability under Section 15(g) of the Michigan Employment Security Act, MCLA 421.15(g), MSA 17.515(g).

h. The City has executed and delivered to CCTA a Business Transferor's Notice to Transferee of Unemployment Tax Liability and Rate on Michigan Department of Labor and Economic Growth Form 1027.

i. CCTA is satisfied that the Transit System has been operated only in the usual and ordinary course of business between the date of this Agreement and the closing.

j. CCTA or KCTA has executed a grant novation for each federal and state grant listed on Schedule 8.1. Grant novation means an agreement signed by either of them and the governmental body issuing the grant to which the grant novation relates under which (a) one of them is substituted for the City and KTA as the recipient of the grant and (b) the effectiveness of which is conditional only upon the closing. A grant novation may or may not relieve the City or KTA from liability under the grant.

k. The City and KTA have each certified in writing to CCTA that as of the closing all of the conditions contained in this Section have been satisfied.

9.2. Conditions Precedent of the City and KTA. The City's and KTA's obligation to close is subject to its satisfaction of each the following:

a. CCTA and KCTA have fully performed all of their obligations in this Agreement.

b. CCTA's and KCTA's representations are true and complete at closing.

c. CCTA and KCTA shall have delivered to the City and KTA certificates that as of the closing all of the conditions set forth in this Section 9.2 have been satisfied.

## 10. Indemnification.

10.1. Indemnification by City and KTA. City and KTA will defend and indemnify CCTA and KCTA and their respective agents against all claims, liabilities and expenses, including reasonable attorney fees, in connection with any breach of any term in this Agreement by City or KTA.

10.2. Indemnification by CCTA. CCTA will defend and indemnify the City and KTA and their respective agents against all claims, liabilities and expenses, including reasonable attorney fees, in connection with:

- a. Breach of any term in this Agreement by CCTA.
- b. Any liability from operating the Transferred Assets by CCTA to the extent that the facts creating the liability arise only after the closing.

10.3. Procedure for Indemnification Claims.

a. Notice. Any party claiming indemnification must promptly give written notice of that claim to the indemnifying party as soon as reasonably possible. Failure to give prompt notice invalidates the right of indemnity only to the extent it materially adversely affects the indemnifying party's ability to defend against the claim. The indemnifying party has the exclusive right to defend or settle the claim. The indemnified party has the option to participate in that defense and settlement through counsel selected by it at its expense.

b. Payment. Any indemnification is due within 30 days after demand by the indemnified party.

11. Reversion. If after closing, a CCTA transit millage renewal proposal does not receive voter approval and that lack of approval presents a substantial likelihood that transit service within the City can no longer be provided, the parties will cooperate to transfer the transit system back to the City, with the expectation that the City will attempt to support the system with a City-wide millage.

12. Default and Remedies.

12.1. Default. A party is in default if it fails to fulfill any of its obligations under this Agreement within 30 days after written notice of that failure is given by the other party.

12.2. Remedies. Upon a default, the non-defaulting parties have all of the following remedies:

- a. a suit for damages;
- b. a right to terminate this Agreement; and
- c. an injunction, restraining order, writ of mandamus or other equitable relief.

12.3. Remedies Cumulative. These remedies are cumulative and not exclusive of other remedies available at law or equity.

13. General Terms.

13.1. Further Actions. All parties will take actions that the other parties may reasonably request to accomplish the goals of this Agreement. City and KTA will give CCTA and KCTA access to any of their records for inspection by CCTA to understand the Transit System and any matter addressed in or disclosed in connection with this Agreement.

13.2. Assignment. No party may assign its rights or delegate any of its duties under this Agreement without the prior written consent of all other parties. That consent may be withheld only if reasonable. Any attempted assignment in violation of this Section is void.

13.3. Cost of Litigation. If either party breaches this Agreement, the breaching party must reimburse the prevailing party on demand for enforcement expenses.

13.4. Counterparts. This Agreement may be executed in counterparts, all of which together will be deemed an original of this Agreement.

13.5. Expenses. Except as otherwise provided in this Agreement, each party is responsible for its own expenses in connection with this Agreement.

13.6. Authority for Actions and Consents. Except for amendments to this Agreement, whenever any consent or action is required or permitted under this Agreement, a) the City Manager has the authority to bind the City and KTA, and b) the Executive Director of CCTA has the authority to bind CCTA and KCTA. These provisions do not apply where the other party has knowledge that the governing board of a party disagrees with the action to be taken by its representative.

13.7. Governmental Immunity. The parties to this Agreement are governmental agencies engaged in a non-proprietary, authorized governmental function. Nothing in this Agreement shall be construed as a waiver of the defense governmental immunity by the parties to this Agreement or by an officer, employee, member or volunteer while acting within the scope of his or her authority on behalf of a party to this Agreement.

13.8. No Third Party Beneficiary Rights. No person other than the signatories to this Agreement may enforce this Agreement. Nothing in this Agreement shall be construed as creating any claim by a third party based upon an alleged breach of this Agreement. As used in this paragraph, "third party" includes CCTA Retirees, City Retirees, Transit System Employees and Transferred Employees. Provided, however, that any Transferred Employee has the right to enforce compliance by the parties with Section 15 of Act 196 regarding employee pension benefits.

13.9. Timing. Time deadlines and other time requirements are enforced as written. The remedy for failure to meet a time requirement is the damages that the non-breaching party shows it suffered because of that failure. Failure to comply with a time requirement does not give any party a right to terminate this Agreement. If any time period ends on a Saturday, Sunday or holiday, then that time period extends through the next business day.

13.10. Survival. Representations and indemnification rights survive the closing.

13.11. Brokers. The City and KTA represent to CCTA that neither the City nor KTA has engaged the services of a Real Property broker or salesperson and that no person is entitled to a fee or commission as a result of the transaction contemplated in the agreement. The City and KTA are solely responsible for any commissions that may be due as a result of the closing.

13.12. Notices. All notices and other communications provided for in this Agreement must be in writing, addressed to the party as set forth below, and have its delivery expense prepaid by the sender.

- (1) To CCTA: Central County Transportation Authority  
530 N. Rose St.  
Kalamazoo, MI 49007  
Attn: Sean McBride, Executive Director
- (2) To KCTA: Kalamazoo County Transportation  
Authority  
530 N. Rose St.  
Kalamazoo, MI 49007  
Attn: Sean McBride, Executive Director
- (3) To the City or KTA: City of Kalamazoo  
241 W. South St.  
Kalamazoo, MI 49007  
Attn: James Ritsema, City Manager

Notice is deemed given upon the earliest of the following: (i) actual receipt; (ii) the day it is delivered in person to the recipient; (iii) two (2) business days after depositing the same in the United States first-class mail, or iv) the next business day after being deposited with a nationally recognized private overnight delivery service, such as FedEx or UPS, for next business day delivery. Addresses for notices may be changed by notice given pursuant to this Section 13.12.

13.13. No Waiver. No waiver is enforceable unless it is in writing signed by the party against whom it is enforced. No waiver of any breach is waiver of any preceding or succeeding breach or of any other provision of this Agreement.

13.14. Severability. Each term of this Agreement is enforceable only to the maximum extent permitted by law and a court has authority to sever any unenforceable term or to enforce an overboard term only to the extent permitted under law.

13.15. Entire Agreement; Amendment. This Agreement contains the entire agreement of the parties with respect to the transfer of the Transit System and the other transactions contemplated by this Agreement. No promises or representations may be relied on unless set forth in this Agreement. This Agreement supersedes all previous agreements between the parties regarding its subject matter. This Agreement may be amended only in writing and only with approval of the City Commission and the boards of CCTA and KCTA.

13.16. Schedules. City and KTA shall use their best efforts to complete the Schedules attached to this Agreement prior to execution of the Agreement by the parties. City and KTA also agree to complete and update the Schedules attached to this Agreement and provide the same to KCTA and CCTA no later than September 1, 2016.

14. Rules of Interpretation.

14.1. Headings are only indications of article and section contents and may be used to that extent to interpret this Agreement.

14.2. Garner's Modern American Usage (2009 edition) applies to interpret usage, grammar and syntax.

14.3. References to laws and documents include any amendments that may be made from time to time.

14.4. References to days mean calendar days. Any deadline or end of any time period that does not fall on a business day extends through the next business day. Business day means any calendar day other than a Saturday, Sunday or other day on which financial institutions close.

14.5. Each term in this Agreement is enforceable only to the extent that the law allows.

14.6. A requirement that something be satisfactory or acceptable to a party means satisfactory or acceptable in that party's sole discretion.

14.7. A reference to law includes federal, state and local statutes, regulations, ordinances and other governmental requirements.

14.8. Organizational documents mean (i) for a corporation, its articles and bylaws and any agreement between shareholders or between a shareholder and the company, and (ii) for an LLC, its articles and operating agreement.

14.9. A reference to breach or default includes a condition that will become a breach or default with merely the passage of time.

14.10. Approval includes permission and consent. References to governmental permits include licenses, approvals, certificates, registrations, and other legislative, executive, judicial or administrative actions.

14.11. Whenever this Agreement refers to a party's promise or representation as to an action, it means that the action was taken (or must be taken) completely, timely, in accordance with law, and with respect to the correct person, governmental agency, and property.

14.12. A reference to a person's use includes use by that person's predecessors.

14.13. A reference in a representation to a document, schedule, agreement, list, or other document means that the document is complete.

14.14. A requirement to comply with a specific law does not affect a general representation regarding compliance with all laws.

14.15. A reference to a person's business includes that person's use of its tangible and intangible assets.

14.16. References to prohibited agreements or relationships include direct and indirect ones.

14.17. Fines include penalties, interest, and other governmental sanctions.

14.18. References to performing obligations under this Agreement include signing and delivering this Agreement.

14.19. This Agreement was mutually negotiated between the parties; in the event of any ambiguity in its terms, the parties waive any rule of construction that requires that ambiguities in this Agreement be construed against the drafter.

15. Definitions.

"Assigned Contracts" is defined in Section 1.2 of this Agreement.

"CCTA Employees" mean persons hired by the CCTA after the Spin-Off Date.

"CCTA's Pension Plan" is defined in Section 7.4(a) of this Agreement.

"CCTA Retirees" means employees of CCTA who retire from CCTA after the closing.

"City Retirees" means former employees of the City or KTA who retire before closing and whose employment was associated with the Transit System and was terminated before the closing, and who are entitled to retiree health insurance benefits or pension benefits, as applicable, as a result of their employment with the City or KTA.

"Liens" means claims, whether consensual or not, on real or personal property that give rights to someone who does not own the property and includes mortgages, easements, leases, options, other exceptions listed on any title insurance commitment, security interests, pledges, and assignments.

"Health Insurance Plan" means the self-funded medical, prescription drug, dental and vision coverage the City provides to its employees.

"Metro Transit Division" means the administrative division of the City of Kalamazoo whose employees provide transit services and which will be transferred to the CCTA on the Spin-Off Date.

"PHSA" means Title XXII of the Public Health Service Act.

"Plans" is defined in Section 7.1 of this Agreement.

"Intangible Rights" is defined in Section 1.2(b) of this Agreement.



“Real Property” means the land, buildings, fixtures and other improvements used by the City or KTA to operate the Transit System and legally described on Schedule 2.1.

“Retirement System” means the City of Kalamazoo Employees Retirement System established pursuant to City Charter and Ordinance as a qualified governmental plan under Sections 401(a) and 414(d) of the Internal Revenue Code of 1986.

“Seller’s Knowledge” means the information that any officer, elected or appointed official, employee, or other authorized agent of either the City or KTA has or would have with reasonably diligent inquiry.

“Spin-Off Date” is defined in Section 7.4 of this Agreement.

“Transferred Employees” means a Transit System Employee who becomes an employee of CCTA as of the Spin-Off Date.

“Transferred Assets” is defined in Section 1.2 of this Agreement.

“Transit System” means the public transportation system operated by KTA and the City, a/k/a Kalamazoo Metro Transit.

“Transit System Employee” means an employee of the City or KTA who performs services related to the Transit System.

[Remainder of page blank. Signatures on following page.]

Date: 10/19/15

**City of Kalamazoo**

By: 

Name: James K. Ritsma  
City Manager

Date: 10/19/15

**Kalamazoo Transit Authority**

By: 

Name: Gary Lee McCormick  
Chairperson


Date: 10/19/15

**Central County Transportation Authority**

By: 

Name: Linda Teeter  
Chairperson

Date: 10/19/15

By: 

Name: Greg Rosine  
Vice Chair

Date: 10/19/15

**Kalamazoo County Transportation Authority**

By: 

Name: Linda Teeter  
Chairperson

Date: 10/19/15

By: 

Name: Jeff Breneman  
Secretary

**List of Schedules**

|                 |   |
|-----------------|---|
| Schedule 1.2(c) | Assigned Contracts                                    |
| Schedule 1.2(h) | Fixed Asset Ledger                                    |
| Schedule 2.1    | Real Property Leases and Legal Descriptions           |
| Schedule 4.2(a) | CCTA-City Support Services Agreement                  |
| Schedule 4.2(b) | Bill of Sale  |
| Schedule 5.1    | Required Consents                                     |
| Schedule 5.3    | Pending or Threatened Claims                          |
| Schedule 5.6    | Permits and Licenses                                  |
| Schedule 5.7    | Financial Statements                                  |
| Schedule 5.11   | Liabilities   |
| Schedule 5.16   | Insurance   |
| Schedule 7.1(b) | Collective Bargaining and Other Employment Agreements |
| Schedule 7.1(c) | Labor Disputes  |
| Schedule 7.1(d) | Employee Benefit Plans                                |
| Schedule 7.1(e) | Favorable Determination Letter                        |
| Schedule 7.4    | Pension Participants and Benefits                     |
| Schedule 7.9    | Sick Bank/Annual Leave Bank Hours                     |
| Schedule 8.1    | Federal and State Grants                              |

## **Schedule 1.2(c)**      **Assigned Contracts**

### Revenue and Capital Lease Agreements

1. Apple Bus – Demand Response Fleet (exp. 12/31/2017)
2. Lee's Garden – Concession Area (KTC – exp. 8/1/2018)
3. Amtrak – (exp. 2026)
4. Western Michigan University Service Agreement
5. Greyhound Service Agreement
6. Indian Trails Service Agreement
7. Kalamazoo County Transportation Authority Service Agreement
8. Bridgestone Tire (exp. 4/1/2019)
9. Mobility Manager Contract with Disability Network Inc
10. Advantage Vending – Vending Services
11. Applied Imaging – Copy Machine Rental
12. Work Force Strategies, Inc – Temporary Employment Service
13. Constellation Energy – Natural Gas
14. Knapp Energy – Gasoline and Diesel Fuel
15. McDonald's Towing and Rescue – Towing Services
16. Gillig LLC – Bus Parts
17. Republic Services of Western Michigan – Trash and Recycling Collection
18. WW Granger – Miscellaneous Repair and Operating Supplies
19. Office Depot – Office Supplies
20. Fifth Third Bank – Procurement Cards
21. Bronson Healthcare Group, Inc – Occupational Medicine Services
22. Crosstown Communications – Bus Advertising
23. Continental Linen Services – Uniform Rental
24. Mite E Exterminating –Pest Control
25. Ridge Napa Auto Parts – Auto Parts
26. Bunca Car Wash and Detail – Vehicle Washing Services
27. West Michigan International, Inc – Bus Parts
28. Purity Cylinder Gases Inc – Gases
29. New Fresh Clean – Janitorial Services
30. Batteries Unlimited – Automotive Batteries
31. Federal Armor Truck – Armored Car Services
32. Materials Resources – Janitorial Supplies
33. One Way Products – Janitorial Supplies
34. Great Lakes Lubricants – Lubricants
35. Abraham and Gaffney, P.C. – Auditing Services

## Schedule 1.2 (h) Fixed Asset Ledger

| Asset # | Description                          | Acquire Date | Useful Life | Depreciation Basis Amount | Original Cost   | Accumulated Depreciation | Last Depreciation | Book Value     |
|---------|--------------------------------------|--------------|-------------|---------------------------|-----------------|--------------------------|-------------------|----------------|
| 103001  | EXTRA SERVICE                        | 7/1/1976     | 40          | \$1,849.15                | \$1,849.15      | \$1,779.82               | \$46.23           | \$69.33        |
| 103004  | ARCHITECTURAL-ENG. SERVICES          | 7/1/1976     | 40          | \$96,690.28               | \$96,690.28     | \$93,064.40              | \$2,417.26        | \$3,625.88     |
| 103188  | BUILDING ADDITIONS                   | 7/1/1977     | 50          | \$700,000.00              | \$700,000.00    | \$525,000.01             | \$14,000.00       | \$174,999.99   |
| 103207  | EXTRA SERVICE                        | 7/1/1977     | 40          | \$21,836.50               | \$21,836.50     | \$20,471.71              | \$545.81          | \$1,364.79     |
| 103209  | METRO FACILITY                       | 7/1/1977     | 40          | \$2,379,636.54            | \$2,379,636.54  | \$2,230,909.25           | \$59,490.91       | \$148,727.29   |
| 103546  | INSTALLATION OF 8" FIRE LINE         | 7/1/1978     | 40          | \$6,575.10                | \$6,575.10      | \$5,999.79               | \$164.38          | \$575.31       |
| 103550  | EXTRA SERVICE                        | 7/1/1978     | 40          | \$26,763.94               | \$26,763.94     | \$24,422.11              | \$668.10          | \$2,341.83     |
| 103826  | GAS INSTALLATION & ASSOC. M          | 7/1/1980     | 40          | \$8,700.00                | \$8,700.00      | \$7,503.75               | \$217.50          | \$1,196.25     |
| 105378  | INTERMODAL BUILDING ROOF             | 7/1/1988     | 50          | \$220,000.00              | \$220,000.00    | \$125,400.00             | \$4,400.00        | \$94,600.00    |
| 105606  | DESIGN OF SMALL UNIT ROOM A          | 7/1/1987     | 20          | \$8,024.88                | \$8,024.88      | \$8,024.88               | \$0.00            | \$0.00         |
| 108936  | ENGINE REBUILD ROOM                  | 7/1/1991     | 20          | \$14,417.00               | \$14,417.00     | \$14,417.00              | \$360.43          | \$0.00         |
| 107166  | CONCRETE PLATFORM                    | 7/1/1992     | 50          | \$1,388.26                | \$1,388.26      | \$1,169.29               | \$7.60            | \$218.97       |
| 108103  | CONSTRUCT PRECINCT STATION           | 7/1/1995     | 50          | \$116,700.00              | \$116,700.00    | \$45,513.00              | \$2,334.00        | \$71,187.00    |
| 108119  | GLASS ENCLOSURE FOR ARCADE           | 7/1/1995     | 50          | \$2,111.00                | \$2,111.00      | \$823.29                 | \$42.22           | \$1,287.71     |
| 108589  | DISPATCH OFFICE RENOVATIONS          | 7/1/1996     | 20          | \$20,480.00               | \$20,480.00     | \$18,944.00              | \$1,024.00        | \$1,536.00     |
| 108590  | RETROFIT DOORMAN CONTROL SY          | 7/1/1996     | 20          | \$18,214.00               | \$18,214.00     | \$16,847.95              | \$910.70          | \$1,366.05     |
| 108075  | VENTILATION SYSTEM                   | 7/1/1997     | 20          | \$38,478.00               | \$38,478.00     | \$33,666.50              | \$1,923.60        | \$4,809.50     |
| 109084  | DISPATCH OFFICE RENOVATIONS          | 7/1/1997     | 20          | \$10,900.00               | \$10,900.00     | \$9,537.50               | \$545.00          | \$1,362.50     |
| 109086  | VENTILATION SYSTEM                   | 7/1/1997     | 20          | \$22,104.00               | \$22,104.00     | \$19,341.00              | \$1,105.20        | \$2,763.00     |
| 109402  | HVAC UPGRADE                         | 7/1/1998     | 20          | \$65,195.00               | \$65,195.00     | \$53,785.87              | \$3,259.76        | \$11,409.13    |
| 109408  | HVAC UPGRADE                         | 7/1/1998     | 20          | \$5,683.00                | \$5,683.00      | \$4,688.48               | \$284.15          | \$994.52       |
| 111674  | REPAINT FACILITY                     | 7/1/2002     | 20          | \$68,508.00               | \$68,508.00     | \$42,817.50              | \$3,425.40        | \$25,690.50    |
| 111581  | FLOOR RESURFACING                    | 7/1/2002     | 20          | \$27,578.95               | \$27,578.95     | \$17,238.87              | \$1,378.95        | \$10,340.08    |
| 112563  | FACILITY RENOVATION                  | 7/1/2003     | 40          | \$48,743.00               | \$48,743.00     | \$18,866.37              | \$1,052.40        | \$30,076.63    |
| 112564  | PARAPET WALL RENOVATION              | 7/1/2003     | 20          | \$245,476.00              | \$245,476.00    | \$141,148.70             | \$12,273.80       | \$104,327.30   |
| 112565  | FACILITY RENOVATION-I                | 7/1/2003     | 20          | \$24,994.69               | \$24,994.69     | \$14,371.94              | \$1,249.73        | \$10,622.76    |
| 112566  | FACILITY RENOVATION                  | 7/1/2003     | 20          | \$417,394.93              | \$417,394.93    | \$240,002.10             | \$20,869.74       | \$177,392.83   |
| 112567  | FACILITY RENOVATION-I&II             | 7/1/2003     | 20          | \$127,885.78              | \$127,885.78    | \$73,419.33              | \$6,394.29        | \$54,266.46    |
| 113114  | FACILITY RENOVATION I&II             | 7/1/2004     | 40          | \$13,120.00               | \$13,120.00     | \$3,444.00               | \$328.00          | \$9,676.00     |
| 113122  | FACILITY RENOVATION-I                | 7/1/2004     | 40          | \$5,722.00                | \$5,722.00      | \$1,502.02               | \$143.05          | \$4,219.98     |
| 113124  | FACILITY RENOVATION-I&II             | 7/1/2004     | 40          | \$19,642.49               | \$19,642.49     | \$5,156.13               | \$491.06          | \$14,486.36    |
| 113125  | FACILITY RENOVATION-II               | 7/1/2004     | 40          | \$41,706.15               | \$41,706.15     | \$10,948.37              | \$1,042.70        | \$30,757.78    |
| 113972  | STORM WATER TREATMENT                | 7/1/2005     | 20          | \$10,450.00               | \$10,450.00     | \$4,963.75               | \$522.50          | \$5,486.25     |
| 113983  | UNDERGROUND STORAGE TANK             | 7/1/2005     | 20          | \$23,090.27               | \$23,090.27     | \$10,967.88              | \$1,154.51        | \$12,122.41    |
| 113986  | DRIVER LOUNGE RENOVATIONS            | 7/1/2005     | 20          | \$17,257.39               | \$17,257.39     | \$8,197.26               | \$862.87          | \$9,060.13     |
| 113993  | FACILITY RENOVATION -III             | 7/1/2005     | 40          | \$105,430.00              | \$105,430.00    | \$25,039.62              | \$2,635.75        | \$80,390.38    |
| 114700  | DTC/ITC                              | 7/1/2006     | 40          | \$10,510,516.62           | \$10,510,516.62 | \$2,233,484.81           | \$262,762.91      | \$8,277,031.81 |
| 115360  | DTC/ITC: CONSTRUCTION (MILLER DAVIS) | 6/1/2007     | 40          | \$16,488.00               | \$16,488.00     | \$3,091.50               | \$412.20          | \$13,396.50    |
| 115361  | DTC/ITC: CONSTRUCTION (MILLER DAVIS) | 6/1/2007     | 40          | \$15,000.00               | \$15,000.00     | \$2,812.50               | \$375.00          | \$12,187.50    |
| 115790  | KTC: ELECTRICAL WORK (PLAZA)         | 11/28/2007   | 20          | \$9,023.00                | \$9,023.00      | \$3,224.40               | \$464.42          | \$5,798.60     |

## Schedule 1.2 (h) Fixed Asset Ledger

| Asset # | Description                             | Acquire Date | Useful Life | Depreciation Basis Amount | Original Cost  | Accumulated Depreciation | Last Depreciation | Book Value     |
|---------|---|--------------|-------------|---------------------------|----------------|--------------------------|-------------------|----------------|
| 115796  | METRO: PLUMBING REPLACEMENT             | 12/31/2007   | 20          | \$26,000.00               | \$26,000.00    | \$9,291.18               | \$1,338.23        | \$16,708.82    |
| 116962  | KTC/ITC RESTROOM- ADD SUPPORT TOILETS   | 12/31/2008   | 50          | \$8,327.00                | \$8,327.00     | \$1,082.51               | \$166.54          | \$7,244.49     |
| 116987  | Facility Renovation-Cold Water Shop     | 12/31/2009   | 50          | \$11,000.00               | \$11,000.00    | \$1,210.00               | \$220.00          | \$9,790.00     |
| 116988  | Facility Renovation-Cold Water Shop     | 12/31/2009   | 50          | \$10,585.90               | \$10,585.90    | \$1,164.46               | \$211.72          | \$9,421.44     |
| 116989  | HVAC - Coin Counting                    | 12/31/2009   | 50          | \$7,947.00                | \$7,947.00     | \$874.17                 | \$158.94          | \$7,072.83     |
| 116990  | HVAC - Computer Room                    | 12/31/2009   | 50          | \$9,891.48                | \$9,891.48     | \$1,088.07               | \$197.83          | \$8,803.39     |
| 117989  | METRO-COIN ROOM                         | 12/31/2010   | 50          | \$6,375.00                | \$6,375.00     | \$573.75                 | \$127.50          | \$5,801.25     |
| 117992  | METRO-SHOP BATHROOM                     | 12/31/2010   | 50          | \$9,902.55                | \$9,902.55     | \$891.23                 | \$198.05          | \$9,011.32     |
| 118473  | INFORMATION KIOSKS - KTC                | 12/31/2011   | 20          | \$70,227.00               | \$70,227.00    | \$12,289.73              | \$3,511.35        | \$57,937.27    |
| 118474  | BUS SHELTERS (60 UNITS)                 | 12/31/2011   | 20          | \$232,308.93              | \$232,308.93   | \$232,308.93             | \$23,230.89       | \$0.00         |
| 118475  | BUS SHELTERS (10 UNITS)                 | 12/31/2011   | 20          | \$55,271.57               | \$55,271.57    | \$55,271.57              | \$5,527.15        | \$0.00         |
| 118986  | KTC FACILITY EXPANSION                  | 12/31/2012   | 40          | \$2,082,083.74            | \$2,082,083.74 | \$130,130.23             | \$52,052.09       | \$1,951,953.51 |
| 119811  | ADDITIONAL OFFICE SPACE - METRO         | 9/4/2013     | 10          | \$14,177.00               | \$14,177.00    | \$14,177.00              | \$5,670.80        | \$0.00         |
| 118479  | POINT OF SALE & CASH RECEIPTING MODULE  | 12/31/2011   | 10          | \$19,000.00               | \$19,000.00    | \$6,650.00               | \$1,900.00        | \$12,350.00    |
| 118480  | FARE MEDIA PRODUCTION MODULE            | 12/31/2011   | 10          | \$10,900.00               | \$10,900.00    | \$3,815.00               | \$1,090.00        | \$7,085.00     |
| 118987  | METRO CONTENT MANAGEMENT SYSTEM WEBSITE | 5/8/2012     | 3           | \$33,120.00               | \$33,120.00    | \$27,600.00              | \$11,040.00       | \$5,520.00     |
| 119910  | INTELLIGENT TRANSPORTATION SYSTEM       | 3/20/2013    | 10          | \$2,836,328.99            | \$2,836,328.99 | \$425,449.35             | \$283,632.90      | \$2,410,879.84 |
| 120187  | MOBILE APPLICATIONS FOR METRO ITS       | 8/22/2014    | 3           | \$9,900.00                | \$9,900.00     | \$1,650.00               | \$1,650.00        | \$8,250.00     |
| 120188  | MS SERVER LICENSES RESILIENCY PROJECT   | 6/30/2014    | 3           | \$16,195.00               | \$16,195.00    | \$2,699.17               | \$2,699.17        | \$13,495.83    |
| 103000  | N. 135 FT. OF LOTS 1&2 OF B             | 7/1/1976     | 0           | \$130,000.00              | \$130,000.00   | \$0.00                   | \$0.00            | \$130,000.00   |
| 103003  | LOTS 1 & 2 BLOCK 27                     | 7/1/1976     | 0           | \$2,212.78                | \$2,212.78     | \$0.00                   | \$0.00            | \$2,212.78     |
| 103222  | PENN CENTRAL PROPERTY                   | 7/1/1977     | 0           | \$7,397.15                | \$7,397.15     | \$0.00                   | \$0.00            | \$7,397.15     |
| 103233  | 521 N BURDICK ST                        | 7/1/1977     | 0           | \$14,421.25               | \$14,421.25    | \$0.00                   | \$0.00            | \$14,421.25    |
| 103237  | DEMOLITION ON LOTS 1 & 2 OF B           | 7/1/1977     | 0           | \$74,024.87               | \$74,024.87    | \$0.00                   | \$0.00            | \$74,024.87    |
| 103239  | 521 N. BURDICK ST.                      | 7/1/1977     | 0           | \$23,000.00               | \$23,000.00    | \$0.00                   | \$0.00            | \$23,000.00    |
| 103252  | PENN CENTRAL RR DEPOT AND W             | 7/1/1977     | 0           | \$6,000.00                | \$6,000.00     | \$0.00                   | \$0.00            | \$6,000.00     |
| 105386  | PENN CENTRAL PROPERTY                   | 7/1/1988     | 0           | \$26,000.00               | \$26,000.00    | \$0.00                   | \$0.00            | \$26,000.00    |
| 105849  | INTERMODAL TRANSPORTATION LAND          | 7/1/1987     | 0           | \$142,336.85              | \$142,336.85   | \$0.00                   | \$0.00            | \$142,336.85   |
| 105650  | CONSUMERS AND APPRAISALS                | 7/1/1987     | 0           | \$4,233.69                | \$4,233.69     | \$0.00                   | \$0.00            | \$4,233.69     |
| 111056  | 405 NORTH BURDICK STREET                | 7/1/2001     | 0           | \$251,070.00              | \$251,070.00   | \$0.00                   | \$0.00            | \$251,070.00   |
| 111057  | 414 & 425 N. ROSE STREET                | 7/1/2001     | 0           | \$3,181.22                | \$3,181.22     | \$0.00                   | \$0.00            | \$3,181.22     |
| 112286  | DTC LAND-OTTO KHM                       | 7/1/2003     | 0           | \$1,187,946.18            | \$1,187,946.18 | \$0.00                   | \$0.00            | \$1,187,946.18 |
| 112287  | 405 N BURDICK #615331007                | 7/1/2003     | 0           | \$23,063.56               | \$23,063.56    | \$0.00                   | \$0.00            | \$23,063.56    |
| 112288  | DTC LAND-OTTO KHM                       | 7/1/2003     | 0           | \$113,982.00              | \$113,982.00   | \$0.00                   | \$0.00            | \$113,982.00   |
| 113116  | LAND - OTTO KHM ADOTL                   | 7/1/2004     | 0           | \$3,760.85                | \$3,760.85     | \$0.00                   | \$0.00            | \$3,760.85     |
| 103549  | LAND IMPROVEMENTS                       | 7/1/1978     | 20          | \$131,872.27              | \$131,872.27   | \$131,872.27             | \$0.00            | \$0.00         |
| 103554  | PARKING LOT INSTALLATION BY             | 7/1/1978     | 20          | \$33,879.29               | \$33,879.29    | \$33,879.29              | \$0.00            | \$0.00         |
| 103665  | LANDSCAPING AT METRO TRANSI             | 1/1/1979     | 20          | \$4,330.00                | \$4,330.00     | \$4,330.00               | \$0.00            | \$0.00         |
| 105950  | PARKING LOT FENCING & LANDS             | 7/1/1988     | 20          | \$10,100.00               | \$10,100.00    | \$10,100.00              | \$252.50          | \$0.00         |
| 106580  | UNDERGROUND SPRINKLING SYST             | 7/1/1980     | 20          | \$11,251.56               | \$11,251.56    | \$11,251.56              | \$281.28          | \$0.00         |

## Schedule 1.2 (h) Fixed Asset Ledger

| Asset # | Description                     | Acquire Date | Useful Life | Depreciation Basis Amount | Original Cost | Accumulated Depreciation | Last Depreciation | Book Value  |
|---------|---------------------------------|--------------|-------------|---------------------------|---------------|--------------------------|-------------------|-------------|
| 106581  | KLOOSTER LANDSCAPE ADDITIONS    | 7/1/1990     | 20          | \$12,432.00               | \$12,432.00   | \$12,432.00              | \$310.80          | \$0.00      |
| 107368  | KLOOSTER LANDSCAPING            | 7/1/1993     | 20          | \$3,342.00                | \$3,342.00    | \$3,342.00               | \$83.55           | \$0.00      |
| 107703  | SIGNS FOR BUILDING              | 7/1/1994     | 20          | \$7,330.00                | \$7,330.00    | \$7,330.00               | \$183.25          | \$0.00      |
| 107704  | CONSOLIDATED RAIL FLAGMAN       | 7/1/1994     | 20          | \$20,666.60               | \$20,666.60   | \$20,666.60              | \$516.67          | \$0.00      |
| 108120  | DETECTABLE WARNING TILE         | 7/1/1995     | 20          | \$11,500.00               | \$11,500.00   | \$11,212.50              | \$575.00          | \$287.50    |
| 114783  | STDRM WATER TREATMENT (PHASE 2) | 7/1/2006     | 20          | \$13,636.88               | \$13,636.88   | \$5,795.67               | \$681.84          | \$7,841.21  |
| 117994  | RETAINING WALL                  | 12/31/2010   | 15          | \$65,194.00               | \$65,194.00   | \$19,558.21              | \$4,346.27        | \$45,635.79 |
| 105102  | BRAKE DRUM/BRAKE LINING LAT     | 7/1/1985     | 10          | \$27,759.00               | \$27,759.00   | \$27,759.00              | \$0.00            | \$0.00      |
| 105947  | FORK LIFT                       | 7/1/1988     | 10          | \$22,607.00               | \$22,607.00   | \$22,607.00              | \$0.00            | \$0.00      |
| 106278  | FUELING STATION & TANK MONI     | 7/1/1989     | 10          | \$50,173.75               | \$50,173.75   | \$50,173.75              | \$0.00            | \$0.00      |
| 106279  | BUS SHELTER                     | 7/1/1989     | 10          | \$5,895.00                | \$5,895.00    | \$5,895.00               | \$0.00            | \$0.00      |
| 107387  | UNDERGROUND STORAGE TANK SP     | 7/1/1993     | 10          | \$5,200.00                | \$5,200.00    | \$5,200.00               | \$0.00            | \$0.00      |
| 107399  | DIGITAL REC'DRDING STATION      | 7/1/1993     | 5           | \$9,510.59                | \$9,510.59    | \$9,510.59               | \$0.00            | \$0.00      |
| 108530  | FUEL MONITORING SYSTEM          | 7/1/1996     | 10          | \$16,186.00               | \$16,186.00   | \$16,186.00              | \$0.00            | \$0.00      |
| 109087  | FLOOR SCRUBBER                  | 7/1/1997     | 10          | \$31,987.46               | \$31,987.46   | \$31,987.46              | \$0.00            | \$0.00      |
| 109959  | DIGITAL RECORDING SYSTEM        | 7/1/1999     | 10          | \$15,694.00               | \$15,694.00   | \$15,694.00              | \$784.70          | \$0.00      |
| 109960  | RONINAIR MULTI-REF MACHINE      | 7/1/1999     | 10          | \$5,000.00                | \$5,000.00    | \$5,000.00               | \$250.00          | \$0.00      |
| 110374  | SECONDARY POST PORTABLE HYD     | 7/1/2000     | 5           | \$6,225.00                | \$6,225.00    | \$6,225.00               | \$0.00            | \$0.00      |
| 110375  | SECONDARY POST PORTABLE HYD     | 7/1/2000     | 5           | \$6,225.00                | \$6,225.00    | \$6,225.00               | \$0.00            | \$0.00      |
| 110376  | MAIN POST PORTABLE HYDRAULI     | 7/1/2000     | 5           | \$6,225.00                | \$6,225.00    | \$6,225.00               | \$0.00            | \$0.00      |
| 110377  | MAIN POST PORTABLE HYDRAULIC    | 7/1/2000     | 5           | \$6,225.00                | \$6,225.00    | \$6,225.00               | \$0.00            | \$0.00      |
| 110379  | ROSS & WHITE HIGH PRESSURE      | 7/1/2000     | 5           | \$5,130.00                | \$5,130.00    | \$5,130.00               | \$0.00            | \$0.00      |
| 110381  | SOFTWARE PROFESSIONALS SOFT     | 7/1/2000     | 6           | \$62,532.56               | \$62,532.56   | \$62,532.56              | \$0.00            | \$0.00      |
| 110383  | SAFETY VISION RR500 SURVEIL     | 7/1/2000     | 5           | \$8,722.10                | \$8,722.10    | \$8,722.10               | \$0.00            | \$0.00      |
| 110384  | SAFETY VISION RR500 SURVEIL     | 7/1/2000     | 5           | \$8,722.10                | \$8,722.10    | \$8,722.10               | \$0.00            | \$0.00      |
| 110390  | ROSS & WHITE BUS WASH SYSTE     | 7/1/2000     | 5           | \$88,638.00               | \$88,638.00   | \$88,638.00              | \$0.00            | \$0.00      |
| 110408  | AC FOR SHOP                     | 7/1/2000     | 5           | \$35,638.00               | \$35,638.00   | \$35,638.00              | \$0.00            | \$0.00      |
| 111074  | HYDRAULIC LIFT REFURBISHMEN     | 7/1/2001     | 10          | \$57,000.00               | \$57,000.00   | \$57,000.00              | \$2,850.00        | \$0.00      |
| 111078  | TIRE CHANGER                    | 7/1/2001     | 10          | \$11,029.00               | \$11,029.00   | \$11,029.00              | \$551.45          | \$0.00      |
| 111080  | SCISSOR LIFT                    | 7/1/2001     | 10          | \$9,950.00                | \$9,950.00    | \$9,950.00               | \$497.50          | \$0.00      |
| 111083  | LIFT REFURBISHMENT-DISPOSAL     | 7/1/2001     | 10          | \$1,050.00                | \$1,050.00    | \$1,050.00               | \$52.50           | \$0.00      |
| 111085  | HYDRAULIC LIFT REFURBISHMEN     | 7/1/2001     | 10          | \$73,000.00               | \$73,000.00   | \$73,000.00              | \$3,650.00        | \$0.00      |
| 111092  | REFRIDG RECOVER, 50# TANK;      | 7/1/2001     | 10          | \$5,254.55                | \$5,254.55    | \$5,254.55               | \$262.73          | \$0.00      |
| 111575  | BUS INTERIOR CLEANER            | 7/1/2002     | 10          | \$81,125.00               | \$81,125.00   | \$81,125.00              | \$4,056.25        | \$0.00      |
| 111576  | KONI MOBILE LIFT                | 7/1/2002     | 10          | \$6,225.00                | \$6,225.00    | \$6,225.00               | \$311.25          | \$0.00      |
| 111579  | KONI MOBILE LIFT                | 7/1/2002     | 10          | \$6,225.00                | \$6,225.00    | \$6,225.00               | \$311.25          | \$0.00      |
| 111864  | KONI MOBILE LIFT                | 7/1/2002     | 10          | \$6,225.00                | \$6,225.00    | \$6,225.00               | \$311.25          | \$0.00      |
| 111865  | KONI MOBILE LIFT                | 7/1/2002     | 10          | \$6,225.00                | \$6,225.00    | \$6,225.00               | \$311.25          | \$0.00      |
| 112298  | PUBLISHING SYSTEM               | 7/1/2003     | 6           | \$1,468.90                | \$1,468.90    | \$1,468.90               | \$122.41          | \$0.00      |
| 112559  | VIDEO SURVEILLANCE              | 7/1/2003     | 5           | \$26,983.73               | \$26,983.73   | \$26,983.73              | \$2,698.36        | \$0.00      |

## Schedule 1.2 (h) Fixed Asset Ledger

| Asset # | Description                       | Acquire Date | Useful Life | Depreciation Basis Amount | Original Cost | Accumulated Depreciation | Last Depreciation | Book Value  |
|---------|-----------------------------------|--------------|-------------|---------------------------|---------------|--------------------------|-------------------|-------------|
| 112569  | SCHEDULEMASTER SOFTWARE           | 7/1/2003     | 6           | \$7,500.00                | \$7,500.00    | \$7,500.00               | \$0.00            | \$0.00      |
| 112571  | PUBLISHING SYSTEM - GRANT S       | 7/1/2003     | 6           | \$27,909.10               | \$27,909.10   | \$27,909.10              | \$2,325.76        | \$0.00      |
| 112579  | TANK MONITORING SYSTEM            | 7/1/2003     | 5           | \$10,410.00               | \$10,410.00   | \$10,410.00              | \$1,041.00        | \$0.00      |
| 113126  | TALKING BUS SOFTWARE UPGRAD       | 7/1/2004     | 6           | \$10,000.00               | \$10,000.00   | \$10,000.00              | \$0.00            | \$0.00      |
| 113127  | TEL/RADIO RECORDING EQUIP S       | 7/1/2004     | 3           | \$7,695.00                | \$7,695.00    | \$7,695.00               | \$0.00            | \$0.00      |
| 113128  | SCHEDULEMASTER SOFTWARE UPG       | 7/1/2004     | 3           | \$5,000.00                | \$5,000.00    | \$5,000.00               | \$0.00            | \$0.00      |
| 113988  | XL T5000 CONSOLE                  | 7/1/2005     | 3           | \$5,136.00                | \$5,136.00    | \$5,136.00               | \$856.00          | \$0.00      |
| 113989  | XL T5000 CONSOLE                  | 7/1/2005     | 3           | \$5,136.00                | \$5,136.00    | \$5,136.00               | \$856.00          | \$0.00      |
| 113990  | XL T5000 CONSOLE                  | 7/1/2005     | 3           | \$5,136.00                | \$5,136.00    | \$5,136.00               | \$856.00          | \$0.00      |
| 113991  | XL T5000 CONSOLE                  | 7/1/2005     | 3           | \$5,136.00                | \$5,136.00    | \$5,136.00               | \$856.00          | \$0.00      |
| 114885  | RECEIVER BIN - GFI                | 7/1/2006     | 10          | \$11,850.00               | \$11,850.00   | \$9,902.50               | \$1,165.00        | \$1,747.50  |
| 114886  | DVR/ACS EQUIP. PACKAGE (KTC/ITC)  | 7/1/2006     | 10          | \$49,115.99               | \$49,115.99   | \$41,748.60              | \$4,911.60        | \$7,367.39  |
| 114828  | RADIO EQUIPMENT                   | 7/1/2006     | 10          | \$17,500.00               | \$17,500.00   | \$14,875.00              | \$1,750.00        | \$2,625.00  |
| 115359  | METRO: KEYLESS ENTRY (CES, INC)   | 3/1/2007     | 10          | \$84,617.06               | \$84,617.06   | \$63,482.80              | \$8,461.70        | \$21,154.26 |
| 116963  | BOILER                            | 12/31/2008   | 20          | \$108,694.00              | \$108,694.00  | \$34,675.55              | \$5,334.70        | \$72,018.45 |
| 116964  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116965  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116966  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116967  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116968  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116969  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116970  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116971  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116972  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116973  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116974  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116975  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116976  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116977  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116978  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116979  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116980  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116981  | COACH SURVEILLANCE SYS-CAM/HD/LCD | 12/31/2008   | 5           | \$5,865.10                | \$5,865.10    | \$5,865.10               | \$586.51          | \$0.00      |
| 116991  | COIN COUNTER                      | 12/31/2009   | 5           | \$13,495.00               | \$13,495.00   | \$13,495.00              | \$1,349.50        | \$0.00      |
| 116992  | FLOOR SCRUBBER                    | 12/31/2009   | 5           | \$8,371.58                | \$8,371.58    | \$8,371.58               | \$837.16          | \$0.00      |
| 116993  | Freon Recovery Unit.              | 12/31/2009   | 5           | \$6,325.61                | \$6,325.61    | \$6,325.61               | \$632.56          | \$0.00      |
| 116994  | Farebox                           | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 116995  | Farebox                           | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 116996  | Farebox                           | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 116997  | Farebox                           | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |



## Schedule 1.2 (h) Fixed Asset Ledger

| Asset # | Description                        | Acquire Date | Useful Life | Depreciation Basis Amount | Original Cost | Accumulated Depreciation | Last Depreciation | Book Value  |
|---------|------------------------------------|--------------|-------------|---------------------------|---------------|--------------------------|-------------------|-------------|
| 116998  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 116999  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117000  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117001  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117002  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117003  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117004  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117005  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117006  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117007  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117008  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117009  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117010  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117011  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117012  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117013  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117014  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117015  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117016  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117017  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117018  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117019  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117020  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117021  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117022  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117023  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117024  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117025  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117026  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117027  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117028  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117029  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117030  | Farebox                            | 12/31/2009   | 5           | \$11,100.00               | \$11,100.00   | \$11,100.00              | \$1,110.00        | \$0.00      |
| 117031  | Farebox                            | 12/31/2009   | 5           | \$10,800.00               | \$10,800.00   | \$10,800.00              | \$1,080.00        | \$0.00      |
| 117033  | Portable PEM Unit                  | 12/31/2009   | 5           | \$13,750.00               | \$13,750.00   | \$13,750.00              | \$1,375.00        | \$0.00      |
| 117034  | Simulator                          | 12/31/2009   | 5           | \$12,750.00               | \$12,750.00   | \$12,750.00              | \$1,275.00        | \$0.00      |
| 117991  | SECURITY SYSTEM                    | 12/31/2010   | 5           | \$39,525.00               | \$39,525.00   | \$35,572.50              | \$7,905.00        | \$3,952.50  |
| 117993  | VEHICLE PLATFORM LIFT              | 12/31/2010   | 10          | \$73,289.00               | \$73,289.00   | \$32,980.05              | \$7,328.90        | \$40,308.95 |
| 118477  | A/C STANDALONE UNIT - NETWORK ROOM | 4/14/2011    | 10          | \$6,570.46                | \$6,570.46    | \$2,299.67               | \$657.05          | \$4,270.79  |
| 118478  | 17 CHANNEL HYBRID DVR 8EVMS-16H4   | 12/31/2011   | 5           | \$9,456.25                | \$9,456.25    | \$6,619.38               | \$1,891.25        | \$2,836.87  |

## Schedule 1.2 (h) Fixed Asset Ledger

| Asset # | Description   | Acquire Date | Useful Life | Depreciation Basis Amount | Original Cost | Accumulated Depreciation | Last Depreciation | Book Value  |
|---------|---|--------------|-------------|---------------------------|---------------|--------------------------|-------------------|-------------|
| 118699  | SECURITY SYSTEM-EXPANSION TO BAY 10, ATTIC & BASEMENT | 12/13/2012   | 5           | \$7,925.00                | \$7,925.00    | \$3,962.50               | \$1,585.00        | \$3,962.50  |
| 118632  | HOTSY 1473N HOT WATER PRESSURE WASHER                 | 1/29/2014    | 10          | \$6,602.00                | \$6,602.00    | \$330.10                 | \$330.10          | \$6,271.90  |
| 119810  | 750 KVA ELECTRIC SUBSTATION                           | 1/28/2013    | 10          | \$92,940.00               | \$92,940.00   | \$13,941.00              | \$9,284.00        | \$76,999.00 |
| 119812  | AIR COMPRESSOR, 460/360 VAC MOUNTED 200 GALLON TANK   | 4/25/2013    | 10          | \$10,111.00               | \$10,111.00   | \$1,516.65               | \$1,011.10        | \$8,594.35  |
| 113974  | SCHEDULE MASTER SOFTWARE                              | 7/1/2005     | 10          | \$36,444.25               | \$36,444.25   | \$34,622.04              | \$3,644.42        | \$1,822.21  |
| 113885  | 50" PLASMA  | 7/1/2005     | 10          | \$6,040.00                | \$6,040.00    | \$5,738.00               | \$604.00          | \$302.00    |
| 116982  | DEMAND RESPONSE SOFTWARE                              | 12/31/2008   | 10          | \$13,309.00               | \$13,309.00   | \$9,399.49               | \$1,081.36        | \$3,909.51  |
| 117032  | Data System 7.2                                       | 12/31/2009   | 10          | \$20,000.00               | \$20,000.00   | \$11,444.45              | \$1,888.89        | \$8,555.55  |
| 117990  | POE SWITCH & TRANSCEIVER (WIRELESS)                   | 12/31/2010   | 5           | \$13,224.86               | \$13,224.86   | \$11,902.37              | \$2,644.97        | \$1,322.49  |
| 118130  | HP E4800 48G POE SWITCH                               | 11/29/2011   | 5           | \$5,425.33                | \$5,425.33    | \$3,797.74               | \$1,085.07        | \$1,627.59  |
| 118192  | MOBILE POINT OF SALE SYSTEM                           | 2/22/2012    | 5           | \$11,000.00               | \$11,000.00   | \$5,500.00               | \$2,200.00        | \$5,500.00  |
| 118472  | HP VCS VOIP TELEPHONE SYSTEM - METRO                  | 12/31/2011   | 5           | \$49,675.72               | \$49,675.72   | \$34,773.01              | \$9,935.15        | \$14,902.71 |
| 118476  | WIRELESS INTERNET SYSTEM                              | 12/31/2011   | 5           | \$39,146.07               | \$39,146.07   | \$27,403.65              | \$7,829.62        | \$11,744.42 |
| 120189  | ITS RESILIENCY BACK UP                                | 4/30/2014    | 6           | \$83,980.84               | \$83,980.84   | \$6,998.40               | \$6,998.40        | \$76,982.44 |
| 110378  | #9-191 2000 GMC SIERRA W/PLOW                         | 7/1/2000     | 6           | \$28,054.00               | \$28,054.00   | \$28,054.00              | \$0.00            | \$0.00      |
| 110382  | #1091 BUS   | 7/1/2000     | 12          | \$270,316.00              | \$270,316.00  | \$270,316.00             | \$11,263.17       | \$0.00      |
| 110387  | #1089 GILLIG BUS                                      | 7/1/2000     | 12          | \$265,466.00              | \$265,466.00  | \$265,466.00             | \$11,061.08       | \$0.00      |
| 110401  | #1090 GILLIG BUS                                      | 7/1/2000     | 12          | \$270,316.00              | \$270,316.00  | \$270,316.00             | \$11,263.17       | \$0.00      |
| 110405  | #1092 GILLIG BUS                                      | 7/1/2000     | 12          | \$270,316.00              | \$270,316.00  | \$270,316.00             | \$11,263.17       | \$0.00      |
| 110417  | #1094 GILLIG BUS                                      | 7/1/2000     | 12          | \$138,227.00              | \$138,227.00  | \$138,227.00             | \$5,759.46        | \$0.00      |
| 112396  | #1095 2003 35' GILLIG BUS                             | 7/1/2003     | 12          | \$284,333.00              | \$284,333.00  | \$272,485.79             | \$23,694.41       | \$11,847.21 |
| 112572  | #9-919 FORD E-250 CONVERSION VAN                      | 7/1/2003     | 6           | \$28,218.00               | \$28,218.00   | \$28,218.00              | \$2,351.50        | \$0.00      |
| 112575  | #1099 2003 35' GILLIG BUS                             | 7/1/2003     | 12          | \$284,333.00              | \$284,333.00  | \$272,485.79             | \$23,694.41       | \$11,847.21 |
| 112576  | #1098 2003 35' GILLIG BUS                             | 7/1/2003     | 12          | \$284,333.00              | \$284,333.00  | \$272,485.79             | \$23,694.41       | \$11,847.21 |
| 112577  | #1097 2003 35' GILLIG BUS                             | 7/1/2003     | 12          | \$284,333.00              | \$284,333.00  | \$272,485.79             | \$23,694.41       | \$11,847.21 |
| 112578  | #1096 2003 35' GILLIG BUS                             | 7/1/2003     | 12          | \$284,333.00              | \$284,333.00  | \$272,485.79             | \$23,694.41       | \$11,847.21 |
| 113987  | #9-10 2005 PONTIAC GRAND PRX                          | 7/1/2005     | 7           | \$17,233.00               | \$17,233.00   | \$17,233.00              | \$1,230.93        | \$0.00      |
| 114675  | #1001 2006 GILLIG 40' BUS                             | 7/1/2006     | 12          | \$288,345.00              | \$288,345.00  | \$204,244.38             | \$24,028.75       | \$84,100.62 |
| 114677  | #1003 2006 GILLIG 40' BUS                             | 7/1/2006     | 12          | \$288,345.00              | \$288,345.00  | \$204,244.38             | \$24,028.75       | \$84,100.62 |
| 114678  | #1004 2006 GILLIG 40' BUS                             | 7/1/2006     | 12          | \$288,345.00              | \$288,345.00  | \$204,244.38             | \$24,028.75       | \$84,100.62 |
| 114680  | #9-925 2006 FORD ECONOLINE VAN                        | 7/1/2006     | 6           | \$25,877.00               | \$25,877.00   | \$25,877.00              | \$2,156.42        | \$0.00      |
| 114681  | #9-926 2006 FORD ECONOLINE VAN                        | 7/1/2006     | 6           | \$25,877.00               | \$25,877.00   | \$25,877.00              | \$2,156.42        | \$0.00      |
| 114684  | #9-927 ECONOLINE VAN                                  | 7/1/2006     | 6           | \$26,019.00               | \$26,019.00   | \$26,019.00              | \$2,168.25        | \$0.00      |
| 114687  | #1002 2006 GILLIG 40' BUS                             | 7/1/2006     | 12          | \$288,345.00              | \$288,345.00  | \$204,244.38             | \$24,028.75       | \$84,100.62 |
| 115783  | #9-60 2007 EL DORADO (CAV) BUS                        | 9/25/2007    | 7           | \$77,390.00               | \$77,390.00   | \$77,390.00              | \$5,527.86        | \$0.00      |
| 115784  | #9-64 2007 EL DORADO (CAV) BUS                        | 9/25/2007    | 7           | \$77,390.00               | \$77,390.00   | \$77,390.00              | \$5,527.86        | \$0.00      |
| 115785  | #9-63 2007 EL DORADO (CAV) BUS                        | 9/25/2007    | 7           | \$77,390.00               | \$77,390.00   | \$77,390.00              | \$5,527.86        | \$0.00      |
| 115786  | #9-62 2007 EL DORADO (CAV) BUS                        | 9/25/2007    | 7           | \$77,390.00               | \$77,390.00   | \$77,390.00              | \$5,527.86        | \$0.00      |
| 115787  | #9-61 2007 EL DORADO (CAV) BUS                        | 9/25/2007    | 7           | \$77,390.00               | \$77,390.00   | \$77,390.00              | \$5,527.86        | \$0.00      |
| 115788  | #9-59 2007 EL DORADO (CAV) BUS                        | 9/25/2007    | 7           | \$77,390.00               | \$77,390.00   | \$77,390.00              | \$5,527.86        | \$0.00      |

## Schedule 1.2 (h) Fixed Asset Ledger

| Asset # | Description                           | Acquire Date | Useful Life | Depreciation Basis Amount | Original Cost | Accumulated Depreciation | Last Depreciation | Book Value   |
|---------|---------------------------------------|--------------|-------------|---------------------------|---------------|--------------------------|-------------------|--------------|
| 115789  | #9-65 2007 EL DORADO (CAV) BUS        | 9/25/2007    | 7           | \$77,390.00               | \$77,390.00   | \$77,390.00              | \$5,527.86        | \$0.00       |
| 115791  | #9-930 2008 FORD ECONOLINE (METROVAN) | 12/30/2007   | 4           | \$27,398.00               | \$27,398.00   | \$27,398.00              | \$3,424.75        | \$0.00       |
| 115792  | #9-929 2008 FORD ECONOLINE (METROVAN) | 12/30/2007   | 4           | \$27,398.00               | \$27,398.00   | \$27,398.00              | \$3,424.75        | \$0.00       |
| 115793  | #9-928 2008 FORD ECONOLINE (METROVAN) | 12/30/2007   | 4           | \$27,398.00               | \$27,398.00   | \$27,398.00              | \$3,424.75        | \$0.00       |
| 115794  | #9-08 2008 FORD ECONOLINE (COMM SERV) | 12/30/2007   | 4           | \$27,398.00               | \$27,398.00   | \$27,398.00              | \$3,424.75        | \$0.00       |
| 115795  | #9-07 2008 FORD ECONOLINE (COMM SERV) | 12/30/2007   | 4           | \$27,398.00               | \$27,398.00   | \$27,398.00              | \$3,424.75        | \$0.00       |
| 116983  | #1006 35' COACH DIESEL - S50 ENGINE   | 12/31/2008   | 12          | \$313,522.00              | \$313,522.00  | \$169,824.41             | \$26,126.84       | \$143,697.59 |
| 116984  | #1007 35' COACH DIESEL - S50 ENGINE   | 12/31/2008   | 12          | \$313,522.00              | \$313,522.00  | \$169,824.41             | \$26,126.84       | \$143,697.59 |
| 116985  | #1008 35' COACH DIESEL - S50 ENGINE   | 12/31/2008   | 12          | \$313,522.00              | \$313,522.00  | \$169,824.41             | \$26,126.84       | \$143,697.59 |
| 116986  | #1005 35' COACH DIESEL - S50 ENGINE   | 12/31/2008   | 12          | \$313,522.00              | \$313,522.00  | \$169,824.41             | \$26,126.84       | \$143,697.59 |
| 117035  | #9-14 CHEVROLET MALIBU (STAFF CAR)    | 12/31/2009   | 4           | \$18,502.00               | \$18,502.00   | \$11,894.14              | \$2,643.14        | \$6,607.86   |
| 117036  | #9-195 GMC SIERRA SERVICE TRUCK       | 12/31/2009   | 7           | \$31,074.00               | \$31,074.00   | \$24,415.29              | \$4,439.15        | \$6,658.71   |
| 117037  | #9-196 GMC SIERRA PARTS TRUCK         | 12/31/2009   | 7           | \$18,389.00               | \$18,389.00   | \$14,448.50              | \$2,627.00        | \$3,940.50   |
| 117038  | #1009 35" COACH DIESEL / S50 ENG      | 12/31/2009   | 12          | \$313,522.00              | \$313,522.00  | \$143,697.57             | \$26,126.83       | \$169,824.43 |
| 117039  | #1010 35" COACH DIESEL / S50 ENG      | 12/31/2009   | 12          | \$313,522.00              | \$313,522.00  | \$143,697.57             | \$26,126.83       | \$169,824.43 |
| 117040  | #1011 35" COACH DIESEL / S50 ENG      | 12/31/2009   | 12          | \$313,522.00              | \$313,522.00  | \$143,697.57             | \$26,126.83       | \$169,824.43 |
| 117041  | #1012 35" COACH DIESEL / S50 ENG      | 12/31/2009   | 12          | \$313,522.00              | \$313,522.00  | \$143,697.57             | \$26,126.83       | \$169,824.43 |
| 117042  | #1013 35" COACH DIESEL / S50 ENG      | 12/31/2009   | 12          | \$313,522.00              | \$313,522.00  | \$143,697.57             | \$26,126.83       | \$169,824.43 |
| 117043  | #1014 35" COACH DIESEL / S50 ENG      | 12/31/2009   | 12          | \$313,522.00              | \$313,522.00  | \$143,697.57             | \$26,126.83       | \$169,824.43 |
| 117044  | #1015 35" COACH DIESEL / S50 ENG      | 12/31/2009   | 12          | \$313,522.00              | \$313,522.00  | \$143,697.57             | \$26,126.83       | \$169,824.43 |
| 117045  | #9-931 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117046  | #9-932 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117048  | #9-934 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117049  | #9-935 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117050  | #9-936 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117051  | #9-937 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117052  | #9-938 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117053  | #9-939 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117054  | #9-01 FORD E-250 LIFT EQUIPPED        | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117055  | #9-940 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117056  | #9-941 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117057  | #9-05 FORD E-250 LIFT EQUIPPED        | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117058  | #9-942 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117059  | #9-943 FORD E-250 LIFT EQUIPPED       | 12/31/2009   | 4           | \$29,775.00               | \$29,775.00   | \$19,141.06              | \$4,253.57        | \$10,633.94  |
| 117060  | #9-66 2009 FORD CUTAWAY               | 12/31/2009   | 7           | \$60,996.00               | \$60,996.00   | \$47,925.43              | \$8,713.72        | \$13,070.57  |
| 117061  | #9-67 2009 FORD CUTAWAY               | 12/31/2009   | 7           | \$60,996.00               | \$60,996.00   | \$47,925.43              | \$8,713.72        | \$13,070.57  |
| 117062  | #9-68 2009 FORD CUTAWAY               | 12/31/2009   | 7           | \$60,996.00               | \$60,996.00   | \$47,925.43              | \$8,713.72        | \$13,070.57  |
| 117063  | #9-69 2009 FORD CUTAWAY               | 12/31/2009   | 7           | \$60,996.00               | \$60,996.00   | \$47,925.43              | \$8,713.72        | \$13,070.57  |
| 117064  | #9-71 2009 FORD CUTAWAY               | 12/31/2009   | 7           | \$60,996.00               | \$60,996.00   | \$47,925.43              | \$8,713.72        | \$13,070.57  |
| 117065  | #9-72 FORD CUTAWAY                    | 12/31/2009   | 7           | \$60,996.00               | \$60,996.00   | \$47,925.43              | \$8,713.72        | \$13,070.57  |

## Schedule 1.2 (h) Fixed Asset Ledger

| Asset # | Description   | Acquire Date | Useful Life | Depreciation Basis Amount | Original Cost | Accumulated Depreciation | Last Depreciation | Book Value   |
|---------|---|--------------|-------------|---------------------------|---------------|--------------------------|-------------------|--------------|
| 117066  | #9-70 2009 FORD CUTAWAY                                     | 12/31/2009   | 7           | \$60,996.00               | \$60,996.00   | \$47,925.43              | \$8,713.72        | \$13,070.57  |
| 117979  | #9-73 2009 29' PASSENGER BUS WITH LIFT                      | 12/31/2010   | 10          | \$108,577.00              | \$108,577.00  | \$62,431.78              | \$8,143.28        | \$46,145.22  |
| 117980  | #9-74 2009 29' PASSENGER BUS WITH LIFT                      | 12/31/2010   | 10          | \$108,577.00              | \$108,577.00  | \$62,431.78              | \$8,143.28        | \$46,145.22  |
| 117981  | #9-75 2009 29' PASSENGER BUS WITH LIFT                      | 12/31/2010   | 10          | \$108,577.00              | \$108,577.00  | \$62,431.78              | \$8,143.28        | \$46,145.22  |
| 117982  | #9-76 2009 29' PASSENGER BUS WITH LIFT                      | 12/31/2010   | 10          | \$108,577.00              | \$108,577.00  | \$62,431.78              | \$8,143.28        | \$46,145.22  |
| 117983  | #9-77 2009 29' PASSENGER BUS WITH LIFT                      | 12/31/2010   | 10          | \$108,577.00              | \$108,577.00  | \$62,431.78              | \$8,143.28        | \$46,145.22  |
| 117985  | #9-912 2010 FORD E-SERIES ADA VAN                           | 12/31/2010   | 4           | \$29,775.00               | \$29,775.00   | \$29,775.00              | \$14,887.50       | \$0.00       |
| 117986  | #9-15 2010 FORD ESCAPE HYBRID                               | 12/31/2010   | 4           | \$29,659.00               | \$29,659.00   | \$29,659.00              | \$14,829.50       | \$0.00       |
| 117987  | #9-945 2010 FORD E-SERIES ADA VAN                           | 12/31/2010   | 4           | \$29,775.00               | \$29,775.00   | \$29,775.00              | \$14,887.50       | \$0.00       |
| 117988  | #9-09 2010 FORD E-SERIES ADA VAN                            | 12/31/2010   | 4           | \$29,775.00               | \$29,775.00   | \$29,775.00              | \$14,887.50       | \$0.00       |
| 118159  | #1016 35' LOW FLOOR HYBRID ELECTRIC BUS                     | 12/31/2011   | 12          | \$543,384.00              | \$543,384.00  | \$158,487.00             | \$45,282.00       | \$384,897.00 |
| 118160  | #1017 35' LOW FLOOR HYBRID ELECTRIC BUS                     | 12/31/2011   | 12          | \$543,384.00              | \$543,384.00  | \$158,487.00             | \$45,282.00       | \$384,897.00 |
| 118161  | #1018 35' LOW FLOOR HYBRID ELECTRIC BUS                     | 12/31/2011   | 12          | \$543,384.00              | \$543,384.00  | \$158,487.00             | \$45,282.00       | \$384,897.00 |
| 118162  | #1019 35' LOW FLOOR HYBRID ELECTRIC BUS                     | 12/31/2011   | 12          | \$543,384.00              | \$543,384.00  | \$158,487.00             | \$45,282.00       | \$384,897.00 |
| 118163  | #1020 35' LOW FLOOR HYBRID ELECTRIC BUS                     | 12/31/2011   | 12          | \$543,384.00              | \$543,384.00  | \$158,487.00             | \$45,282.00       | \$384,897.00 |
| 118546  | #9-03 2012 FORD E-350 XL EXTENDED VAN W/ MAXON 1000LB LIFT  | 8/15/2012    | 4           | \$37,890.00               | \$37,890.00   | \$23,681.25              | \$9,472.50        | \$14,208.75  |
| 118547  | #9-04 2012 FORD E-350 XL EXTENDED VAN W/ MAXON 1000LB LIFT  | 8/15/2012    | 4           | \$37,890.00               | \$37,890.00   | \$23,681.25              | \$9,472.50        | \$14,208.75  |
| 118548  | #9-946 2012 FORD E-350 XL EXTENDED VAN W/ MAXON 1000LB LIFT | 8/15/2012    | 4           | \$37,890.00               | \$37,890.00   | \$23,681.25              | \$9,472.50        | \$14,208.75  |
| 118710  | #9-78 2012 ELDORADO AERO ELITE 290 29' BUS WITH LIFT        | 1/14/2013    | 7           | \$141,251.00              | \$141,251.00  | \$30,268.07              | \$20,178.71       | \$110,982.93 |
| 118988  | #9-047 2012 FORD E-350 XL EXTENDED VAN W/ MAXON 1000LB LIFT | 8/15/2012    | 4           | \$37,890.00               | \$37,890.00   | \$23,681.25              | \$9,472.50        | \$14,208.75  |
| 119238  | #1021 GILLIG HYBRID BUS, LOW FLOOR, 35'                     | 5/28/2013    | 12          | \$564,715.00              | \$564,715.00  | \$70,589.37              | \$47,059.58       | \$494,125.63 |
| 119239  | #1022 GILLIG HYBRID BUS, LOW FLOOR, 35'                     | 5/28/2013    | 12          | \$564,715.00              | \$564,715.00  | \$70,589.37              | \$47,059.58       | \$494,125.63 |
| 119240  | #1023 GILLIG HYBRID BUS, LOW FLOOR, 35'                     | 5/28/2013    | 12          | \$564,715.00              | \$564,715.00  | \$70,589.37              | \$47,059.58       | \$494,125.63 |
| 119576  | #1025 GILLIG 35' LOW FLOOR HYBRID ELECTRIC BUS              | 2/26/2014    | 12          | \$599,856.00              | \$599,856.00  | \$24,994.00              | \$24,994.00       | \$574,862.00 |
| 119577  | #1024 GILLIG 35' LOW FLOOR HYBRID ELECTRIC BUS              | 2/26/2014    | 12          | \$599,856.00              | \$599,856.00  | \$24,994.00              | \$24,994.00       | \$574,862.00 |
| 119578  | #1026 GILLIG 35' LOW FLOOR HYBRID BUS                       | 2/26/2014    | 12          | \$599,856.00              | \$599,856.00  | \$24,994.00              | \$24,994.00       | \$574,862.00 |
| 119938  | #9-02 FORD E-350 XL EXTENDED VAN                            | 5/5/2014     | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |
| 119939  | #9-06 FORD E-350 XL EXTENDED VAN                            | 5/5/2014     | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |
| 119940  | #9-949 FORD E-350 XL EXTENDED VAN                           | 5/5/2014     | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |
| 119941  | #9-950 FORD E-350 XL EXTENDED VAN                           | 5/5/2014     | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |
| 119945  | #9-946 FORD E-350 XL EXTENDED VAN                           | 4/30/2014    | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |
| 119973  | #9-11 FORD E-350 XL EXTENDED VAN                            | 5/30/2014    | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |
| 119974  | #9-951 FORD E-350 XL EXTENDED VAN                           | 5/30/2014    | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |
| 119975  | #9-952 FORD E-350 XL EXTENDED VAN                           | 5/30/2014    | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |
| 119976  | #9-953 FORD E-350 XL EXTENDED VAN                           | 5/30/2014    | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |
| 119977  | #9-954 FORD E-350 XL EXTENDED VAN                           | 5/30/2014    | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |
| 119978  | #9-955 FORD E-350 XL EXTENDED VAN                           | 5/30/2014    | 4           | \$36,411.00               | \$36,411.00   | \$4,551.38               | \$4,551.38        | \$31,859.62  |

**Schedule 2.1**

**Real Property Leases and Legal Descriptions**

Lease Agreement between City of Kalamazoo and Central County Transportation Authority

## LEASE

**THIS LEASE** is made and executed this \_\_\_\_\_ day of October, 2016, between the City of Kalamazoo, whose address is 241 West South Street, Kalamazoo, Michigan 49007, as "**Landlord**", and the Central County Transportation Authority, whose address is 530 North Rose Street, Kalamazoo, Michigan 49007, as "**Tenant**."

1. **Leased Premises.** Landlord is the owner of the buildings (the "**Buildings**") and other related improvements (the "**Improvements**") on the real property located in the City of Kalamazoo, County of Kalamazoo, State of Michigan, commonly known as follows:

- 205 West Ransom, Kalamazoo, Michigan
- 530 North Rose Street, Kalamazoo, Michigan
- 459 North Rose Street, Kalamazoo, Michigan
- 459 North Burdick Street, Kalamazoo, Michigan

and more particularly described on the attached **Exhibit A** (the "**Land**"). Landlord leases to Tenant, and Tenant leases from Landlord, the entire Land, Buildings and Improvements (the "**Leased Premises**"), at the rents and under the terms and conditions set forth in this Lease.

2. **Purpose of Occupancy.** Tenant shall occupy the Leased Premises for providing transportation services in Kalamazoo County and for any related purpose, but for no other purpose without the written consent of Landlord. The Leased Premises shall not be used for any purpose which would violate any law, ordinance, rule or regulation applicable to the Leased Premises, nor in any way to create any nuisance or trespass, nor in any way to violate the terms of any policy of insurance.

3. **Term of Lease; Renewal Term.** The term of this Lease shall commence on October 1, 2016 (the "**Commencement Date**"), and shall continue for twenty-five (25) years unless sooner terminated as provided in this Lease. Tenant's taking possession of the Leased Premises shall constitute Tenant's acceptance of the Leased Premises in its "as is" condition, subject only to the other terms and conditions of this Lease.

Provided Tenant is not then in default in the performance of any of its covenants and agreements under this Lease, Tenant may renew this Lease for three (3) additional twenty-five (25) year terms, upon the same terms and conditions as provided for in this Lease. In order to exercise such renewal right, Tenant shall serve Landlord with written notice of Tenant's election to renew not less than six (6) months prior to the end of the term of this Lease, or any renewal term, as the case may be.

4. **Rent.** Tenant covenants and agrees to pay Landlord as rent for the Leased Premises during the term of this Lease an amount equal to Twenty-Five and 00/100 Dollars (\$25.00), which is One Dollar (\$1.00) for each year of the Lease. Rent shall be the same amount during any renewal term. Rent, and all other sums payable under this Lease by Tenant, shall be

paid to Landlord at Landlord's address set forth above, or at such other address as Landlord may direct by written notice, without setoff, counter claim, recoupment, abatement, suspension or deduction.

5. **Taxes and Special Assessments.** If the Leased Premises are not tax exempt, Tenant shall pay and discharge all real property taxes and special assessments which may be levied against all or any portion of the Leased Premises or which become due and payable during the term of this Lease prior to the same becoming subject to interest or penalties. In addition, Tenant shall pay and discharge all personal property taxes which may be levied against its furniture, equipment and other personal property located on the Leased Premises.

6. **Insurance and Indemnity.** Tenant shall keep the Leased Premises insured against the following:

(a) loss or damage by fire and those risks covered by "extended coverage" as provided in a Michigan standard fire insurance policy in the amount of the full replacement cost of the Leased Premises;

(b) public liability and property damage insurance with coverage of at least Two Million Dollars (\$2,000,000.00) on a combined single limit basis.

All such policies of insurance shall be with insurance companies approved by Landlord and shall name Landlord as an additional insured. Such policies shall further provide that they shall not be subject to nonrenewal or cancellation without at least thirty (30) days prior written notice to Landlord. Tenant shall indemnify Landlord against and save Landlord harmless from any liability or claim for damages which may be asserted against Landlord by reason of any accident or casualty occurring in, on or about the Leased Premises or otherwise arising from Tenant's use and occupancy of the Leased Premises except such as arise from the negligence of Landlord, its agents or employees.

Tenant, at its expense, shall keep all of its furnishings, equipment and other personal property located on the Leased Premises fully insured against loss or damage by fire and those risks covered by "extended coverage" as provided in a Michigan standard fire insurance policy. Such policy of insurance shall be payable to Tenant or as Tenant specifies. Tenant hereby releases Landlord from any and all liability for any damage to or loss of such personal property from any cause whatsoever except to the extent such loss or damage is the result of the negligence of Landlord, its agents or employees and is not otherwise covered by insurance required to be carried by Tenant under this Lease.

Landlord shall maintain insurance on all underground storage tanks in amounts and with insurance companies approved by Tenant. All such insurance policies shall name Tenant as an additional insured. Such policies shall further provide that they shall not be subject to nonrenewal or cancellation without at least thirty (30) days prior written notice to Tenant.

7. **Waiver of Subrogation.** Each policy of insurance authorized or required of either party under this Lease shall contain a clause or endorsement under which the insurer waives all rights of subrogation against the other party, its agents and employees with respect to losses payable under such policy, and each party hereby waives all rights of recovery it might

otherwise have against the other party, its agents and employees for any loss or injury which is covered by such a policy of insurance, notwithstanding that such loss or injury may result from the negligence or fault of such other party, its agents and employees.

8. **Utilities.** Tenant shall pay when due all charges for utility services provided to the Leased Premises. Landlord shall not be liable in damages or otherwise for any interruptions or failure in the supply of any utilities or utility service to the Leased Premises except such failure or interruption which results from the negligence of Landlord, its agents or employees.

9. **Maintenance and Condition of Leased Premises.** Tenant, at its expense, shall keep the interior and exterior of the Leased Premises in good maintenance, condition, and repair, reasonable wear and tear excepted, including, without limitation, all necessary maintenance, repair and replacement of all HVAC, plumbing and electrical systems and other building equipment serving the Leased Premises, and the roof, walls, foundations, parking areas, sidewalks, driveways, lawns and landscaping. Landlord shall not have any responsibility or obligation for the maintenance, repair or replacement of the Leased Premises.

Tenant shall keep the Leased Premises in a neat and clean condition, shall not allow refuse to accumulate, and shall conduct its business in such a manner that the risk of fire to the Leased Premises shall not be increased beyond the hazard normal and usual for its type of business.

10. **Alterations.** Tenant may make or permit to be made any alterations, additions or improvements in, upon or to the Leased Premises, or any part of the Leased Premises, without the prior written consent of Landlord. All alterations, additions or improvements (except trade fixtures) so made and installed by Tenant shall become part of the realty, shall become the property of Landlord and shall remain for the benefit of Landlord at the end of the term or other expiration of this Lease in as good condition as they were when installed, reasonable wear and tear excepted. To the extent all or any part of the Leased Premises is considered an historic landmark or historic resource, Tenant agrees not to make any alterations, additions, or improvements without first securing any appropriate approvals and consents.

11. **Performance by Landlord.** In the event Tenant fails to perform any of its covenants and agreements as set forth in this Lease and such failure continues for a period of ten (10) days after written notice from Landlord (except that no such notice shall be required in emergency situations), Landlord shall have the option to undertake such performance for Tenant, and the costs and expenses reasonably incurred by Landlord by reason of such undertaking shall be due and payable by Tenant to Landlord as additional rent under this Lease.

12. **Performance by Tenant.** In the event Landlord fails to perform any of its covenants and agreements as set forth in this Lease and such failure continues for a period of ten (10) days after written notice from Tenant (except that no such notice shall be required in emergency situations), Tenant shall have the option to undertake such performance for Landlord, and the costs and expenses reasonably incurred by Tenant by reason of such undertaking shall be due and payable by Landlord to Tenant.



13. **Compliance with Public Authority Requirements.** Tenant agrees, at its own expense, to promptly comply with all requirements of any legally constituted public authority made necessary by reason of Tenant's occupancy of the Leased Premises, including, without limitation, the Americans with Disabilities Act.

14. **Hazardous Materials.**

(a) **Definitions.** For purposes of this Lease, the terms "**Hazardous Materials**" and "**Relevant Environmental Laws**" shall be defined as follows:

(i) "**Hazardous Materials**" shall mean all solids, liquids and gasses, including but not limited to solid waste, asbestos, crude petroleum and petroleum fractions, toxic chemicals, polychlorinated bi-phenyls, paint containing lead, volatile organic chemicals, chlorinated organic compounds, and urea formaldehyde foam insulation, which are governed or regulated by Relevant Environmental Laws.

(ii) "**Relevant Environmental Laws**" shall include but not be limited to all federal, state or local laws, rules, regulations, orders or determinations established or issued by any judicial, legislative or executive body, of any governmental or quasi-governmental entity which govern or regulate the existence, storage, use, disposal, or release of any solid, liquid or gas on, in or under the Leased Premises, or which govern or regulate the environmental effect of any activity currently or previously conducted on the Leased Premises.

(b) **Tenant's Obligations; Indemnification.** Tenant shall not, nor shall it permit its employees, business invitees, contractors or subcontractors (collectively "**Tenant's Agents**"), to bring upon, keep, store, use, or dispose of any Hazardous Materials on, in, under, or about the Leased Premises except in complete compliance with all Relevant Environmental Laws. Tenant shall, at its sole cost and expense and upon the demand of Landlord, cause all Hazardous Materials spilled, disposed of or otherwise released by Tenant or its Agents in, on, under or about the Leased Premises or any adjacent property to be cleaned-up and removed from the Leased Premises and the adjacent property to Landlord's satisfaction and in full compliance with the Relevant Environmental Laws. In addition, Tenant shall defend, indemnify, protect, and hold Landlord harmless from and against all claims, costs, fines, judgments, and liabilities, including attorney fees and costs of clean-up and other remediation costs and expenses, arising out of or in connection with the presence, storage, use, or disposal of Hazardous Materials in, on, under, or about the Leased Premises or any adjacent property caused by the acts, omissions, or negligence of Tenant and/or Tenant's Agents. Tenant's obligations hereunder shall survive the termination of this Lease.

(c) **Landlord's Obligations; Indemnification.** Neither Landlord nor Landlord's employees, business invitees, agents, contractors, or subcontractors (collectively "**Landlord's Agents**") shall bring upon, keep, store, use, or dispose of any Hazardous Materials in, on, under, or about the Leased Premises or adjacent property except in complete compliance with all Relevant Environmental Laws. Landlord shall

indemnify, defend, protect, and hold Tenant and Tenant's Agents harmless from and against any and all claims, costs, fines, judgments, and liabilities, including attorney fees and costs, arising out of or in connection with the presence of Hazardous Materials in, on, under, or about the Leased Premises or adjacent property as of the Commencement Date or introduced in, on, under, or about the Leased Premises or adjacent property subsequent to the Commencement Date due to the acts, omissions, or negligence of Landlord or Landlord's Agents. Landlord's obligations hereunder shall survive the termination of this Lease.

15. **Damage to Leased Premises.** In the event the Leased Premises, or any portion of the Leased Premises, are damaged by fire, the elements, acts of God, or other causes to such extent that they are rendered untenable by Tenant, then Tenant, using insurance proceeds, shall commence such rebuilding as soon as practical and shall continue and complete such rebuilding as promptly as possible. Notwithstanding anything else in the Lease to the contrary, if a casualty event occurs and the entire Leased Premises or any portion of the Leased Premises are rebuilt by Tenant and the parties later have to transfer the transit system back to the Landlord because of a Tenant millage failure as contemplated by paragraph 11 of the Comprehensive Transition Agreement executed by the parties, then Tenant shall execute the necessary documents to transfer any interest that Tenant may have in the Buildings and Improvements located on the Leased Premises to Landlord.

16. **Eminent Domain.** In the event that the whole of the Leased Premises shall be taken or condemned for any public or quasipublic use or purpose by any competent authority in appropriation proceedings or by any right of eminent domain, then this Lease shall terminate as of the date title vests in the condemnor, all rents and other payments shall be paid up to that date, and Landlord and Tenant shall have no further obligations by reason of the provisions of this Lease.

In the event that less than the whole of the Leased Premises is so taken or condemned, then Landlord, to the extent of the condemnation award, shall repair and restore the portion not affected by the taking so as to constitute the remaining premises a complete architectural unit.

Tenant shall have no interest in any award resulting from any condemnation or eminent domain or similar proceedings whether such award be for diminution in value to the leasehold or to the fee of the Leased Premises, except that Tenant shall be entitled to claim, prove and receive in such proceedings such award as may be allowed it for loss of business, relocation, and for Tenant's trade fixtures and personal property which are removable by Tenant at the end of the term of this Lease, provided such award shall be in addition to the award for land, buildings and other improvements.

17. **Defaults of Tenant.** The following occurrences shall be deemed defaults by Tenant:

(a) Tenant fails to pay when due any rent or other sum payable under this Lease and such failure continues for five (5) business days after written notice from Landlord.

(b) Tenant abandons or vacates the Leased Premises before the end of the term of this Lease; Tenant makes a general assignment for the benefit of creditors or becomes bankrupt or insolvent, or files or has filed against it in any court a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee; or the dissolution of Tenant.

(c) Tenant is in breach of any other obligation under this Lease, and such breach shall continue for ten (10) business days after written notice from Landlord. However, in the event any failure by Tenant cannot reasonably be cured within the ten (10) business day period set forth in this sub-paragraph, Tenant shall not be deemed in default so long as Tenant commences such cure within the ten (10) business day period and diligently pursues completion of such cure thereafter.

18. **Remedies of Landlord.** Landlord shall have the option to terminate this Lease to re-enter into, and again have and enjoy, the Leased Premises, and remove and evict Tenant and any person holding under Tenant from the Leased Premises, all without prejudice to any other remedy available to Landlord at law or in equity, for the collection of rent coming due before or after such termination, or the recovery of other damages.

19. **Right of Access.** Tenant agrees to permit Landlord, and Landlord's agents, to inspect or examine the Leased Premises at any reasonable time in a reasonable manner. Tenant shall have the right to accompany Landlord on any such inspections and examinations, which shall be scheduled to suit the reasonable convenience of both parties.

20. **Surrender of Leased Premises.** Tenant covenants and agrees to surrender possession of the Leased Premises to Landlord upon the expiration of the term of this Lease, or upon earlier termination of this Lease, in as good condition and repair as the same shall be at the Commencement Date, or as the same may have been put by Landlord and Tenant during the continuance of this Lease, ordinary wear and tear excepted. In addition, Tenant shall remove all of its property from the Leased Premises and shall repair any damage to the Leased Premises caused by such removal.

Any personal property of Tenant or of anyone claiming under Tenant which shall remain on the Leased Premises after the expiration or termination of this Lease shall be deemed to have been abandoned by Tenant, and either may be removed by Landlord as its property or may be disposed of in such manner as Landlord may see fit, and Landlord shall not be in any way responsible for such property.

21. **Holding Over.** In the event Tenant shall continue to occupy all or any part of the Leased Premises after the expiration of the term of this Lease with the consent of Landlord, such holding over shall be deemed to constitute a tenancy from month to month, upon the same terms and conditions as are contained in this Lease, except as to term; provided, however, if such holding over is without Landlord's written consent, Tenant shall pay to Landlord as rent for each month, or part of a month, that Tenant remains in possession of the Leased Premises, \$1.50 per month.

22. **Signs.** Landlord shall have no obligation to provide any signs for Tenant. All signs shall be erected at Tenant's sole cost and expense, and in compliance with all applicable laws, ordinances, codes and regulations. In addition, all such signs shall be removed by Tenant upon the termination of this Lease.

23. **Other Leases.** This Lease is being executed by the parties as part of the transition of the transportation system from the Landlord to the Tenant as contemplated in the Comprehensive Transition Agreement dated \_\_\_\_\_, 2015 (the "Agreement"). Landlord and Tenant acknowledge that there are a number of leases and agreements already in place for portions of the Leased Premises. By way of example, these include leases and agreements with Amtrak, Greyhound, and Indian Trails. Landlord will be assigning all of its right, title, and interest under all of these leases and agreements to Tenant. Landlord and Tenant will jointly send notification of the same to each of the other parties under these leases and agreements. Landlord, pursuant to the terms of the Agreement, shall transfer any security deposits to Tenant and the parties shall prorate any rent or other amounts paid under these leases and agreements by the other parties.

24. **Assignment and Sublease.** Tenant shall not assign this Lease without the prior written consent of Landlord, which consent cannot be unreasonably withheld. Further, Tenant may sublease all or any portion of the Leased Premises without the consent of Landlord.

25. **Future Cooperation.** Notwithstanding anything in this Lease to the contrary, Landlord and Tenant agree to work cooperatively in the event either Landlord or Tenant, or both of them, are presented with a future development, expansion, or community enrichment opportunity.

26. **Quiet Enjoyment.** On paying the rent and on performing all of the covenants and agreements on its part to be performed under the provisions of this Lease, Tenant shall peacefully and quietly have, hold and enjoy the Leased Premises for the term of this Lease.

27. **Benefit and Obligation.** The benefits of this Lease shall accrue to, and the burdens of this Lease shall be the liabilities of, the successors and assigns of Landlord and Tenant.

28. **Notices.** All notices required under any provision of this Lease shall be deemed to be properly served if delivered personally or sent by registered or certified mail to each party at their address as stated above or at such other address as each party shall designate in writing delivered to the other party. All mailed notices shall be effective upon mailing. Notices delivered personally shall be effective upon personal delivery.

29. **Waiver.** The failure of either party to enforce any covenant or condition of this Lease shall not be deemed a waiver thereof or of the right of either party to enforce each and every covenant and condition of this Lease, and no provision of this Lease shall be deemed to have been waived unless such waiver is in writing. One or more waivers of any covenant or condition by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant or condition nor shall the acceptance of rent or other payment by Landlord at any time when Tenant is in default under any term, covenant or condition of this Lease constitute a

waiver of such default, nor shall any waiver or indulgence granted by either party be taken as an estoppel against the party granting the indulgence or waiver.

30. **Unenforceability.** In the event any covenant, term, provision, obligation, agreement or condition of this Lease is held to be unenforceable, it is mutually agreed and understood, by and between the parties hereto, that the other covenants, terms, provisions, obligations, agreements and conditions herein contained shall remain in full force and effect.

31. **Captions.** All headings contained in this Lease are intended for convenience only and are not to be deemed or taken as a summary of the provisions to which they pertain or as a construction thereof.

32. **Governing Law.** This Lease shall be governed by the laws of the State of Michigan.

33. **Entire Agreement; Amendment.** This Lease contains all of the terms and conditions of the agreement of the parties concerning the Leased Premises. This Lease may be amended only by a written agreement signed by both Landlord and Tenant.

**LANDLORD**

**CITY OF KALAMAZOO**

By \_\_\_\_\_

Its: \_\_\_\_\_

**TENANT**

**CENTRAL COUNTY  
TRANSPORTATION AUTHORITY**

By \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**  
**THE LAND**

**Parcel 1:**

Lots 3 and 4 of Block 28 of the Original Plat.

More commonly known as: 205 West Ransom Street, Kalamazoo, Michigan  
Tax parcel number: 06-15-174-003

**Parcel 2:**

All of Block 27 of the Original Plat. Also, the North 7 feet South of and adjacent to all of Block 27.

More commonly known as: 530 North Rose Street, Kalamazoo, Michigan  
Tax parcel number: 06-15-195-003

**Parcel 3:**

North 5 rods of Lots 2, 3, and 4 of Block 14 of the Original Plat.

More commonly known as: 459 North Rose Street, Kalamazoo, Michigan  
Tax parcel number: 06-15-304-100

**Parcel 4:**

All of Block 15, including Lots 1 through 10, and including vacated West Harrison Court lying in Block 15.

More commonly known as: 459 North Burdick Street, Kalamazoo, Michigan  
Tax parcel number: 06-15-330-100

**Schedule 4.2(a)**

**CCTA-City Support Services Agreement**

Support Services Agreement between City of Kalamazoo and Central County Transportation Authority

**CCTA-City  
Support Services Agreement**

|  |   |
|--|---|
| Central County Transportation Authority ("CCTA")<br>530 North Rose Street<br>Kalamazoo, Michigan 49007<br>Attn: Executive Director | City of Kalamazoo ("City")<br>241 West South Street<br>Kalamazoo, Michigan 49007<br>Attn: Chief Financial Officer |
|--|---|

The City and CCTA agree:

**1. Acknowledged Facts.**

CCTA has taken over the operation of the City's public transportation system known as Metro Transit. Before that transition, the City had been providing administrative services to Metro Transit. CCTA requests that it continue receiving similar services from the City as described below.

**2. Term of Agreement.**

It is agreed by the parties that the City shall engage in planning, preparation and support of the transition of Metro Transit to CCTA prior to October 1, 2016. These duties shall include, but not be limited to, assistance in the CCTA budgeting process and procurement.

It is further agreed by the parties that the City shall perform certain accounting and financial functions, benefits processing, treasury, information technologies, human resources, and purchasing/risk management, for CCTA for a three year period beginning on October 1, 2016 and ending on September 30, 2019. The term of this Agreement may be extended by the mutual agreement of the parties.

**3. City Responsibilities.**

The City shall perform the following accounting services and financial support functions for CCTA:

**a. Payroll/Vendor Payments.**

i. Provide full payroll services for CCTA employees including the preparation of payroll checks, direct deposits, processing and submission of tax withholding payments and tax reporting documents. CCTA will purchase its own paper stock for payroll checks and stubs. Payroll will be processed in accordance with the City's standard payroll procedures and timekeeping software.

ii. Process and pay CCTA invoices, including payments to vendors. CCTA will purchase its own check stock for these payments for use by the City. Payments will be made in accordance with the City's accounts payable



procedures. Split invoices (for shared services including but not limited to phones, utilities, fuel, etc.) will be allocated to CCTA in a reasonable fashion according to standard City procedure.

iii. Process annual information returns including unemployment taxes, W-2's and 1099's as needed.

iv. The Kalamazoo City Treasurer will solely use CCTA funds to finance payroll and vendor payments.

b. Pension & Retiree Health Care Management

i. Calculate employee pension benefits, process pension checks, pay retiree health care claims and related expenses, and administer annual reporting and actuarial studies relative to CCTA retirees and active CCTA employees who are eligible to receive pension and/or defined retiree health care benefits.

ii. Administer the assets entrusted to the City for retiree pension and healthcare benefits to pay CCTA employee and retiree defined benefit pension and retiree health care benefits, as well as related reporting, legal compliance, investments, cash management, payment of expenses, and related ministerial tasks.

iii. Administer retirement healthcare savings accounts for CCTA employees and retirees.

c. Annual Reporting

i. Coordinate with independent auditors selected by CCTA, to the extent necessary, to complete the annual financial statements and single audit of federal awards in accordance with generally accepted accounting practices and applicable statutes.

ii. Provide Operating Assurance Report (OAR) reconciliation assistance, grant assistance, State compliance F-65 filing, and Asset Management services.

iii. Consult with CCTA on financial policies and procedures.

iv. Assist CCTA with preparation for triennial review by the Federal Transit Administration (FTA).

d. General Ledger.

i. Prepare and maintain a year-to-date general ledger and provide detailed information supporting financial statement numbers to CCTA, including recording financial activity in the City's financial enterprise resource

program (Eden, or another system) and balancing the general ledger module with subsidiary systems.

ii. Provide bank account and balance sheet account reconciliations including inventory, and prepaid asset accounts.

iii. Establish CCTA accounts within the City's chart of accounts based upon input from CCTA.

e. Treasury.

i. Receive CCTA tax collection funds from the County Treasurer, as well as other CCTA receipts. Deposit CCTA funds into a bank account which has been established solely for CCTA funds.

ii. Fulfill reimbursements from the CCTA to taxpayers as required, identify and procure all eligible reimbursements and rebates from the State of Michigan or other entities to the CCTA (i.e., exempt personal property reimbursements, etc.).

iii. File all required property tax-related reports to various entities including the State of Michigan.

iv. Invest CCTA surplus cash in a manner consistent with applicable laws, as well as with CCTA and City policies. Make available CCTA funds to finance CCTA payroll, accounts payable and other CCTA needs. The City will not provide City funds to cover CCTA needs.

f. Information Technology

i. Provide, email services, computers, phones, and central service software systems to support the business function of CCTA. This involves assisting with the purchasing, supply, and support for additional computer hardware, software and VOIP phone systems. Certain software system maintenance costs currently paid by Metro Transit are to be paid separately by CCTA to the respective vendors, including, but not limited to the following vendors: PCIT, iMaint, TMS, GFI.

g. City Clerk

i. The City Clerk will provide records maintenance according to the retention and destruction schedules established by the City and provide records to CCTA as requested by CCTA.

h. Human Resources

i. Provide recruitment, hiring, firing, promotion, discipline, pay scales, benefit administration, workers compensation, collective bargaining,

grievances, mediation, arbitration, affordable health care reporting, EEO reporting and training services, in a manner consistent with CCTA policies.

i. Purchasing

i. Purchasing, including support, review and approval of purchase orders, requisitions, competitive bidding, contract management, and vendor qualification.

ii. Notwithstanding termination rights under Section 9 of this Agreement, services under this section may be discontinued in whole or in part at the discretion of CCTA at any time upon thirty (30) days written notification to the City.

j. Facilities Maintenance

i. Maintenance of CCTA facilities including preventative maintenance, analysis of facilities equipment and HVAC repair, and assistance in the preparation of bid specifications regarding the same.

k. Timeliness

i. City staff is to be provided 48 business hours to respond to any information request from the CCTA; reasonable requests for expedition by the CCTA will be honored by the City.

l. Planning Meetings

i. The City's Chief Financial Officer and the CCTA's Executive Director and any appropriate staff and/or consultants will meet on a regular basis to identify outstanding issues, their resolutions and the resources assigned to the same within the scope of this Agreement.

4. **CCTA Responsibilities.** CCTA agrees to do the following to assist the City in performing the services and functions being provided under this Agreement:

a. Provide general information on a timely basis to the City to allow the City to perform its tasks.

b. Provide hourly and/or salary information for employees as needed to allow City to perform payroll functions.

c. Timely submit approved accounts payable documents in a manner provided by the City.

d. Timely submit approved payroll forms in a manner provided by the City.

- e. Assist with the annual CCTA audit.

**5. Compensation.**

CCTA shall pay \$20,000 to the City on September 30, 2016 for transition duties performed through September 30, 2016.

CCTA shall pay \$500,628 to the City in four equal installments of \$125,157, payable on October 1<sup>st</sup>, January 1<sup>st</sup>, April 1<sup>st</sup> and July 1<sup>st</sup> for each year of the Agreement.

In the event that CCTA requests that the City perform any additional services not enumerated in this Agreement, including any transition services and related costs, such services shall be billed to CCTA at the cost of \$50.00 per hour plus the actual costs of materials, and shall be payable within 30 days from receipt of an invoice. Additional services shall not be provided by the City without prior written approval from CCTA. The City can decline to provide any additional services requested by CCTA.

**6. City as Independent Contractor.**

The City, in providing the services set forth in this Agreement, shall be acting as an independent contractor and not as an agent, partner, joint venturer or employee of the CCTA. Neither City nor its employees are entitled to benefits provided by the CCTA to its employees. The CCTA is not responsible for any compensation, FICA, withholding taxes, employment compensation or any other similar payment for the City or the City's employees.

**7. Non-Discrimination.**

City agrees not to discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or any other matter directly or indirectly related to employment, because of sex, color, age, national origin, religion, height, weight, marital status, disability, political affiliation, sexual orientation, or gender identity. City further agrees to require compliance with this paragraph of the Agreement by any of City's subcontractors providing services under this Agreement. Breach of this paragraph of the Agreement may be regarded as a material breach of the Agreement.

**8. No Third Party Rights.**

This Agreement is made solely for the benefit of the parties who are signatories to it, and is not for the benefit of any third party. No third party can enforce any obligations under this Agreement.

**9. Termination Rights.**

This Agreement may be terminated by either party at any time, either with or without cause, by providing the other party with the required written notice of the same. The right to terminate this Agreement is not an exclusive remedy.

a. Termination For Cause. For purposes of this Agreement, "for cause" is deemed to be a material breach by either party of the terms of this Agreement.

For purposes of terminating this Agreement for cause, the terminating party shall provide the non-terminating party with written notice of the default and at least fifteen (15) business days to cure the same. The fifteen (15) business day period to cure the default shall begin to run when written notice of the default is deemed received by the non-terminating party as determined by paragraph 13 of this Agreement. If, at the end of this fifteen (15) business day period, the non-terminating party has failed to cure the default, this Agreement will terminate.

b. Termination Without Cause. Either party may terminate this Agreement at any time without cause by providing the other party with sixty (60) days advance written notice of the same. This Agreement shall be deemed to terminate sixty (60) days from the date that written notice is deemed received by the non-terminating party as determined by paragraph 13 of this Agreement.

c. Compensation. If this Agreement is terminated by either party, CCTA shall have no obligation to pay the City for any work done by the City after the date the Agreement is deemed terminated. The City shall refund to CCTA on a prorated basis monies paid for the balance of the quarter.

#### **10. Indemnification.**

a. City agrees to be solely responsible for the acts and omissions of its employees, officers, directors, and representatives which may give rise to any proceedings, actions, demands, causes of action, liability and suits of any kind and nature, in connection with any matter referred to in this Agreement made upon CCTA directly or indirectly in any way arising out of or resulting from the willful acts or negligence of City, its agents, employees or contractors.

b. CCTA agrees to be solely responsible for the acts and omissions and its employees, officers, directors, and representatives which may give rise to any proceedings, actions, demands, causes of action, liability and suits of any kind and nature, in connection with any matter referred to in this Agreement made upon City directly or indirectly in any way arising out of or resulting from the willful acts or negligence of CCTA, its agents, employees or contractors.

c. Nothing in this Agreement shall be construed to be a waiver of any immunity or defense that either the City or CCTA may assert to any suit, claim, or demand sounding in tort or contract.

#### **11. Severability.**

If any provision of this Agreement is determined to be invalid or unenforceable, the other provisions of the Agreement will remain valid and enforceable in accordance with their

respective terms, and any such invalid or unenforceable provision will be deemed to be modified with retroactive effect to render such provision valid and enforceable.

**12. CCTA Documents.**

During the course of this Agreement, the City will have access to information of CCTA. The City agrees that this information will not be used for any purpose other than to carry out the terms of this Agreement. In the event the City receives a Freedom of Information Act ("FOIA") request for any public record of CCTA in the City's possession, the City shall immediately advise CCTA of the FOIA request. The City agrees to work with CCTA in preparing a response to the FOIA request.

**13. Notice.**

Any notice, consent or approval required or permitted to be given under this Agreement shall be:

- a. in writing;
- b. addressed to the recipient at the address of the recipient set forth on this Agreement's first page, or to such other address as that party may hereafter designate in writing to the other party; and
- c. deemed to have been received upon (i) personal delivery, (ii) one business day after being deposited with Federal Express or another reliable, nationally-recognized overnight courier service for next day delivery or transmission, or (iii) two business days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required.

**14. Miscellaneous.**

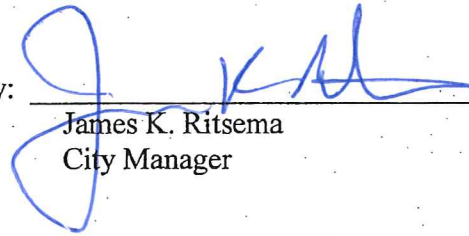
This Agreement shall be governed by the laws of the State of Michigan. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. This Agreement is personal to each of the parties and neither party may assign or delegate any of its rights or obligations under this Agreement without first obtaining the other party's written consent. This Agreement may not be amended, altered, or modified except by written agreement signed by both of the parties. The headings contained in this Agreement are for convenience only and shall not affect the interpretation or construction of this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the parties hereto as of the date first above written.

The City of Kalamazoo

10/19/15  
Date

By:

  
James K. Ritsema  
City Manager

Central County Transportation Authority

10/19/15  
Date

By:

  
Sean McBride  
Executive Director

## Schedule 4.2(b) Bill of Sale

### BILL OF SALE

**City of Kalamazoo**, whose address is 241 West South Street, Kalamazoo, Michigan 49007 and **Kalamazoo Transit Authority a/k/a Metro Transit Service**, whose address is 241 West South Street, Kalamazoo, Michigan 49007 (collectively the "Seller"), for One Dollar (\$1.00) and other good and valuable consideration paid by **Central County Transportation Authority**, whose address is 530 North Rose Street, Kalamazoo, Michigan 49007 ("Buyer"), does hereby sell, grant, convey, transfer and deliver to Buyer on this \_\_\_\_ day of October, 2016, all of Seller's right, title and interest in and to all of the assets described on the attached **Exhibit A** (the "Assets").

Seller transfers the Assets free and clear of all liens, claims, mortgages, pledges or encumbrances of any kind.

Dated this \_\_\_\_ day of October, 2016

**CITY OF KALAMAZOO**

\_\_\_\_\_  
By:

Its: \_\_\_\_\_

**KALAMAZOO TRANSIT AUTHORITY A/K/A  
METRO TRANSIT SERVICE**

Dated this \_\_\_\_ day of October, 2016

\_\_\_\_\_  
By:

Its: \_\_\_\_\_



**Schedule 5.1**

**Required Consents**

None Identified as of October 1, 2015

---

**Schedule 5.3**

**Pending or Threatened Claims**

List Available as of October 14, 2015

**Schedule 5.6**

**Permits and Licenses**

Federal Transit Administration Fiscal Year 2015 Certifications and Assurances

Michigan Department of Transportation Agreement for City of Kalamazoo Projects dated August 12, 2011

**Schedule 5.7****Financial Statements**

City of Kalamazoo, Michigan Metro Transit System Financial Statements Dated December 31, 2014 (prepared by Abraham & Gaffney, P.C.)

City of Kalamazoo, Michigan Supplementary Information to Financial Statements (Federal Awards) Dated December 31, 2014 (prepared by Abraham & Gaffney, P.C.)

City of Kalamazoo Calendar Year 2015 Adopted Budget

Kalamazoo Area Transportation Study FY 2014 – 2017 Transportation Improvement Program

Bank Statements – Accounts ending in 1666 and 6544

**Schedule 5.11****Liabilities**

City of Kalamazoo, Michigan Metro Transit System Financial Statements Dated December 31, 2014 (prepared by Abraham & Gaffney, P.C.)

City of Kalamazoo Employees Retirement System Sixty-Third Annual Actuarial Valuation dated December 31, 2014 (provided by Gabriel Roeder Smith & Company)

City of Kalamazoo Postretirement Welfare Benefits Plan – Actuarial Valuation Report as of January 1, 2014

**Schedule 5.16****Insurance**

Michigan Municipal Risk Management Authority – Coverage Overview Effective January 1, 2015 – January 1, 2016

Michigan Municipal Risk Management Authority – Joint Powers Agreement

Michigan Municipal Risk Management Authority - Coverage Documents

Michigan Transit Pool Memorandum of Liability Coverage Declaration dated December 1, 2014

Michigan Transit Pool Annual Financial Report Years Ended November 30, 2014 and 2013

Great American Insurance Companies Pollution Liability Policy dated April 17, 2015 – April 17, 2016

Workers' Compensation Insurance Plan

**Schedule 7.1(b)**

**Collective Bargaining and Other Employment  
Agreements**

Labor Agreement between City of Kalamazoo, Michigan and the American Federation of State, County and Municipal Employees Local #2775 and Council #25 Dated October 2, 2014 – October 2, 2016

Agreement between City of Kalamazoo and Division No. 1030 Amalgamated Transit Union, AFL-CIO Dated February 14, 2015 – February 13, 2019

Agreement between Kalamazoo Municipal Employees Association and the City of Kalamazoo Dated January 1, 2014 – December 31, 2017

**Schedule 7.1(c)**

**Labor Disputes**

As of September 18, 2015:

Grievance 15-04

Grievance 15-03

Grievance 13-01



**Schedule 7.1(d)**      **Employee Benefit Plans**

Summary of City of Kalamazoo Employee Benefits Dated 2014

**Plan Documents:**

Always Care and VSP Vision Care Vision Plans – 2016

American Fidelity Section 125 Flexible Benefit Plan

Blue Cross Blue Shield Plan Documents

Delta Dental Plan Documents

HelpNet Employee Assistance Program Agreement

ICMA Retirement Corporation Administrative Service #0985 Agreement Dated May 12, 1994

MetLife Plan Document

Municipal Employee Retirement System Health Care Savings Program Restated March 13, 2007

Nationwide Deferred Compensation Plan for Public Employees 457

Nationwide Roth 457(b) Provision

**Schedule 7.1(e)**

**Favorable Determination Letter**

To be received prior to October 1, 2016

**Schedule 7.4**

**Pension Participants and Benefits**

Metro Transit Retiree Listing as of December 31, 2014

Active Employee List with Eligibility Status and Service Dates

City of Kalamazoo Group Trust dated July 1, 2012

**Schedule 7.9**

**Sick Bank/Annual Leave Bank Hours**

Metro Transit Leave Balances as of October 7, 2015

## Schedule 8.1 Federal and State Grants

| Grant Number   | Program Description                          | Federal Grant Number |
|----------------|--|----------------------|
| G2002-0055/Z2  | 2002 5307 Formula Match                      | MI-90-0382           |
| G2002-0055/Z3  | 2002 5311 Operating                          | none                 |
| G2002-0055/Z4  | 2003 5307 Formula Match                      | MI-90-0404           |
| G2002-0055/Z5  | 2003 5311 Operating                          | none                 |
| G2002-0055/Z7  | State Discretionary Grant (partial for bus)  | 100% MDOT            |
| G2002-0055/Z8  | 2004 5311 Operating Assistance               | none                 |
| G2002-0055/Z9  | 2004 5307 Formula Match                      | MI-90-0431           |
| G2002-0055/Z11 | InterCity Funding DTC/ITC Construction, etc. | n/a                  |
| G2002-0055/Z12 | 2004 5309 Discretionary Match                | MI-03-0206           |
| G2002-0055/Z13 | 2005 5311 Operating Assistance               | none                 |
| G2002-0055/Z14 | 2005 Specialized Services                    | none                 |
| G2002-0055/Z15 | CAV County Novations                         | none                 |
| G2002-0055/Z16 | CAV County Novations                         | none                 |
| G2002-0055/Z17 | CAV County Novations                         | none                 |
| G2002-0055/Z18 | 2006 Specialized Services                    | none                 |
| G2002-0055/Z19 | FY2005 Section 5309 Match                    | MI-03-0216           |
| G2002-0055/Z20 | 2006 5300 Operating Assistance               | none                 |
| G2002-0055/Z21 | 2005 5307 Formula Match                      | MI-90-0455           |
| G2002-0055/Z22 | 2006 5307 Formula Match                      | MI-90-0495           |
| G2002-0055/Z23 | FY2006 Section 5309 Match                    | MI-04-0014           |

|                |  |                        |
|----------------|--|------------------------|
| G2007-0239/Z1  | 2007 Specialized Services              | none                   |
| G2007-0239/Z2  | 2007 JARC Funding                      | none                   |
| G2007-0239/Z3  | 2007 5311 Operating Assistance         | none                   |
| G2007-0239/Z4  | 2007 5307 Match                        | MI-90-0520             |
| G2007-0239/Z5  | 2007 STP Match                         | MI-95-0009             |
| G2007-0239/Z6  | 2008 Specialized Services              | none                   |
| G2007-0239/Z7  | 2008 5311 Operating                    | none                   |
| G2007-0239/Z8  | FY2008 Section 5307 STP                | MI-95-0026             |
| G2007-0239/Z9  | FY2008 Section 5307 Local (2005 funds) | MI-90-0569             |
| G2007-0239/Z10 | FY2008 5307 Match                      | MI-90-0562             |
| G2007-0239/Z11 | FY2007-08 Section 5309 Match           | MI-04-0027             |
| G2007-0239/Z12 | FY2009 Specialized Services            | none                   |
| G2007-0239/Z13 | FY2009 Section 5311 Operating          | none                   |
| G2007-0239/Z14 | FY2009 Section 5309 Match              | MI-04-0047             |
| G2007-0239/Z15 | FY2009 Section 5307 STP                | MI-95-0047             |
| G2007-0239/Z16 | FY2010 Specialized Services            | none                   |
| G2007-0239/Z17 | 2010 Section 5307 Operating            | MI-90-0818             |
| G2007-0239/Z18 | FY2010 Section 5311 Ops/ARRA           | MI-86-0002 (MDOT ARRA) |
| G2007-0239/Z19 | FY2010 Section 5311 Operating          | MI-18-X520 (MDOT)      |
| G2007-0239/Z20 | FY2010 Section 5307 STP                | MI-85-0054             |
| G2007-0239/Z21 | FY2011 Specialized Services?           | none                   |
| G2007-0239/Z22 | FY2011 5311 Operating?                 | none                   |
| G2007-0239/Z23 | FY2011 Section 5307 STP                | MI-85-0073             |
| G2007-0239/Z24 | FY2011 Section 5307 Match              | MI-90-0634             |
| G2007-0239/Z25 | Old County Funds for Bus               | MI-03-0240             |

|                |  |            |
|----------------|--|------------|
| G2012-0112/P1  | 2012 New Freedom 5317                  | none       |
| G2012-0112/P2  | 2012 Specialized Services              | none       |
| G2012-0112/P3  | 2012 Section 5311 Operating Assistance | none       |
| G2012-0112/P4  | 2012 Section 5307 STP Match            | MI-95-X080 |
| G2012-0112/P5  | 2012 New Freedom 5317                  | none       |
| G2012-0112/P6  | 2013 Specialized Services              | none       |
| G2012-0112/P7  | 2012 Section 5311 Operating            | none       |
| G2012-0112/P8  | 2013 Section 5307 Operating            | MI-90-X677 |
| G2012-0112/P9  | FY2013 Section 5307 STP                | MI-95-X102 |
| G2012-0112/P10 | 2012 New Freedom 5317                  | none       |
| G2012-0112/P11 | 2014 Specialized Services              | none       |
| G2012-0112/P12 | 2014 Section 5311 Operating            | none       |
| G2012-0112/P13 | 2014 Section 5307 STP                  | MI-95-X112 |
| G2012-0112/P14 | 2015 Specialized Services              | none       |
| G2012-0112/P15 | 2015 Section 5311 Operating            | none       |
| G2012-0112/P16 | 2015 Section 5310 Operating/Capital    | MI-16-X012 |
| G2012-0112/P17 | 2015 Section 5339 Capital              | MI-34-0009 |
| G2012-0112/P18 | 2016 Specialized Services              | none       |

### Ridesharing Grants

|           |                  |      |
|-----------|------------------|------|
| 2006-0471 | 2006 Ridesharing | CMAQ |
| 2007-0611 | 2007 Ridesharing | CMAQ |
| 2008-0266 | 2008 Ridesharing | CMAQ |
| 2009-0590 | 2009 Ridesharing | CMAQ |
| 2010-0166 | 2010 Ridesharing | CMAQ |
| 2011-0332 | 2011 Ridesharing | CMAQ |
| 2012-0453 | 2012 Ridesharing | CMAQ |
| 2013-0276 | 2013 Ridesharing | CMAQ |

### ARRA

|      |            |            |
|------|------------|------------|
| none | ARRA Grant | MI-96-0015 |
|------|------------|------------|